PRESS RELEASE
MAY 23, 2014

LUKOIL AND TOTAL AGREE ON GENERAL TERMS OF COOPERATION TO DEVELOP HARD TO RECOVER RESERVES

Today, as part of the St. Petersburg International Economic Forum 2014, Vagit Alekperov, OAO LUKOIL President, and Christophe de Margerie, CEO and Chairman of Total Group's Board of Directors, agreed on general conditions of participation in a joint project focused on the exploration and development of hard-to-recover hydrocarbon reserves in the Khanty-Mansi Autonomous Okrug-Yugra in the Russian Federation.

The agreement provides for establishment of a joint venture with LUKOIL, 51%, and Total, 49%.

As part of the agreement, the companies will conduct seismic surveys, appraisal and exploration, including the drilling of appraisal wells in the hydrocarbon-bearing deposits of the Bazhenov formation and the low-permeability formations below it.

The companies also intend to implement a pilot project at the Galyanovsky license site, with OAO RITEK (member of LUKOIL Group) retaining the respective subsoil-use rights, as well as at the Vostochno-Kovensky, Tashinsky and Lyaminsky-3 license areas, with TOTAL group holding the respective subsoil-use rights. The total area of the sites is 2,700 square meters.

"I am quite sure that the joint potential of the two companies, i.e. their considerable reserves of difficult hydrocarbons and the experience of developing them, will create a visible synergistic effect," Mr. Alekperov said.

"Our operations at the Bazhenov formation, one of the world's largest formations with low permeability, will strengthen our positions in this area. Our corporate group has vast experience of tackling similar reserves at many other projects," Mr. de Margerie commented. "Our international experience, combined with OAO LUKOIL's experience in the above region, is a key to a balanced partnership and also serves an efficient basis for appraisal and development of the major reserves occurring in the Bazhenov formation of West Siberia".

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