PRESS RELEASE
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LUKOIL AND RAO UES OF RUSSIA SIGN AN AGREEMENT ON FUEL OIL SUPPLIES

Today in Moscow President of LUKOIL Vagit Alekperov and Chairman of the Executive Committee of RAO UES (Unified Energy Systems of Russia) Anatoliy Chubais have signed an agreement on fuel oil supplies from LUKOIL's refineries to the power network of RAO UES.

The parties agreed that in the 4Q1999 LUKOIL will supply 1.5 million tons of fuel oil to RAO UES.

This agreement was signed to follow up on the general cooperation agreement signed between the Ministry for Fuel and Energy of the Russian Federation, LUKOIL and RAO UES stipulating the following settlement pattern for fuel oil supplies: "live" cash - 20%, material and technical resources - 40%, budget subsidies - 40%.

"LUKOIL is satisfied with the way our relationship with RAO UES is unfolding and we are confident that a new agreement will strengthen our partnership," said Alexander Vassilenko, Head of LUKOIl Public Relations.

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