PRESS RELEASE
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LUKOIL PRESIDENT VISITS IRAQ

OAO LUKOIL President Vagit Alekperov has paid a working visit to Iraq.

During his visit Vagit Alekperov held meetings with Iraqi President Jalal Talabani, Prime Minister Nouri al-Maliki, Minister of Foreign Affairs Hoshyar Zebari, Oil Minister Hussein al-Shahristani and other officials.

The parties discussed prospects of LUKOIL's involvement in oil and gas projects in Iraq such as participation in the development of West Qurna-2 oil field.

The Iraqi representatives highly appreciated the activities of the Company within the framework of the Memorandum of Understanding and Cooperation signed between the Ministry of Oil of Iraq and LUKOIL on March 10, 2004.

Among other things, LUKOIL has delivered construction equipment and ambulance vehicles to the Oil Ministry of Iraq, organizes secondments for Iraqi specialists at the Company's enterprises and also scholarships for Iraqi students at Russia's oil and gas higher education institutions. LUKOIL experts are also involved in research work, including seismic data processing, assessment of oil and gas content in formations and elaboration of process flow diagrams and geological models for a number of fields located in Iraq.

This is what Mr. Alekperov said, inter alia, commenting on the results of his visit: "Our dialogue with Iraqi officials was frank and productive. We came much closer to understanding what conditions are required for the implementation of our project. Thus, we decided to set up a working group to review what is needed to kick off the implementation of the West Qurna-2 project in compliance with Iraqi legislation. We also decided that LUKOIL-Overseas (100% subsidiary of LUKOIL) will take part in bidding for new projects to be initiated by the government of Iraq after the adoption of a new Oil Act.

The contract for development and production of the second stage of the West Qurna-2 oil field was signed on the March 21, 1997. LUKOIL's share is 68%. The strategic partnership agreement between LUKOIL and ConocoPhillips stipulates that 17.5% of the share is transferred to the American company. This oil field is considered to be the largest in the world. Proved reserves of the field are estimated at 6 billion barrels of oil.

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As was reported previously, on his visit to Iraq Mr. Alekperov was part of the team headed by the RF Deputy Foreign Minister Alexander Saltanov. The latter passed on to the Iraqi Prime Minister a message from RF President Vladimir Putin.