PRESS RELEASE
SEPTEMBER 06, 2004

LUKOIL SUMMARIZES TENDER RESULTS TO SELL OAO LUKOIL'S 100% SHARE IN THE CHARTER CAPITAL OF OOO LUKOIL-BURENIYE

The Commission created to select the buyer summarized the results of the tender to acquire LUKOIL's 100% share in the charter capital of OOO LUKOIL-Bureniye.

Three investors expressed their interest in participating in the tender. However an official bid was made by only Eurasia Drilling Company Limited (EDC). Given that the Commission received only one bid, the open tender was announced ineffective.

Still, basing on the analysis of the EDC bid, the Commission will recommend that the Management Committee of OAO LUKOIL should accept the bid of Eurasia Drilling Company Limited (EDC) as satisfying all the terms of the tender.

The transaction amount is USD 130 million, including EDC obligations of more than USD 60 million to repay OOO LUKOIL-Bureniye's debt. The buyer will guarantee to invest not less than USD 75 million to upgrade the production capacities of the acquired asset.

The buyer also guarantees to provide drilling and related services in the amount of at least 6.5 million meters to the LUKOIL Group during a 5-year period.

"The sale of LUKOIL-Bureniye is part of the LUKOIL Strategic Development Program till 2013 aimed at cost reduction, asset portfolio optimization, ROACE increase, maximization of the Company capitalization and investment attractiveness through divestment of non-core assets of the Group," Vagit Alekperov, President of OAO LUKOIL, said.

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