

PRESS RELEASE
SEPTEMBER 17, 2010

LUKOIL STARTS MINE REMOVAL OPERATIONS AT THE WESTERN QURNA-2 FIELD IN IRAQ

LUKOIL Mid-East Ltd. (an operating company of OAO LUKOIL overseeing the Western Qurna-2 project) started work aimed at deactivating mines and unexploded ordnance within the territory intended for the production and infrastructure facilities of the Western Qurna-2 field in the Republic of Iraq.

This territory had not been deliberately mined; however, mines and other munitions here are a result of the military operations during the Iran-Iraq War, the intrusion of Iraq into Kuwait, and the Desert Storm operation. The mine removal operations are conducted by the G4S Ordnance Management Iraq, a subdivision of the G4S Risk Management Company which was appointed contractor based on open bidding results. The mine removal results will be approved, accompanied by the issue of a special certificate, by an authorized body, namely, the RMAC (Regional Mine Action Committee), a structural subdivision of the Environment Ministry of the Republic of Iraq.

In accordance with the contractual terms, the contracting company will explore the territory, collect and assess necessary data, draw plans and maps and directly conduct mine removal operations involving engineer combat groups. The mine removal process is to be conducted in accordance with the international standards and comprises tracing, identification, disposal, deactivation, removal and destruction of munitions, preparation of special documentation and handover of mine-free territories to the authorities and the customer.

About 60 foreign and Iraqi specialists participate in the operations, utilizing 40 units of search equipment of different types and 9 items of motor transport. Basic contractual operations are expected to be completed by the beginning of 2011.