PRESS RELEASE
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LUKOIL GROUP PROVED RESERVES BY SEC STANDARDS EXCEED 17.5 BILLION BARRELS OF OIL EQUIVALENT

OAO LUKOIL finished an evaluation and independent audit of its oil and gas reserves, as they stand on January 1, 2010.

The audit results by Miller and Lents, a US firm, suggest that the Company's proved hydrocarbon reserves as of January 1, 2010 came to 17.5 billion barrels of oil equivalent, including 13.7 billion barrels of oil and 22.9 trillion cubic feet of gas.

The evaluation was performed in accordance with the US Securities and Exchange Commission (SEC) standards until the economic limit of commercial production is reached. The Company resolved to undergo reserves evaluation according to the SEC standards to provide better transparency and compatibility of its reserves data compared with that of its competitors.

The evaluation was performed with consideration of the changes in the field development plans approved by the Company's Board of Directors on November 19, 2009 as part of the Company's Strategic Development Program for 2010-2019.

In accordance with the SEC rules, there has to be an approved development plan as a requirement to book undeveloped reserves as proved. This plan must set the start of field operations within a five-year period, if there are no other factors that would explain a later commissioning. Considering the changes introduced into development plans and their commissioning dates, the Company transferred 1.8 billion barrels of oil equivalent from the category of proved reserves into lower reserve categories and into resources. The Company expects that these volumes will be returned into the proved reserves category as their development start date draws nearer or some new technologies are applied.

In 2009, proved reserves were extended due to geological exploration, production drilling and acquisitions, and totaled 782 million barrels of oil equivalent, which was 95% of the Company's annual production volume. Of the 782 million barrels, geological exploration and production drilling accounted for 617 million barrels of oil equivalent, while acquisitions accounted for the remaining portion of 165 million barrels of oil equivalent.

The main 2009 acquisition was the buy-out of 46% of the equity interest in the

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LUKARCO B.V. joint venture. This joint venture owns 5% of the TengizChevroil joint venture which is developing the Tengiz and Korolevskoye fields in Kazakhstan. As a result of the transaction, the Company's proved reserves increased by 102 million barrels of oil and 130 billion cubic feet of gas.

In summary, in terms of proved hydrocarbon reserves volume LUKOIL retains its leading positions among the Russian and international companies.

LUKOIL Group Oil and Gas Reserves

As of January 1, 2010	**Oil**	**Gas**	**Oil + gas***
	million barrels	billion cubic feet	million barrels of oil equivalent
Proved reserves	**13,696**	**22,85**	**17,504**
including:			
Developed reserves	8,827	7,795	10,126
Undeveloped reserves	4,868	15,055	7,377
Probable reserves	**7,293**	**15,163**	**9,820**
Possible reserves	**3,683**	**8,226**	**5,054**

*Conversion ratio from cubic feet to barrels:

1 barrel = 6,000 cubic feet

Estimates of Future Cash Flows from Proved Reserves Development

As of January 1, 2010, million USD	**Proved**	**Probable**	**Possible**
Future cash flows from sales of oil and gas	431,107	227,750	119,150
Future production and development cost	283,017	162,283	94,934
Future undiscounted cash flows (before income tax)	148,090	65,467	24,216
Effect of discounting (10% p.a.)	88,674	55,717	22,086
Future discounted net cash flows (before income tax)	59,416	9,750	2,130