PRESS RELEASE
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LUKOIL GROUP COMPANIES INCREASE THEIR INTEREST IN TGK-8

OOO LUKOIL-Volgogradneftepeprerabotka acquired 31.3% of the charter capital of OAO YuGK TGK-8 (TGK-8) as a result of mandatory offer. Thus, LUKOIL Group interest in the charter capital of TGK-8 has reached 95.4%.

As reported earlier, purchase price of TGK-8 shares under the mandatory offer was RUR 0.0398 per ordinary share.

TGK-8 is one of the major gas consumers in the Southern Federal District of the Russian Federation with the annual consumption of about 6 billion cubic meters per year. Its power plants are located in Astrakhan, Volgograd and Rostov regions, Krasnodar and Stavropol Districts, and the Republic of Dagestan.

Rated capacity of electric and thermal power generation facilities of TGK-8 makes up 3,601 MW and 13,366 Gcal/hour, respectively.

The acquired power industry assets will be operated by a specially created entity, LUKOIL Power Generation Ltd. (a 100% subsidiary of OAO LUKOIL).

LUKOIL expects that the acquisitions will result in significant synergies through natural gas supplies from the Company's gas fields located in the Northern Caspian and in Astrakhan region.

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