PRESS RELEASE
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LUKOIL AND CONOCOPHILLIPS OUTLINE COOPERATION PLANS FOR JOINT VENTURE

A meeting to discuss cooperation plans for 2005 of a JV to be set up by LUKOIL (70%) and ConocoPhillips (30%) was held in Narian-Mar, Nenetsk Autonomous District, today. The JV is organized in the framework of a strategic alliance of the two companies on the basis of OOO Narianmarneftegaz.

Vagit Alekperov, President of OAO LUKOIL, Ravil Maganov, First Vice-President of OAO LUKOIL, Sergey Gnatchenko, acting Director General of the JV and also Russian and American experts took part in the meeting.

It is expected that the JV's production and marketing volumes will reach 200,000 barrels per day by 2008.

The crude to be produced at the JV's fields will be transported via pipeline to a LUKOIL terminal in the town of Varandey on the Barents Sea coast. Then the crude will be shipped to international markets by tankers.

LUKOIL will increase its terminal's capacity to 240,000 barrels per day with ConocoPhillips participating in this project both at the stage of project design and financially.

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