PRESS RELEASE
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LUKOIL AND GOVERNMENT OF SAINT PETERSBURG SIGN COOPERATION AGREEMENT

Vagit Alekperov, President of OAO LUKOIL, and Valentina Matvienko, Governor of Saint Petersburg, signed a Cooperation Agreement for 2008-2012 in Saint Petersburg today.

This Agreement in particular stipulates supplies and sales by LUKOIL of various high quality oil products, including EURO-3 and EURO-4 gasoline and diesel fuel. Moreover, it covers construction of brand-new environmentally safe gas stations within the city, implementation of joint social and economic programs, specifically concerning promotion of employment and development of Saint Petersburg infrastructure.

The Agreement also calls for assistance of the city authorities pertaining to paper work required for construction and commissioning of new facilities, environmental and industrial safety control.

Currently LUKOIL's gas station network is the largest in the North-West of Russia numbering 193 sites. Most of them (129 units) are located in Saint Petersburg. 13 new stations were commissioned in the city this year. In 2007 OOO LUKOIL-Severozapadnefteprodukt, a subsidiary of LUKOIL, remitted RUR740 million to budgets of all levels. Last spring this business unit was named "The Best Taxpayer of the Year" by the Government of Saint Petersburg.

"LUKOIL has already been closely interacting with the Government of the city for ten years. The initial Agreement, which defined main guidelines of our cooperation, was signed in December 1997. During the past years both parties met all undertaken commitments. I am sure that this new cooperation program will be successfully implemented in the best interests of the residents of the "Northern Capital" as well as of our shareholders," Vagit Alekperov, President of OAO LUKOIL, said.

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