PRESS RELEASE
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LUKOIL AND GAZPROM SET UP JOINT VENTURE TO DEVELOP FIELDS IN THE CASPIAN SEA

An agreement to establish OOO “TsentrKaspneftegas”, a joint venture to develop oil and gas fields in the Caspian Sea, was signed in Moscow today by President Vagit Alekperov of OAO LUKOIL and Alexei Miller, Chairman of the Management Board of OAO Gazprom.

The new joint venture is authorized by the Russian Federation to develop Tsentralnaya geological structure in the Caspian Sea jointly with ZAO “NK KazMunaiGaz”, the company having similar authority from the Republic of Kazakhstan.

Tsentralnaya geological structure is under the jurisdiction of the Russian Federation.

The joint venture equity is 10 million rubles.

LUKOIL and GAZPROM have a 50-percent stake each in the joint venture.

LUKOIL began wide-scale geological and geophysical exploration of the Caspian offshore in 1995. The Company identified the most promising sectors basing on the results of seismic studies. Four licenses have been obtained for the geological exploration of Tsentralny, Yalama-Samur, Tsentralno-Kaspiysky and Vostochno-Rakushechny blocks.

In 2001, seismic studies were carried out at Tsentralnaya structure.

LUKOIL specialists estimate the recoverable hydrocarbon reserves at Tsentralaya structure at 521 million tons of oil equivalent.

In its search for oil and gas on the sea shelf, LUKOIL is fully aware of its responsibility for preserving the ecological system of the Caspian. The Company has developed a truly unique system of ecological safety to stave off potential harmful effects on the environment.

“We believe that by pooling our financial and production possibilities LUKOIL and Gazprom will attain impressive results in the development of oil and gas reserves in

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the Caspian Sea," President Alekperov said.