PRESS RELEASE
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LUKOIL COMPLETES SALE OF ITS INTEREST IN THE AZERI-CHIRAG-GUNASHLI PROJECT TO INPEX

OAO LUKOIL ("Lukoil" or the "Company") (LSE: LKOH) today announces that its affiliate LUKOIL Overseas (BVI) Limited has completed the sale to INPEX Southwest Caspian Sea Limited, an affiliate of INPEX Corporation and the Japan National Oil Corporation, of its entire interest in the Azeri-Chirag-Gunashli project for approximately $1.354 billion in cash, subject to certain post-closing adjustments.

The transferred interest includes a 10% share in the project's production sharing agreement, an 11.11% share under the related joint operating agreement, a 10% interest in each of the Azerbaijan International Operating Company and the Georgian Pipeline Company and interests in other ancillary project assets.

Commenting on the transaction, Mr. Vagit Alekperov, President of Lukoil, said: "I am delighted to announce the completion of one of the largest and most important oil and gas deals in the region in recent history. This transaction delivers value to our shareholders and completes yet another step in our promised restructuring process. For Azerbaijan, this transaction represents further evidence of investor confidence in its world-class reserves base and future prospects. Our commitment to Azerbaijan remains as strong as ever and was recently demonstrated by our agreement with SOCAR earlier this month to expand our involvement in the Yalama D-222 Block. We appreciated working with BP and the other consortium partners and wish them and INPEX great success in their future work together in Azerbaijan."

Mr. Kunihiko Matsuo, President of INPEX, stated: "On behalf of INPEX, I wish to express my great pleasure for INPEX to successfully complete this deal with LUKOIL. We, INPEX, are very much looking forward to developing the huge potentiality of this project in cooperation with SOCAR, BP and other partners. We sincerely hope that LUKOIL will enjoy further prosperity of their worldwide activities in the years ahead under Mr. Alekperov's excellent leadership. We take this opportunity to strengthen the cooperative relationship between LUKOIL and INPEX throughout the world."

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