PRESS RELEASE
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PRESS SERVICE STATEMENT

The OAO LUKOIL Press Service announces that the Company has elaborated and submitted to the Federal Anti-Monopoly Service of the Russian Federation (FAS) application proposals for the Pricing Methodology for petroleum products sold at wholesale markets in the territory of theRussian Federation.

The Methodology determines the pricing procedure for the Russian petroleum market, which is based on the public information on wholesale prices in major world trade centers (WTC).

Application of the Methodology implies that the prices set by the Russian manufactures on its basis, are considered market prices and are compliant with the requirements of the Russian legislation.

The Methodology can also be used for calculating reserve prices for petroleum products during their realization in the stock exchange.

Under the Methodology, the prices for petroleum products realized on the domestic wholesale market will be calculated according to the following formula:

Prime cost of the refinery =
World adjusted posted price ±20%

where:

Prime cost of the refinery	=	Wholesale price, payment in advance, ex-factory basis, including RF taxes
World adjusted posted price	=	((WAP – due)* USD exchange rate + excise duty)+VAT

where:

WAP (World average price)	=	FOB NWE+FOB MED+FOB Gulf Coast+FOB Singapore

where:

FOB NWE, FOB MED, FOB Gulf Coast, FOB Singapore	=	Average minimum and maximum WP quotations for the given petroleum product adjusted to uniform units of measurement

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“We hope that in the near future the Russian oil companies and the FAS will be able to reach an agreement on the pricing principles for the petroleum products realized on the domestic market. We also expect lawmakers to make relevant amendments to the antitrust legislation, which would eliminate its ambiguity and its possibility of creating unfair decisions,” Vadim Vorobyev, OAO LUKOIL Vice President, said.