PRESS RELEASE
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COMPANIES LUKOIL, YUKOS AND GAZPROM FOUND THE CASPIAN OIL COMPANY

The representatives of the oil companies, YUKOS and LUKOIL, and OAO Gazprom have announced a foundation of the Caspian Oil Company (COC) and signed the charter documents of the new company in Moscow today.

The Caspian Oil Company is founded for prospecting, exploration and development of oil and gas reserves in the Caspian region, mainly in the Caspian offshore.

Each of the 3 founders will own one third of the Caspian Oil Company's equity.

"Foundation of the Caspian Oil Company will allow to joint investment capabilities of our companies in the development of promising Caspian reserves," said Yuri Beilin, President of Yukos EP. "We also plan to use the most recent oil recovery techniques while working in the Caspian," he stressed.

The founders decided that the COC would be managed by the General Director and the Supervisory Board, each of them elected for a two-year term.

Alexander Porokhnin who previously worked in OOO LUKOIL-Astrakhanmorneft was elected COC's General Director for the nearest two years.

The Supervisory Board will include 2 members of each company, Yukos, LUKOIL and Gazprom. Yukos EP Vice President Alexander Afanasenkov was elected Chairman of the Supervisory Board.

The COC's headquarters will be based in Astrakhan.

In the near future the COC will be seeking licenses for prospecting and exploration on the promising structures in the North Caspian shallow waters. The COC drafted a geological program that includes a seismic survey to be conducted this year.

"Joining efforts of three leading Russian companies will contribute not only to economic growth but to strengthening Russia's positions in the Caspian region," said First Vice President of LUKOIL Ravil Maganov.

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