PRESS RELEASE
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LUKOIL AND KOMI GOVERNMENT SIGNED COOPERATION AGREEMENT

Today in Usinsk Vagit Alekperov, President of OAO LUKOIL, and Vladimir Torlopov, Head of the Komi Republic, signed a cooperation agreement between the Company and the Government of the Republic.

Inter alia, the parties agreed to expand cooperation in the following areas:

- development of the fuel and energy complex of the Komi Republic and enhancement of its efficiency, including that of the LUKOIL Group companies;

- improvement of the Republic's economic status and its production capabilities;

- raw-materials base development and better resources management;

- stable fuel and lubricant supply to the Republic's enterprises and institutions;

- ensuring social stability, economic development and improved environmental status of the Republic;

- implementation of the federal target program 'Power Efficient Economy', approved by Regulation No. 796 as of November 17, 2001 by the Government of the Russian Federation, and The Strategy for Economic and Social Development of the Komi Republic for 2006 – 2010 and up to 2015, approved by Regulation No. 45 as of March 27, 2006 by the Government of the Komi Republic.

Vagit Alekperov and Vladimir Torlopov also signed minutes to the Cooperation agreement, containing specific issues of agreement between the parties.

In particular, in 2006 LUKOIL and its subsidiaries in the Komi Republic are to ensure production of 7.4 mln tn of oil and up to 489 mln cu m of gas. OAO Lukoil-Ukhtaneftepererabotka is to produce approximately 3.1 mln tn of petroleum products and complete reconstruction of stock tanks for dark-oil products with the tankage over 130 ths cu m. The Company's total investments volume in the Komi Republic in 2006 will exceed RUR 9 bln.

LUKOIL is also to complete construction and reconstruction of 10 gas stations and a petroleum storage depot in a number of cities in the Komi Republic. The

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

Company is also to supply gas for the needs of municipal communal facilities at Dzhebolskoye field and for Pechora state district power station, as well as for housing and communal needs of Usinsk.

The Company intends to take further steps aimed at ensuring better environmental safety at OOO LUKOIL-Komi facilities according to the Program of Environmental Safety for the LUKOIL Group companies in 2004 – 2008. Up to 48 ths cu m of oil sludge is going to be processed as a part of the program with up to 60 ha of reclaimed land to be approved by the state commission.

LUKOIL is also to ensure resettlement of residents from Pervomaisky construction camp to Yarega camp, including those not employed by the Company's subsidiaries.

According to the antimonopoly law of the Russian Federation this Agreement does not prevent the Komi Government from collaborating with Companies other than LUKOIL. In compliance with the effective legislation, the Government of the Komi Republic ensures an equal status of the Company and its subsidiaries with legal entities, operating on the territory of the Komi Republic.

The agreement takes effect on the date it is signed and remains effective until December 31, 2010.