PRESS RELEASE
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OAO LUKOIL-NIZHEGORODNEFTEORGSINTEZ COMMENCES A WIDE-SCALE UPGRADE PROGRAM

OAO LUKOIL-Nizhegorodnefteorgsintez commenced a Program for upgrade of refineries to be completed in 2009.

The total amount of investment under the Program will be around US$500 million that will be used for construction of catalytic cracking, alkylation and viscosity breaking facilities as well as construction of light-oil products export terminals.

The Program aims at improving the technical and economical indices of the Company's performance, achievement of the Euro 4 standard product quality and alleviation of the impact on the environment.

The Company does not intend to decrease the current oil products production during the upgrade course.

The investment program for the refineries upgrade may also be based on a distribution of additional ordinary shares of the Company via a private offering to OAO LUKOIL-Nizhegorodnefteorgsintez shareholders.

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