PRESS RELEASE
MAY 21, 2007

# LUKOIL ATTRACTS ENVIRONMENTAL LOAN

Today in Kazan, Vagit Alekperov, President of OAO LUKOIL, and Jean Lemierre, President of the European Bank for Reconstruction and Development, signed an unsecured US$ 300 mln loan agreement to finance the LUKOIL Group's Environmental Safety Program for 2004-2008.

The syndicated loan consists of two tranches, US$ 150 mln each. The first tranche is provided by the European Bank for Reconstruction and Development at Libor +0.65% per annum for 10 years (A Tranche). The second tranche is provided by the commercial bank group at Libor +0.45% per annum for 7 years (B Tranche). CALYON Bank is lead arranger and book runner of the B Tranche.

The attracted loan is the most extended long-term unsecured syndicated loan ever obtained by a private Russian company. LUKOIL also managed to reach a new level of the credit resources cost available to the Company on a long-term basis.

The attracted loan will be for the main part used for environmental purposes of OOO LUKOIL-Komi, OOO LUKOIL-Perm, OOO LUKOIL-Zapadnaya Sibir, OOO LUKOIL-Permnefteorgsintez, OOO LUKOIL-Nizhegorodnefteorgsintez and OOO LUKOIL-Volgogradneftepererabotka. It is also possible that part of the loan will be used to finance some of the Company's environmental international projects in over 30 countries worldwide.

After construction of new sites and renovation of existing operating units at oil production plants and refineries, air pollution and wastewater contamination will be reduced. In addition to that, the Company's gas flaring and water consumption are expected to drop. Waste management is expected to rise. Ample resources will be allocated for field pipeline reconstruction purposes.

'LUKOIL acknowledges its responsibility to preserve the environment and to use natural resources wisely, therefore we are in no way hesitant about allocating resources to protect the environment and to provide safe and healthy working conditions for our employees and local communities in the regions of Company presence. We employ all available financing sources, including our own assets and borrowed funds, to implement our environmental programs. We are grateful to the European Bank for Reconstruction and Development for cooperation and we are sure that the attracted loan will be used efficiently to make a positive impact on the

environment in the regions of our presence', said Vagit Alekperov, President of OAO LUKOIL.

'The European Bank for Reconstruction and Development compliments LUKOIL's activity aimed at a whole number of environmental measures. The Company's program on pollution reduction, waste management and energy saving supported by the European Bank for Reconstruction and Development is a striking example of it. Among other things, this program envisages activities on maintenance and change of pipelines, as well as reduction of associated gas flaring output. The European Bank for Reconstruction and Development is proud to finance LUKOIL's long-term program which may serve as an example not only to oil companies, but could be a benchmark for all projects on efficient natural resources management run by the Bank in 29 countries worldwide', said Jean Lemierre, President of the European Bank for Reconstruction and Development.