PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS SUMMARIZES COMPANY'S PERFORMANCE IN THE FIRST HALF OF 2012

The OAO LUKOIL Board of Directors has reviewed Group's preliminary results for the first half of 2012 and investment program realization progress in 2012 in Moscow today.

The geological exploration completed within the reporting period gave LUKOIL an increase in the reserves of oil in the amount of 11.6 million tons, of gas in the amount of 6.9 billion cu. m., and of condensate by 400,000 tons, which in total exceeded the same figure of 2011 by 41%.

The major oil reserves increase was registered at the Vostochno-Lambeyshorskoye field (the Komi Republic), Tevlinsko-Russkinskoye field (West Siberia), and Gagarinskoye field (Perm Region), while the growth in gas reserves was recorded at the Pyakyakhinskoye field (Yamal).

The oil output in the Russian Federation totaled 41.8 million tons, while abroad the figure came to 2.9 million tons, which is cumulatively 2.0% less than in the same period of 2011.

The commercial gas production by the LUKOIL Group organizations came to 9.96 billion cu. m., which exceeded the level of the first half of 2011 by 10%.

The associated petroleum gas utilization rate in Russia came to 87.2%, which is 10.3% higher compared with the same period of 2011. RUR 2.7 billion were allocated to the construction and reconstruction of 53 associated petroleum gas utilization facilities in the first half of 2012.

The Company continued to introduce and test new technologies, specifically, the drilling of horizontal wells by means of multi-scenario completion, including horizontal wells with multi-zone hydrofracturing, as well as testing new polymer solutions for water shut-off.

Oil processing at the Company's refineries (including mini-refineries and stakes in the ISAB and Zeeland foreign complexes) remained practically unchanged and totaled 31.8 million tons, including 21.7 million tons at Russian refineries (including mini-refineries) and 10.1 million tons abroad.

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Within the reporting period, the Russian refineries raised their production of high-octane gasolines by 13.1% as compared to the first half of 2011; their share in the overall production volume of automobile gasolines in Russia reached 99.5%.

The investment costs of LUKOIL Group within the reporting period came to USD 5.4 billion, which is 50% greater than the figure of 2011.

The total amount of tax proceeds and customs fees transferred by the LUKOIL Group organizations to the budget of the Russian Federation in the first half of 2012 was RUR 551 billion, which exceeded last year's figure in the same period by 17%.