PRESS RELEASE
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LUKOIL GROUP PROVED HYDROCARBON RESERVES BY SEC STANDARDS TOTAL 17.3 BILLION BARRELS OF OIL EQUIVALENT

OAO LUKOIL finished an evaluation and independent audit of its oil and gas reserves as they stand on December 31, 2011. 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 audit results by Miller and Lents, a US firm, suggest that the Company's proved hydrocarbon reserves as of December 31, 2011 came to 17.3 billion barrels of oil equivalent, including 13.4 billion barrels of oil and 23.2 trillion cubic feet of gas.

The oil already produced was replenished more than 100% through an increment in proved reserves in 2011. A total of 619 million barrels of oil equivalent was added to the proved reserves due to geological exploration, production drilling and acquisitions, while reinterpretation of previous assessments raised the proved reserves figure by another 197 million barrels of oil equivalent.

Significant progress was achieved in 2011 in the preparation and commissioning of a number of new fields of the Company, which allowed the Group to transfer 170 million barrels of oil equivalent from the contingent resources category to the category of proved reserves. At the same time rapid production drop at the Yuzhno-Khylchuyuskoye field, as compared with earlier forecasts, led to a fall in the proved reserves by 147 million barrels of oil equivalent.

The Company also completed an estimate of the contingent resources according to the PRMS classification. Category 3C contingent resources totaled 10.3 billion barrels of oil equivalent as at December 31, 2011. This estimate for the first time considered the Company's share (25.1%) in OOO Bashneft-Polyus, a joint venture of OAO LUKOIL's, and OAO ANK Bashneft for the development of the R. Trebs and A.Titov fields.

The Company's management expects the oil and gas volumes classified as contingent resources to be transferred to the proved reserves category as the commencement dates for those reserves approach, the program to enhance volumes of gas utilization is implemented and more and more state-of-the-art techniques are applied, allowing it to develop the hard-to-recover reserves in a cost effective way.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

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

LUKOIL Group Oil and Gas Reserves

As of December 31, 2011	Oil	Gas	Oil + gas*
	million barrels	billion cubic feet	million barrels of oil equivalent
Proved reserves	**13,403**	**23,196**	**17,269**
including:			
Developed reserves	8,772	9,478	10,352
Undeveloped reserves	4,631	13,718	6,917
Probable reserves	**6,669**	**10,476**	**8,415**
Possible reserves	**3,53**	**2,453**	**3,939**

* Conversion ratio from cubic feet to barrels:

1 barrel = 6,000 cubic feet

Estimates of Future Cash Flows from LUKOIL Group Reserves Development

As of December 31, 2011, million USD	Proved	Probable	Possible
Future revenue from sales of oil and gas	693,728	326,94	168,166
Future oil and gas production and development costs	460,267	232,928	136,617
Future undiscounted cash flow before income tax*	233,461	94,012	31,549
Discounting (10%)	136,751	74,914	29,017
Discounted cash flow before income tax	96,71	19,098	2,532

* income tax is included in the economics of those projects where the imputation of the tax influences the volume of reserves