PRESS RELEASE
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LUKOIL AND VOLOGDA REGION OUTLINE COOPERATION PROGRAM

Today in Moscow LUKOIL President Vagit Alekperov and Governor of the Vologda region Vyacheslav Pozgalev signed a protocol outlining a cooperation program between the Company and the region for 1999-2001. The protocol is a follow-up on the cooperation agreement signed on February 10, 1997.

To implement this program the Vologda region administration will take relevant measures to repay arrears of the regional agricultural producers for oil products supplied to them in 1998. It is also planned to overhaul a part of the road exiting to the Vologda - Novaya Ladoga highway.

On its part, LUKOIL will supply fuel oil to housing and utilities organizations, agricultural sector and forestry of the Vologda region. Following the opening of the new tourist attraction at the town of Veliky Ustyug, the Company will be involved in overhaul and maintenance of retail network in the eastern part of the region.

In 1999, LUKOIL is going to upgrade 4 and build 3 new filling stations. In 2000, it is planned to upgrade 5 and build 5 new filling stations. In 2001, the Company intends to build 6 retail outlets in the Vologda region.

LUKOIL is represented in the Vologda region by LUKOIL-Vologdanefteprodukt which comprises 4 oil terminals and 56 retail outlets, including 26 outlets operated under franchising terms. In 1998, LUKOIL-Vologdanefteprodukt sold 143,100 tons of oil products.

‘’The Company is fully satisfied with the way our cooperation with the Vologda region is unfolding. In particular, it is proved by the fact that today we plan our cooperation for several years ahead,’’ said LUKOIL President Vagit Alekperov at the signing ceremony.

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