PRESS RELEASE
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LUKOIL AND STAVROPOL REGION PROMOTE COOPERATION

Vagit Alekperov, President of OAO LUKOIL, and Valery Gayevsky, Governor of Stavropol region, signed a cooperation agreement between the Company and the Region within the framework of the International Investment Forum inSochi today.

The document provides, among other things, for active cooperation between the parties aimed at implementing the construction of a gas and chemical complex to produce ethylene and its derivatives at a site of OOO Stavrolen in Budennovsk. The hydrocarbon materials will be delivered to the complex from LUKOIL's fields located in the Northern Caspian.

Under the agreement and in accordance with the effective legislation, the Regional Government will assist LUKOIL in mobilizing capital of the RF Investment Fund for construction of government-owned and municipal facilities within the framework of the gas and chemical project, in utilizing polymer pipelines for the building of new houses and for the upgrading of existing utilities and gas networks, and also in establishing small enterprises for advanced processing of polyethylene and polypropylene in Stavropol region.

A separate article of the agreement provides for participation of Stavropol region's Government in training professionals for the Budennovsk complex. In particular, a medium-term (5-7 years) state order is expected to be elaborated for the training of specialists in higher educational, vocational and technical educational institutions of Stavropol region on conditions of co-financing.

Also, LUKOIL and the Ministry of Education of Stavropol region will jointly participate in personnel training programs. For instance, the Company will prepare school graduates for entrance exams at field-specific higher educational institutions of Moscow and the Region, provide for target training of school graduates from Stavropol region in Moscow's colleges of chemistry, prepare skilled personnel for the petrochemical industry, and help organize traineeships at OOO Stavrolen subdivisions.

LUKOIL will also take an active part in the development of the social and cultural infrastructure of Stavropol region, and also in implementing programs concerned with environment, education, health care, culture and sports.

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The Agreement shall come into effect on the day it is signed and shall be valid until December 31, 2015. The previous cooperation agreement between the Government of Stavropol region and OAO LUKOIL was signed in February of 2001.