PRESS RELEASE
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LUKOIL IMPROVES EMERGENCY PREVENTION AND RESPONSE SYSTEM

Viktor Zagvozdkin, Head of OAO LUKOIL Environment Protection Section, presented a report at the international conference held in Moscow today. The conference was titled “Reclamation of oil contaminated areas, oil spill response, fire and industrial safety at fuel and energy enterprises: problems and solutions”.

Among other things, he said that the Company had elaborated “The Concept of improving emergency prevention and response system to control oil and oil products spills” which was coordinated with the EMERCOM of Russia (the Ministry of the Russian Federation for Civil Defense and Disaster Relief).

The activities aimed at improving regulatory control over emergency prevention are based on the Agreement “On Interaction in fire safety, oil and oil product spill prevention and response” signed between the EMERCOM of Russia and OAO LUKOIL on November 15, 2005.

The Company has adopted the following corporate documents aimed at efficient accidental spill prevention:

Regulations on accidental oil and oil products spill prevention and response;
Standard “Emergency prevention and response plans”.

Besides, the following standards are being elaborated:

“Oil and oil products spill prevention and response in the LUKOIL Group”;

“Oil and oil products spill prevention and response during sea and river transportation”;

“Requirements to organization and planning of operations aimed at emergency containment and response”.

In accordance with the Oil and Oil Products Spill Prevention and Response System, the Company keeps a Summary Register of hazardous production facilities subject to accidental spills, which may result in emergencies and considerable contamination.

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The Company lays a particular emphasis on planning activities aimed at preventing potential spills and mobilizing efforts and forces to contain and eliminate emergencies on marine and river terminals. Inspections and training exercises are held on each terminal before the navigation start. About sixty tactical exercises and trainings dedicated to spill response are organized annually in the LUKOIL Group companies.

For instance, in June 2007, an international multilayer training was organized, which was aimed at eliminating the oil spill caused by an oil tanker wreck in the vicinity of "LUKOIL-II" oil terminal at OAO "RPK-Vysotsk", as well as a command post exercise rehearsal aimed at responding to the oil spill near the Varandey Oil Export Terminal under construction.

Besides "LUKOIL-II" own rescue services at OAO "RPK-Vysotsk", resources and forces of the North-Western Regional Center of the EMERCOM of Russia, the Federal State Institution "Gosmorspassluzhba", OAO "AK Transneft", OAO "Emergency and Ecological Operations Center", as well as special vessels from Finland were involved in the trainings. Observers from regional environmental organizations and mass media representatives also attended the event.

International training aimed at oil spill response near the Varandey Oil Export Terminal is to take place in 2008.

Besides, specialized units for oil and oil products spill response have been established in each LUKOIL Group company or agreements with professional emergency rescue teams have been signed. The total number of specialists in this area amounts to about 1,500 people. Besides environmental training, the Company purchases state-of-the-art equipment and provides the emergency rescue support teams with it.