PRESS RELEASE
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PRESS SERVICE STATEMENT

OAO LUKOIL Press Service announces that pursuant to the previously reached agreement LUKOIL Group acquired from an IFD Kapital Group company an interest in OAO UGK TGK-8 (TGK-8) which represents 29.99% of its charter capital.

The transaction amount reached RUR 24,607 million.

As reported earlier, on February 28, 2008 the Management Committee of OAO LUKOIL approved the procedure of acquisition of a 82.3% interest in TGK-8, which represents 1,696,675,068,701 shares worth RUR 67.5 billion. The acquisition will be paid for with 23,550,000 registered ordinary shares of OAO LUKOIL and with cash.

The acquired power industry assets will be operated by a specially created entity, LUKOIL Power Generation Ltd (a 100% subsidiary of LUKOIL Group).

TGK-8 is one of the major gas consumers in the Southern Federal District with the annual consumption reaching 6 billion cubic meters per year. Its power plants are located in Astrakhan, Volgograd and Rostov regions, Krasnodar and Stavropol Districts, and the Republic of Dagestan.

By purchasing TGK-8 shares, LUKOIL expects significant synergies through natural gas supply to the TGK-8 plants from the Company's gas fields located in the Northern Caspian and in Astrakhan region, which will allow the Company to reach efficient gas price.

In future LUKOIL intends to develop its electric power business. The Strategic Development Program of LUKOIL Group for 2008-2017 envisages establishment of a separate Power Engineering Business Segment in the Company. Development in this area is considered one of the major factors contributing to the Company's capitalization growth.

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