LUKOIL

PRESS RELEASE
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LUKOIL PLACED RUR14 BILLION IN NON-CONVERTIBLE INTEREST-BEARING DOCUMENTARY BONDS

Non-convertible interest-bearing documentary bonds to bearer of OAO LUKOIL, series 03 and 04, worth RUR14 billion were placed at the Moscow Interbank Currency Exchange (MICEX) today.

Based on the tender results conducted at the MICEX the coupon yield for the bonds, series 03, totalling RUR8 billion, with maturity of 5 years was set at 7.10% p.a. The coupon yield for the bonds, series 04, totalling RUR6 billion, with maturity of 7 years was set at 7.40% p.a.

Offering price of the bonds, series 03 and 04, is set at 100% of the bond nominal value. Early redemption and pre-emptive rights are not envisaged.

During the offering tender investors submitted 152 bids worth RUR20 billion which is practically 1.5 times higher than the issue size. As a result LUKOIL became the first Russian non-government company that sucessfully placed the bonds with 7 years maturity. This offering is unparalleled for a non-government corporate issuer given a substantial amount that was placed within one trading day.

Both Russian and foreign investors took an active part in the offering. Keen interest of a broad circle of investors in LUKOIL debt instruments proves the issuer’s irreproachable credit quality and investment attractiveness.

The arrangers of the issue were ABN AMRO Bank ZAO, Drezdner Bank ZAO and the Renaissance Capital Group.

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