PRESS RELEASE
JANUARY 19, 2006

2006 R&D PROGRAM APPROVED BY LUKOIL

LUKOIL's Management Committee has approved its 2006 Research, Development and Process Design Program (R&D).

Financing of the Program activities is budgeted at RUR 654.5 mln.

The Program encompasses 230 target projects in the following areas:

- geology, geophysics, development of oil and gas fields;

- oil and gas production;

- petroleum refining, petrochemicals and petroleum products marketing;

- health, safety and environment;

- corporate economy, finance and planning.

Expected economic efficiency of 2006 R&D Program implementation is estimated at RUR 1.9 to 2.0 bln.

In 2005 R&D spendings amounted to RUR 628.1 mln. Economic efficiency of R&D performance is estimated at RUR 1.5 to 1.7.

Developers of 2006 R&D Program paid particular attention to compliance of investigation areas with the requirements of the RF Tax Code and RF GAAP. Besides, one of the key issues was to ensure that these investigation areas were in line with operational and management tasks.

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