PRESS RELEASE
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# LUKOIL AND PDVSA SIGN AGREEMENT ON JOINT EXPLORATION OF JUNIN-3 BLOCK IN VENEZUELA

Vagit Alekperov, President of OAO LUKOIL, and Rafael Ramirez Carreño, President of PDVSA, State Petroleum Company of Venezuela, signed an Agreement on Joint Study of Junin-3 block in the Orinoco heavy oil belt (Guarico state, Venezuela). The Agreement was signed in Moscow today in the presence of the leaders of the Russian Federation and Bolivarian Republic of Venezuela Dmitry Medvedev and Hugo Chavez Frias.

A joint study will be performed to evaluate the project pertaining to production of extra heavy oil, its further refining on the territory of Venezuela and exporting. Expenses for the study will be shared by the parties on an equal basis. The Agreement will be effective for two years with a possibility of extension.

The previous agreement on Junin-3 was signed by LUKOIL and PDVSA on October 12, 2005 for the term of three years. Obligations under this agreement, related to quantitative assessment and certification of heavy oil reserves in the area of 678 square kilometers, have been fully discharged. The results of these studies were certified by Ryder Scott, an independent engineering company, and officially approved by the Ministry of Energy and Petroleum of Venezuela.

«Signing of the new agreement is an important stage in the development of our co-operation with Venezuela, which has a strategic format for the development of the Company's international activity», Vagit Alekperov said.

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