PRESS RELEASE
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# LUKOIL AND PERM REGION SIGN PROTOCOL ON COOPERATON IN 2011

Vagit Alekperov, OAO LUKOIL President, and Oleg Chirkunov, Governor of the Perm Region, signed a 2011 Cooperation Protocol between the Company and the Region in Moscow today.

The document was signed as an addendum to the Economic and Social Cooperation Agreement of December 1, 2010 between the Perm Region and OAO LUKOIL.

Under the Protocol, the Company's subsidiaries will allocate RUR 734.9 million to additional financing of the investment projects in the region out of the funds raised due to the reduced profit tax rate in 2011. The larger share of the funds, approximately RUR 305 million, will be allocated to projects aimed at extended utilization of associated gas: the design and construction of "DNS-1026-GKS Kokuy" gas pipeline and utilization of the petroleum gas of the Dorokhovskaya group of fields, among other projects.

In addition, LUKOIL's enterprises will invest another RUR 734.9 million in various social facilities within the territory of the region. The following major projects have been outlined: construction of phase 3 of the Neftyanik sports complex in Perm, continued construction of the sports and recreation center with a swimming pool in Barda settlement, construction of a sheltered skating rink in Krasnovishersk, kindergartens in Oktyabrsky and Kungursky districts, and construction of a feldsher-midwife station in Dobryansky district.

The Protocol says that LUKOIL enterprises will also supply fuels and lubricants for the sowing, forage conservation, harvesting operations and the lumber industry units in the Perm Region. Also, bitumen will be supplied to the regional department of transportation.

In 2010, from funds obtained due to a lower profit tax rate, RUR 650 million were allocated to investment projects by the LUKOIL organizations in the Kama Region and RUR 980 million to the development of the region's social infrastructure.

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