PRESS RELEASE
FEBRUARY 25, 2014

LUKOIL STARTS PRODUCTION DRILLING AT THE IMILORSKO-ISTOCHNIY LICENSE AREA AHEAD OF SCHEDULE

Vagit Alekperov, OAO LUKOIL President, participated in the ceremony dedicated to the start of production drilling at the Imilorsko-Istochniy license area today.

The prompt launch puts the Company considerably ahead of schedule in the implementation of the Early Oil project at the Imilorsko-Istochniy license area.The original plan was to start production drilling at the site in September 2014.LUKOIL expects to lift first oil ahead of schedule as well.

By now, 23 kilometers of 426-mm oil pipelines, 42 kilometers of roads and a 74-m bridge across the Entl-Imiyagun River have been constructed, 4 well pads are under development, 3D seismic data is collected for an area exceeding 1.5 thousand sq. km.

For purposes of follow-up exploration and study of the Imilorsko-Istochniy license area in the coming years additional seismic surveys will be performed at the site, 20 historic wildcat wells will be retested and 11 new wildcat wells will be drilled.

In December 2012, OOO LUKOIL-West Siberia (LUKOIL's wholly-owned subsidiary) won an auction to produce from a federal-grade area, including the Imilorskoye+West Imilorskoye and Istochnoye fields located in Khanty-Mansi Autonomous Okrug - Yugra. The subsoil use license shall be valid for 20 years. The Imilorskoye field is located in the immediate vicinity of the Tevlinsko-Russkinskoye field, LUKOIL-West Siberia's largest field under development, and may be viewed as its sibling in terms of geological properties. As of January 1, 2012, the geological and recoverable oil reserves of the site totaled 855.5 million tons and 193.7 million tons in categories C1 and C2 respectively. Availability of the production and transportation infrastructure enables a comparatively fast preparation of the site for commissioning enhanced by the maximum economic and synergistic effects, and may give a strong increment in the reserves as well as production rate for West Siberia, one of the Company's strategic regions.

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