PRESS RELEASE
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LUKOIL ACQUIRES MARATHON OIL CORPORATION BUSINESS IN KHANTY-MANSIYSK AUTONOMOUS REGION OF RUSSIA

OAO LUKOIL acting through its fully owned subsidiary OOO "LUKOIL – Western Siberia" and Marathon Oil Corporation have reached agreement on the acquisition by LUKOIL of exploration and production business interests of Marathon Oil Corporation in Khanty-Mansiysk Autonomous Region of Western Siberia. These assets include approximately 95% of shares in OAO "Khantymansiyskneftegazgeologia" and 100% of the shares in two other companies – OAO "Paitykh Oil" and OAO "Nazymgeodobycha". Consideration for the transaction will be US$787 mln. subject to working capital and other adjustments.

These companies operate at 9 license areas on both banks of the Ob River in Khanty-Mansiysk Autonomous Region: "Khantymansiyskneftegazgeologia" operates the Vostochno-Kamenny and Potanai-Kartopyinskiy fields, "Paitykh Oil" operates at the Paitykhsky license area on the left bank of the Ob River, and "Nazymgeodobycha" is developing the Galyanovskiy, Sredne-Nazymskiy, Aprelskiy, Olkhovskiy, Bolshoy and Tsentralniy license areas on the right bank of the Ob River.

The companies' total recoverable reserves of oil as of January 1, 2006 amounted to about 257 mln. tons in ABC1+C2 categories (approx. 1.88 bn. barrels). Oil production in 2005 exceeded 1.3 mln. tons (about 26 thousand barrels per day), a 68% increase over 2004 production. LUKOIL expects to increase production of the acquired assets by over 2.5 times. This production region is relatively less explored and considered to have higher discovery and reserve addition potential than average in Khanty-Mansiysk Autonomous Region and inTyumen region as a whole.

The development of the acquired assets is expected to provide significant synergies through joint operations with the "Uraineftegaz" production unit of OOO "LUKOIL – Western Siberia" (Lovinskoe, Lazarevskoe, Fillipovskoe and Ubinskoe fields) and lead to optimization of crude oil allocation, reduction of operating costs and optimization of the investment program, including joint use of infrastructure with LUKOIL's other assets in the region. The present value of the synergies to be achieved is estimated at over $100 mln.

Acquisition of control over these companies will strengthen LUKOIL's position in the region. The deal will enhance the production potential of Uraineftegaz and will

make a significant contribution towards LUKOIL's long-term objective to double its production over the decade.