PRESS RELEASE
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LUKOIL ACCUMULATES GAS ASSETS

OOO LUKOIL-Nizhnevolzhskneft (100% subsidiary of LUKOIL) acquired 51% minus 1 share of OAO Primorieneftegaz.

The amount of the transaction was 261 mln USD.

OAO Primorieneftegaz holds license for geological exploration of the flood-plain area located 60 km to the north from Astrakhan.

OAO Primorieneftegaz opened Central-Astrakhan gas condensate field in that area in May 2004. Drilling of Primorskaya Well #1, 4188 m deep, resulted in commercial inflow with a daily rate of 262,200 cubic meters of gas and 110 cubic meters of condensate.

Approved reserves of the field under C1+C2 category are as follows:

- free gas – 1.2 trillion cubic meters;

- condensate – 300 million tons.

The reserves under the categories “probable” and “possible” are estimated 2.76 billion barrels of oil equivalent.

LUKOIL experts believe that the production level at the Central-Astrakhan gas condensate field may be up to 20 billion cubic meters of gas and 8 million tons of condensate per year that will ensure stable production and refining of hydrocarbons during 30 years.

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