PRESS RELEASE
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LUKOIL AND KOMI REPUBLIC DEVELOP COOPERATION

OAO LUKOIL President Vagit Alekperov and Head of Komi Republic Vladimir Torlopov signed a Cooperation agreement between the Company and regional government in Siktivkar (Komi Republic) today.

The parties agreed in particular to promote Company's subsidiary enterprises long-term projects in crude reserves base widening, new oil and gas fields development, construction of new and reconstruction of previously built production, transportation and refining facilities. The parties will also develop the common scientific and technical policy to increase the use of modern equipment and technologies in production, transportation and refining. The parties confirmed the Company's standing as a core oil production enterprise for the Republic economy and sighted the use of OOO "LUKOIL-Severnefteproduct" (explicitly in compliance with the current anti-trust law) as a major enterprise for regional oil products supply.

In accordance with the Agreement, LUKOIL will provide continuous oil products supply to wholesale and retail customers in the Region and will continue to develop the infrastructure for oil products storage and marketing, including the construction of new and reconstruction of previously built petrol stations. The Company and its subsidiary enterprises will continue their works on spoiled territories improvement, will develop and carry out the environmental programs.

The Komi Republic government will support LUKOIL in its investment activities, further crude reserves base growth and production facilities development.

"We are currently moving on into the new phase of mutually beneficial cooperation between the Company and Komi Republic" - stressed LUKOIL's President Vagit Alekperov. "I am sure that the Agreement signed will promote further development of Republic's oil industry and lead to social stability in the region"

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Based on preliminary data, OAO LUKOIL subsidiary enterprises produced 7 109 thousand tons of oil on the territory of Komi Republic in 2001.

OAO "LUKOIL-Uhtaneftepererabotka" refined 3.5 mln. tons of oil.

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Sales volume of OOO "LUKOIL-Severnefteproduct" reached 587.7 thousand tons.

OAO LUKOIL is planning to complete the process of OOO "Parma Oil", OOO "AmKomi" and ZAO "Bitech-Silur" merger in the nearest future to create the unified production enterprise on the territory of Komi Republic.