PRESS RELEASE
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# LUKOIL ESTABLISHES UNIFORM SERVICE ORGANIZATON FOR BOOKKEEPING, TAX ACCOUNTING AND REPORTNG

On March 1, LUKOIL launched its new Regional Accounting Centre in Perm as part of the development concept of the LUKOIL Group accounting organizations. It comprises all accounting departments of the Company's main enterprises located in the Perm region: OOO LUKOIL-Perm, OOO LUKOIL-Permnefteorgsintez, OOO LUKOIL-Permnefteprodukt, OOO Permneftegazpererabotka and the accounting department of OOO LLC-International.

The development concept of the LUKOIL Group accounting services, formulated to enhance the performance efficiency of the respective subdivisions, calls for the establishment of a uniform service entity in the main regions of the Company's presence based on the existing services of the enterprises located in this region.

The Centre will render services to all companies of LUKOUL Group in the areas of bookkeeping, tax accounting and reporting. It will focus specifically on enhancing the efficiency of the subdivisions by creating a reduced reporting preparation period, cutting costs and systematizing and reducing the number of the information systems in use.

The development concept of accounting services envisages a plan for the establishment of regional accounting centres and also of a uniform accounting centre in Moscow, to act as a parent company for regional subdivisions. Incorporation of the accounting centres in a global accounting service is scheduled for the next phase.

Establishment of the Regional Accounting Centre in Perm constitutes a pilot project, while establishment of similar centres in other regions of the Company's presence will be contingent on its performance.

The practice of establishing a specialized accounting subdivision within the framework of a large holding, widely used by major overseas corporations and also by Russian companies, is also known as insourcing (service rendering by an in-house structure).

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