PRESS RELEASE
MARCH 28, 2000

LUKOIL AND FORTUM SIGN PROTOCOL TO DEVELOP MUTUALLY BENEFICIAL COOPERATION

First Vice President of LUKOIL Ravil Maganov and Vice President of Fortum of Finland Knut Furuheim have signed a joint protocol of intent to develop mutually beneficial cooperation between LUKOIL and Fortum today.

In the protocol the two companies confirmed their mutual interest to jointly participate in exploration and production of hydrocarbons on the South Shapkinskoye oil and gas condensate field located in Nenets region. SeverTEK ZAO, owned 50%-50% by LUKOIL and Fortum through their affiliate companies, is a license holder.

The protocol of intent said, in particular, that a substantial amount of organizational and design work was performed on the South Shapkinskoye oil and gas condensate field, a technological pattern for test and commercial development of the field was prepared, preliminary engineering survey to construct a pipeline linking the South Shapka and the Khariyaga were completed as well other activities.

Due to the fact that the SeverTEK ZAO ownership structure is finally complete, LUKOIL and Fortum are keen to create a favorable environment for a successful implementation of the projects in the Nenets autonomous region.

SeverTEK ZAO was founded in 1996. Hydrocarbon recoverable reserves estimate for the South Shapkinskoe field is 23 million tons.

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