PRESS RELEASE
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LUKOIL DEVELOPS GLOBAL CASH MANAGEMENT SYSTEM

LUKOIL completed creating a global cash management system as part of the Group's Centralized Treasury.

While creating the system, activities aimed at enhancing efficiency of cash resources use, improvement of liquidity planning, centralization of exchange transactions and financial market operations were held. Contracts with ZAO Citibank, Citibank N.A. and ZAO ABN AMRO Bank on complex banking using banking technologies of Citibank were also signed.

Consolidated economic benefit of financial management optimization in 2006 amounted to approximately USD 350 mln.

Thus, improvement of treasury functions in conformity with advanced international standards is seen in increased income, minimization of financial risks, and reduced requirement of external financing and its cost for LUKOIL Group.

Efficient operation of the Centralized Treasury is one of the key tools used to bring the corporate business model to a new level, given the experiene of international energy corporations and the Company's integration into the world economy.

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