PRESS RELEASE
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LUKOIL AND NENETS AUTONOMOUS DISTRICT ADMINISTRATION SIGN COOPERATION AGREEMENT

Vagit Alekperov, LUKOIL President, and Alexey Barinov, Head of the Nenets Autonomous District, have signed a Cooperation Agreement between the Nenets Administration and the Company in Moscow today.

The document states that, under the current legislation, the Parties will continue cooperation in subsurface resource exploration, oil and gas extraction, development of petroleum products supply system, production and social infrastructure of the Nenets Autonomous District.

According to the Cooperation Agreement Protocol, LUKOIL's aggregate petroleum production in the Nenets Autonomous District will amount to at least 5.6 mln tons in 2006.

In addition, the Company has also confirmed its obligation to provide other subsoil users with a non-discriminatory access to the OOO LUKOIL-Komi gathering pipeline system. LUKOIL will also supply fuel and lubes to the industrial enterprises, housing and utilities infrastructure, state-financed organizations, farmers and the population of the Nenets Autonomous District.

In order to improve the environmental situation in the region, the Nenets Administration will submit a draft law to the RF Government and the RF State Duma prohibiting use of environmentally unsafe fuel and lubricants in Russia, particularly diesel fuel with sulfur content exceeding 0.05%.

The Parties have also decided that in 2006 LUKOIL funds allocated for share construction of three large social facilities (an open 1000-seat football stadium, a kindergarten and a contagious isolation ward with a medical laboratory for the district hospital) in the Nenets municipalities will make up RUR 270 mln.

"Signing another cooperation agreement between our Company and the Nenets Autonomous District Administration is an example of efficient cooperation between business and authorities. I am confident that implementation of this Agreement will contribute to development of social and economic potential of this region and help improve living conditions for the entire population of the District considerably", says Vagit Alekperov, LUKOIL President.

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