PRESS RELEASE
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LUKOIL STARTS EXPLORATORY DRILLING OFF SIERRA LEONE

Official events were held in the Republic of Sierra Leone today on the occasion of the commencement of LUKOIL's drilling program at Block SL-5-11 on the West African shelf. The ceremony was attended by Ernest Bai Koroma, President of Sierra Leone, Gennady Gatilov, Deputy Minister of Foreign Affairs of Russia, and Andrey Kuzyaev, President of LUKOIL Overseas.

The ceremony took place at the Eirik Raude drilling rig which began drilling an exploratory well in Savannah prospect. The target depth of the well will exceed 4,700 meters, the water depth at the drilling location is more than 2,000 meters.

Eirik Raude is the largest self-propelled offshore drilling rig of the 5th generation in the world. The rig has a height of 122 m, a length of 119 m, a width of 85 m, a deadweight of 52,500 tons and a speed of 7 knots. The personnel on board are 120.

LUKOIL Overseas entered into the PSA for exploration and development of Block SL-5-11 in July of 2011 as the operator, with a 49% share. The other project partners are Oranto of Nigeria (30%) and PanAtlantic (21%).

Block SL-5-11 covers an area of 4,022 square kilometers on the shelf and continental slope of the Atlantic Ocean with the water depths ranging from 100 to 3,300 meters. 2D and 3D seismic data were acquired on 1,500 square kilometers, which lead to the identification of several prospects. From the geological point of view, the block belongs to the Sierra Leone-Liberia basin where a number of oil and gas discoveries have been made recently.

A standard contract for exploration and development of the block was concluded for the term of 30 years. The exploration program for the block includes re-interpretation of historical seismic data, an electric exploration survey and the drilling of one exploration well.

The current exploration period will expire on December 31, 2013. Obligations of the next exploration period will depend on the exploratory drilling results.

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