PRESS RELEASE
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LUKOIL RAISES USD 500 MILLION FOR PROJECTS IN UZBEKISTAN

LUKOIL intends to raise USD 500 million to finance on a limited recourse basis the development of Khausak-Shady-Kandym project in Uzbekistan.

The lenders consortium is expected to include international financial organizations, the Asian Development Bank (ADB) and the Islamic Development Bank (IDB) and commercial banks: BNP Paribas (Suisse) SA, Korea Development Bank, Crédit Agricole CIB and UniCredit Group. The commercial part of the facility structure is expected to include risk insurance to be provided by ADB and the Multilateral Investment Guarantee Agency (MIGA).

The banks are now seeking internal approval for the transaction. However, the transaction is still subject to the government approval from the Republic of Uzbekistan. It is expected that financing will be closed in Q3 2011.

The loan proceeds will be used to finance the investment program of the Kandym field development and production enhancement at the Khauzak-Shady field.

The agreement on the Khauzak-Shady-Kandym project was signed on June 16, 2004. The Khauzak gas field was commissioned in November, 2007 as per schedule. LUKOIL's share of proved reserves is 569 million BOE. The projected production rate is 12 billion cubic meters of gas per year.

The information contained in this press release is based on preliminary data, which may be updated and adjusted as the financing progresses.

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