PRESS RELEASE
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LUKOIL OBTAINS SOLE OWNERSHIP OF SEVERTEK

LUKOIL and Finnish Neste Oil have signed an agreement on the acquisition of Neste Oil's 50% holding in SeverTEK. The amount of the transaction is USD 321.5 million.

Thus, LUKOIL gets ownership of 100% of SeverTEK shares.

SeverTEK is licensed to develop Yuzhno-Shapkinskoye and Pashshorskoye fields in Nenets autonomous district as well as Verhne-Grubeshorskoye and Yuzhno-Yuriahinskoye fields in Komi Republic.

Under estimation of US based Miller and Lents SeverTEK had proven and probable reserves of some 235 million barrels of oil as of the beginning of 2005. The company currently produces approximately 30,000 bbl/d.

"Consolidation of the oil production assets in Komi Republic and Nenets autonomous district complies fully with LUKOIL's strategy of development in the Timan-Pechora gas&oil province", Vagit Alekperov, President of LUKOIL, said commenting the acquisition of 50% of SeverTEK.

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