

PRESS RELEASE

JUNE 01, 2006

**LUKOIL ACQUIRES FILLING STATIONS NETWORK AND TANK STORAGES
IN UDMURTIA**

Today, LUKOIL and OAO Udmurtorf have signed an Agreement on the acquisition of 41.8 per cent of OAO Udmurtnefteproduct's shares.

The transaction value is RUR 700 mln.

OAO Udmurtnefteproduct is a marketing company selling all types of oil products in the Republic of Udmurtia. The company owns more than 100 filling stations and 7 tank farms with a storage capacity of 390 ths tn.

LUKOIL plans to bring up its share in OAO Udmurtnefteproduct to 95 per cent.

Through this acquisition, LUKOIL penetrates a new promising market with an estimated volume of 350 ths tn of light oil products which should stimulate the sales and consequently the profits of the Company.