



Press release

January 20, 2010

Operational update for the fourth quarter of 2009

Alliance Oil Company's total oil production for the fourth quarter of 2009 amounted to 3.9 mbbbl compared to 3.9 mbbbl in the third quarter of 2009. Preliminary refining volumes at the Khabarovsk refinery amounted to 5.6 mbbbl in the fourth quarter of 2009 compared to 5.9 mbbbl in the third quarter of 2009. Preliminary fourth quarter 2009 oil products sales amounted to 5.7 mbbbl compared to 5.9 mbbbl in the third quarter of 2009.

Total 2009 volumes amounted to 16.0 mbbbl for upstream and, preliminary, 21.8 mbbbl for downstream, resulting in the company reaching the 2009 targets, respectively. Preliminary 2009 full year oil products sales amounted to 21.5 mbbbl. The current crude oil production rate is circa 42,000 barrels per day. The Khabarovsk refinery is currently running at 63,500 barrels per day.

As previously announced on December 22, 2009, the 2010 upstream objective is to increase daily oil production to 50,000 barrels with an annual production of 17.0 mbbbl of oil in 2010. For 2010, the refining volume target remains unchanged at 21.0 mbbbl.

Oil production in the Volga-Urals region totalled 1.8 mbbbl in the fourth quarter of 2009 compared to 1.8 mbbbl in the third quarter of 2009. Oil production in the Timano-Pechora region totalled 1.1 mbbbl in the fourth quarter of 2009 compared to 1.1 mbbbl in the third quarter of 2009. Oil production in the Tomsk region totalled 0.8 mbbbl in the fourth quarter of 2009 compared to 0.9 mbbbl in the third quarter of 2009. Oil production in Kazakhstan totalled 0.1 mbbbl in the fourth quarter of 2009 compared to 0.1 mbbbl in the third quarter of 2009.

In the Volga-Urals region, the company was awarded a 25 year exploration and production license for the Gusikhinsky license area neighbouring the company's existing operations. The licensing cost amounts to MUSD 24 at the current RUB/USD exchange rate. Under official Russian classification the license area contains prospective resources of 68 mbbbl (category C3 resources of 36 mbbbl and category D1 resources of 32 mbbbl).

The first phase of the water chemical treatment unit was successfully completed and launched at the Khabarovsk refinery. The unit is designed to supply prepared water to the refinery's boiling complex and to the fuel oil vacuum distillation unit, being constructed under the modernisation plan.

The company has further expanded its retail network in the Russian Far East by acquiring five outlets in the Khabarovsk Region. The stations which currently market over 55 thousand barrels of gasoline and diesel per annum will be rebranded under the Alliance Oil brand in 2011.

"We are on track to implement our extensive organic growth strategy. In 2009 the company created a solid basis for the 2010 development plans. We are focusing our upstream investment activity on the Timano-Pechora region and particularly on the Kolvinskoye oil field. The downstream performance remains solid, although lower seasonal demand affected volumes and economics late in the quarter," says Arsen Idrisov, Managing Director of Alliance Oil Company.

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Alliance Oil Company Ltd is a leading independent oil company with vertically integrated operations in Russia and Kazakhstan. Alliance Oil has proved and probable oil reserves of 487 million barrels, oil production of approximately 42,000 barrels per day, refining capacity of 70,000 barrels per day and a network of gas stations and wholesale oil products terminals. Alliance Oil's depository receipts are traded on the Nasdaq OMX Nordic under the symbol AOIL.



Expected Results

Information provided in this press release presents expected results of Alliance Oil Company Ltd.'s operations in 2009. It was generated based on the latest preliminary operational and financial data which hasn't been financially audited. The information represents a preliminary assessment only, which can be adjusted after statistical, financial, fiscal and business reporting becomes available. Therefore, the results and indicators achieved in reality may significantly differ from any declared or forecast operating results in 2009. Alliance Oil Company assumes no obligation (and expressly declares that it has no such obligation) to update or change any declarations concerning any future results, both due to new information obtained, any future events or for any other reasons.

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