PRESS RELEASE
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LUKOIL AND ASTRAKHAN REGION SIGN COOPERATION AGREEMENT

Vagit Alekperov, President of OAO LUKOIL, and Alexander Zhilkin, acting governor of Astrakhan Region, signed an Agreement on Mutual Cooperation between the Administration of Astrakhan Region and OAO LUKOIL for 2004-2010 in Astrakhan today.

The Agreement sets forth fundamental principles of interaction between the parties in the spheres of geological exploration, oil and gas production, refining, transportation as well as marketing of oil, gas and petroleum products both at home and abroad. Besides, the Agreement defines conditions for cooperation in manufacturing and procurement of engineering and oilfield equipment and also in research and development for the oil and gas sector.

Under the Agreement, LUKOIL will continuously develop its E&P affiliates in Astrakhan region as well as its affiliates engaged in petroleum products supplies to the Region. Among other things, LUKOIL will operate in the Narimanovskiy and Promislovsko-Poldnevskiy license blocks where a 1,550 meter well is planned to be drilled within the boundaries of the Uzhno-Beshkulskaya structure. The Company also committed to work out and take all necessary measures to prevent environmental pollution in the area of its operations in Astrakhan region.

The Company will consider a possibility of selling Chernoyarsk tank-farm owned by the Astrakhan affiliate of LUKOIL-Nizhnevolzhsknefteprodukt to the Region's Administration.

Given the relocation of the tank-farm No.5 owned by the Astrakhan affiliate of LUKOIL-Nizhnevolzhsknefteprodukt, LUKOIL will also consider construction or modernization of production facilities for loading fuel oil at Ilyinka terminal for its further shipment.

The Agreement envisages LUKOIL's social support to the Region, including allocation of 1 million rubles for the restoration of Astrakhan's Kremlin and 250 thousand rubles for educational purposes and promotion of LUKOIL-Dynamo Astrakhan team handball squad.

"We are satisfied with the way our relations with Astrakhan region's authorities develop and we are certain that all of the set goals will be achieved, and in due

time, too" – Vagit Alekperov, President of LUKOIL, said.