PRESS RELEASE
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LUKOIL DEVELOPS COOPERATION WITH PERM REGION

Today in Perm Vagit Alekperov, OAO LUKOIL President, and Oleg Chirkunov, Perm Region Governor, signed a Protocol of Coooperation between OAO LUKOIL and Perm Region for 2007. The document was signed in the framework of the Agreement on Economic and Social Cooperation concluded between the Company and the Region in December 2005 for 5 years. Alexander Konovalov, Plenipotentiary of the President in Volga Federal District, participated in the signing ceremony.

In accordance with the signed document, among other things, OAO LUKOIL took up the responsibility to construct gas pipelines to supply natural gas from Kokui field for consumers in Chernushinsk and Kuedinsk regions and associated gas from Magovsk and Tsepelsk fields for consumers of Krasnovishersk. In addition to that, in 2007 the Company intends to increase supplies of liquefied automobile propane/butane mixture.

The partes have also reached an agreement to continue to organize contests of social and cultural projects held by OOO LUKOIL-Perm, including financing of a grants fund in the amount of no less than 25 mln rubles. Besides, OOO LUKOIL-Permnefteorgsintez 2007 budget stipulated funding of a sports center Neftyanik construction in the amount of 100 mln rubles.

Vagit Alekperov and Oleg Chirkunov also signed Appendix No. 1 to the Protocol which defines the amount of social investment and construction of social sites in 2007 estimated at 1,130.201, including Company funds of 675 mln 50 ths rubles. In addition to that, OAO LUKOIL President and Perm Region Governor signed a Protocol on Mutual Obligations under the Agreement on Economic and Social Cooperation between the Region and the Company. In 2006 the Parties financed construction of social investment objects in Perm amounting to 958.5 mln rubles, including 570 mln rubles funded by the Company. OAO LUKOIL also provided financing of additional production investment projects in Perm Region amounting to 570 mln rubles. The amount of profit tax revenue from the LUKOIL Group organizations came to 7,124.3 mln rubles in 2006, which exceeded 2005 level by 1,897.3 mln rubles. OAO LUKOIL expenditures on environmental activities and nuclear safety in 2006 came to 1,268.2 mln rubles. In 2006 the Company also continued the practice of organizing contests of social and cultural projects. Over 26

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mln rubles were allocated for these purposes.

It was also today that Alexander Smirnov, OAO LUKOIL Vice-President and General Director of OOO LUKOIL-ENERGOGAZ, and Nikolai Bukhvalov, Head of Perm Region Government, signed a Cooperation Agreement on power supply development.

Among other things, the Agreement stipulates construction of own generating units with the capacity of up to 70 MW at OOO LUKOIL-Permnefteorgsintez premises, which would ensure reliability of electric power supply at the refinery and at the same time spare part of the capacities at TPP-9 (TETS-9) to supply energy for Perm's social infrastructure.

As part of the trip, Vagit Alekperov, OAO LUKOIL President, and Alexander Konovalov, Plenipotentiary of the President in Volga Federal District, visited Shershen oil and gas field of OOO LUKOIL-Perm, attended a meeting to discuss development strategy of the oil producing complex in Perm Region and participated in the opening ceremony of a geological museum of Oil and Gas Institute, Perm State Technical University.