PRESS RELEASE
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LUKOIL SIGNS FACILITY CONSTRUCTION AGREEMENTS FOR V. FILANOVSKY FIELD

Vagit Alekperov, President of OAO LUKOIL, signed offshore facility construction agreements with the contractors for Vladimir Filanovsky Field, located in the Russian sector of the Caspian Sea. The documents were signed in Severodvinsk today in the presence of Vladimir Putin, Head of the RF Government.

United Shipbuilding Corporation will be responsible for the development of engineering documentation, purchase of equipment and materials, construction and commissioning and the start-up of ice-resistant stationary platform No. 1 (IRP-1).

The IRP-1 is meant for well drilling and operation. The platform includes a drilling complex for the drilling of 11 directional wells with horizontal borehole ending, a production complex for collection, measuring and transportation of production to the central processing platform (CPP), as well as a power complex. The IRP-1 will be connected to the living quarters module (LQP-1) and the CPP via catwalk bridges. The total weight of the IRP-1 is 15,200 tons. The start of well drilling is scheduled for December, 2014.

A contractor agreement was signed with OAO Global-Engineering for the construction of a central processing platform and a catwalk bridge connecting the IRP-1 and the CPP. The works are to be completed by May, 2015. The central processing platform is designed for processing and onshore transportation of oil and associated gas. The formation water will be injected into the formation after treatment. Oil treatment is conducted by means of two processing lines with a capacity of 3 million tons per year each. The CPP will be connected to the IRP-1 and the riser block via catwalk bridges as well. The total weight of the CPP is about 21,000 tons.

A construction agreement for the riser block (RB) and the platform containing living quarters (LQP-1) with catwalk bridges was signed with Krasnye Barrikady shipyard. The RB is meant to connect infield pipelines and export pipelines, which will be used for oil and gas transportation from the V. Filanovsky and Yu. Korchagin fields to onshore facilities. LQP-1 can accommodate 125 people. A helicopter pad will be assembled on the living quarters' topside. Platform offshore assembly work is scheduled for 2013 through 2014.

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The construction project for the V. Filanovsky field requires the laying of over 330 km of sub-sea and 350 km of onshore pipelines, as well as the construction of head onshore facilities (HOF) for the intake of oil with a tank battery of 80,000 cubic meters in the Republic of Kalmykia. The oil will be transported from the HOF to the Caspian pipeline consortium's oil pipeline. LUKOIL discovered the V. Filanovsky field in 2005. Category C1+C2 oil recoverable reserves total 153.1 million tons, and category C1+C2 gas reserves come to 32.2 billion cubic meters. Oil production at the V. Filanovsky field will start in 2015.