PRESS RELEASE
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LUKOIL RECEIVES EBRD'S USD 150 M LOAN

Vagit Alekperov, President of OAO LUKOIL, and Peter Reiniger, Business Group Director of the Industry and Commerce Group of the European Bank for Reconstruction and Development (EBRD), have signed an agreement on providing a USD150m medium-term loan to the Company in Moscow today.

The three-year facility will provide working capital for export-related payments, oil processing. The transaction is secured by the assignment of crude oil export contracts.

In addition to the commercial terms of the transaction the EBRD has taken into account a degree of financial transparency of LUKOIL and its conformity with the international environmental safety standards. In this connection LUKOIL committed to secure transition of its financial statements to international standards in the nearest future. LUKOIL also plans to introduce a new program of environmental safety that includes increasing of associated gas utilization, waste minimization, oil spill prevention, pipeline replacement and land reclamation.

"We are quite satisfied with the way our long cooperation with EBRD is unfolding," said LUKOIL President Vagit Alekperov. "A new loan provided to our company is a confirmation of foreign investors' confidence in our company, its transparency and conformity with international standards."

The EBRD has earlier provided a USD77.2m 8-years loan to finance oil production at the Chirag oil field in the Caspian sea in Azerbaijan. The EBRD has also provided a USD45m financing to Permtex, a joint venture between ZAO LUKOIL-Perm (50%) and Soco of USA (50%) which produces oil in the Perm region.

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