



Press release

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Alliance Oil Company adds 54.7 million barrels of proved and probable oil reserves

In 2009, Alliance Oil Company Ltd added net proved and probable (2P) oil reserves of 54.7 million barrels through exploration and development as well as reserve revisions. The company's 2P reserves increased to 525.9 million barrels as of December 31, 2009 from 487.3 million barrels as of December 31, 2008. The increase in 2P reserves represents an internal reserve replacement ratio of 342 per cent of the total 2009 oil production. Including the possible category, total oil reserves (3P) increased by 25 per cent to 757.4 million barrels.

The Timano-Pechora region accounted for the main increases in the company's oil reserves. The region's growth was driven by successful exploration activities at the Lek-Kharyaga field, which resulted in a 148.3 million barrels 3P reserve increase in the field. This field now accounts for 192.0 million barrels 3P reserves. The Volga-Urals region's and Kazakhstan's oil fields also contributed to the company's reserve growth.

"We continue reviewing opportunities provided by the company's core production assets. Successful reserve additions in the Timano-Pechora region support our objective to focus on organic growth to double production by 2012. This year, the company will increase its exploration activities and plans to drill eight exploration wells in the Timano-Pechora and Volga-Urals regions," says Arsen Idrisov, Managing Director of Alliance Oil Company.

Alliance Oil Company's reserves, as of December 31, 2009:

'000 bbl	PRMS Classification			Total 3P
	Proved	Probable	Possible	
Tomsk region oil fields	26 424	34 182	6 980	67 586
Timano-Pechora region oil fields	139 406	165 511	199 164	504 081
Volga-Urals region oil fields	101 546	45 443	25 318	172 307
Kazakhstan oil fields	7 869	5 546	-	13 415
Total oil reserves	275 245	250 682	231 462	757 389

Alliance Oil's oil reserves have been revised following a recent independent reserve appraisal conducted by DeGolyer & MacNaughton, in accordance with the Society of Petroleum Engineer's Petroleum Resources Management System's (SPE PRMS) classification. DeGolyer & MacNaughton is a leading international petroleum consulting firm with an extensive reserve estimation practice in Russia.

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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 526 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.