PRESS RELEASE
SEPTEMBER 09, 2003

LUKOIL AND KAZMUNAIGAZ ENTERED INTO OPTION AGREEMENTS ON HYDROCARBON EXPLORATION AND PRODUCTION

Today in Astana, Kazakhstan, the President of LUKOIL Overseas Holding Ltd. Andrey Kuzyaev acting on behalf of OAO LUKOIL ("LUKOIL"), and the First Vice-President of KazMunaiGaz National Company ("KazMunaiGaz") Timur Kulibayev have signed two option agreements ("Agreements") on hydrocarbon exploration and production in Kazakhstan and Russian sectors of the Caspian Sea.

Signing of the above agreements is a successive stage of implementation of the joint project in the Caspian offshore after signing the Memorandum of Understanding in February and Agreement on Cooperation Principles in June this year.

Perspective offshore areas of both countries became the basis for cooperation between the parties. KazMunaiGaz and LUKOIL have exchanged the available geological data and conducted preliminary evaluation.

According to the Agreements, the Kazakhstan party guarantees a 50% participation of LUKOIL in both areas of the Kazakhstan offshore, provided that the Russian party fulfills the assumed obligations. Similar guarantees have been provided by LUKOIL to KazMunaiGaz with respect to the areas in the Russian sector of the Caspian Sea.

According to the parties, the signed Agreements are important documents, which define the mechanism of the joint project implementation.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com