PRESS RELEASE
DECEMBER 12, 2006

LUKOIL AND AMINISTRATION OF NENTSK AUTONOMOUS DISTRICT OUTLINED MAJOR COOPERATION AREAS TILL 2010

Vagit Alekperov, President of OAO LUKOIL, and Valery Potapenko, Head of the Nentsk Autonomous District Administration, signed a Cooperation Agreement between the Company and the Nentsk Autonomous District Administration in Naryan-Mar today.

In partucular, the parties agreed to continue cooperation in the field of geological survey, oil and gas production, development of petroleum product supply system, production and social infrastructure. On its part, OAO LUKOIL intends to pursue the policy of hydrocarbon production growth and investment inflow into development of oil and gas resources, transport infrastructure as well as petroleum products storage and downstream sites in the Nenetsk Autonomous District, including construction of new gas stations and reconstruction of those already in operation.

OOO LUKOIL-Komi will act as operator in providing execution of terms and conditions outlined in the License Agreements in the framework of social and economic partnership with the Nenetsk Autonomous District.

To provide execution of terms and conditions of the Cooperation Agreement, the Parties will execute a Protocol once a year to define specific projects for the calendar year period.

Inter alia, the 2007 Protocol states that this year OAO LUKOIL will extract at least 5.8 mln tn of oil in the Nenetsk Autonomous District. On its part, in order to improve the environmental state in the region, the Nenetsk Autonomous District Administration intends to propose an initiative to the Government of the Russian Federation and the State Duma to ban the use of diesel fuel with sulfur content exceeding 0.05% on the territory of the Russian Federation.

"The Nenetsk Autonomous District is one of the key regions of OAO LUKOIL operation. It is one of the major reasons we are interested in setting long-term mutually beneficial cooperation with the Administration of the region. I am sure that the Agreement we have signed today will contribute to improvement of social and economic state in the District and development of our Company's business", stated Vagit Alekperov, President of OAO LUKOIL.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com