PRESS RELEASE
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LUKOIL BEGINS TO RECEIVE RETURN ON INVESTMENT FOR WEST QURNA-2 IN IRAQ

A tanker chartered by LITASCO (an international marketing subsidiary of OAO LUKOIL) arrived at the port of Basra in southern Iraq today. The vessel will load the first batch of oil in reimbursement of the costs incurred by LUKOIL as part of the first development phase ("early oil") of West Qurna-2 field.

One million barrels of oil (about 160,000 tons) will be loaded onto the ship during its stay in Basra. More tankers will follow before the end of the year to transport the compensation oil that LUKOIL is supposed to get under the Service Contract for the Development and Production of West Qurna-2.

Field work is now continuing to increase today's production of 280,000 barrels a day. The project is moving forward according to plan as LUKOIL fully meets its contract obligations.

"The first tanker of oil in compensation for our investments is yet additional evidence of the strong partnership between LUKOIL and the Iraqi party in the development of Iraq's oil industry," Andrey Kuzyaev, Vice-president of OAO LUKOIL, President of LUKOIL Overseas (operator of the company's upstream projects abroad), commented.

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