PRESS RELEASE
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LUKOIL GROUP PROVED RESERVES BY SEC STANDARDS TOTAL 17.3 BILLION BARRELS OF OIL EQUIVALENT

OAO LUKOIL has completed an evaluation and independent audit of its oil and gas reserves as they stand on December 31, 2010.

The audit results by Miller and Lents, a US firm, suggest that the Company's proved hydrocarbon reserves as of December 31, 2010 came to 17.3 billion barrels of oil equivalent, including 13.3 billion barrels of oil and 23.6 trillion cubic feet of gas.

The evaluation was performed in accordance with the US Securities and Exchange Commission (SEC) standards until the economic limit of commercial production is reached.

The Company also completed an evaluation of contingent resources basing on the PRMS classification. According to unaudited data, as of December 31, 2010 contingent resources in the 3C category amount to 10.7 billion barrels of oil equivalent. The Company management believes that these volumes of oil and gas will be moved from resources to reserves depending on three main factors: as the beginning of their development draws nearer, as the gas utilization program moves forward and as new technologies make production of hard-to-recover reserves commercial.

In 2010, proved reserves grew due to geological exploration, production drilling and acquisitions, and totaled 687 million barrels of oil equivalent. Of the 687 million barrels, geological exploration and production drilling accounted for 625 million barrels of oil equivalent, while acquisitions accounted for 62 million barrels of oil equivalent. The increment of the gas reserves was mainly caused by continued development of the Bolshekhetskaya Depression and the beginning of drilling at Pyakyakhinskoye field.

The adoption of the law on the adjustment of rates of the mineral extraction tax for oil and gas resulted, in 2010, in the cutting of the proved reserves by 118 million barrels of oil equivalent.

One of the most significant events of 2010 was the start of oil production at Yu. Korchagin field in the Northern Caspian Sea. In 2010, lower export duties were granted to the Company for the oil produced at the Yu.Korchagin and V.Filanovsky

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fields. The duties were considered in estimating the reserves and future cash flows for these fields.

The commencement of works at West Qurna-2 oilfield in Iraq was another milestone for the Company. In December 2009, LUKOIL in alliance with Statoil were granted the right to develop this field. The Company`s share in the proved reserves pertaining to the early oil phase of the project has for the first time been included in the review of the Company's proved reserves in accordance with the approved Preliminary Production Plan.

In summary, in terms of proved hydrocarbon reserves volume LUKOIL retains its leading positions among the Russian and international companies.

LUKOIL Group Oil and Gas Reserves

As of December 31, 2010	**Oil**	**Gas**	**Oil + gas***
	million barrels	billion cubic feet	million barrels of oil equivalent
Proved reserves	**13,319**	**23,615**	**17,255**
including:			
Developed reserves	8,79	8,882	10,27
Undeveloped reserves	4,529	14,733	6,985
Probable reserves	**6,474**	**11,888**	**8,455**
Possible reserves	**2,78**	**2,318**	**3,167**

*Conversion ratio from cubic feet to barrels:

1 barrel = 6,000 cubic feet

Estimates of Cash Flows from LUKOIL Group Reserves Development

As of December 31, 2010, million USD	**Proved**	**Probable**	**Possible**
Future cash flows from sales of oil and gas	491,901	231,998	98,624
Future oil and gas production and field development costs	348,961	174,701	86,873
Future undiscounted cash flow (before income tax)	142,94	57,297	11,751

Effect of discounting (10%)	85,13	46,398	11,088
Discounted cash flow (before income tax)	57,81	10,899	663