PRESS RELEASE
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LUKOIL DISCOVERED OIL IN CONDOR BLOCK, COLOMBIA

LUKOIL Overseas (OAO LUKOIL 100% subsidiary) discovered prospective oil amounting to over 100 mln bbl in theMedina structure of the exploration Condor block (Colombia).

It is the first discovery made by Russian oilmen in the Western hemisphere.

At the present time preparation is underway to launch commercial production at the field. Meanwhile, the project has already started bringing financial return. Approximately 4 ths bbl of top quality Columbian Vasconia crude which was gained during test drilling at Condor-1 well, was sold to North American consumers.

Condor project is being implemented by LUKOIL Overseas (70%) and Ecopetrol National oil company (30%). The agreement on Condor block was signed on April 7, 2002. It provides for exploration activities at the block for 6 years; in case of a commercial hydrocarbon discovery the agreement forsees field development for 22 years. LUKOIL Overseas Colombia Ltd. is acting as operator of the project.

The total block area is 3,089 sq km. The block is situated in the foothills of the Andes in the western part of Llanos oil and gas basin and is one of the largest exploration blocks in Colombia.

Drilling a deep exploratory well Condor-1 at 1,128 m above sea level was launched in July of 2005. The total depth of the vertical well drilled in the dome of the Medina structure reached approximately 5 thous m. At the present time, the field is being prepared for production.

In February of 2007 OAO LUKOIL Management Committee adopted LUKOIL Overseas report on the results of foreign exploration projects in 2001-2006 and approved major international geological activity businesses for 2007-2016.

Development strategy of LUKOIL international exploration activity for 2007-2016 includes creation of a portfolio with 17 exploration projects and C1 hydrocarbon reserves increment amounting to 1.9 bln boe.

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