PRESS RELEASE
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LUKOIL RESOLVES TO SELL SHARE IN LUKOIL-NEFTEGAZSTROY

The LUKOIL Management Committee resolved to sell a 38% share owned by OAO LUKOIL in ZAO LUKOIL-Neftegazstroy to the managers of LUKOIL-Neftegazstroy today.

In accordance with an independent evalution the market value of the 38% share amounts to 1,925 million rubles. The book value of LUKOIL-Neftegazstroy shares is 15,200 rubles as recorded in LUKOIL balance sheet. Thus, the deal will bring LUKOIL 1,924,984,800 rubles of net profit.

The decision to sell a 38% block of shares is a part of the LUKOIL Strategic Development Program till 2013 aimed at achieving a higher return on capital employed, growth of capitalization, better investment attractiveness by way of the LUKOIL Group non-core assets spin-off.

ZAO LUKOIL-Neftegazstroy was set up on June 12, 1994 as an oilfield development company. The company was also designed to construct an revamp oil-refining facilities and infrastructure of the LUKOIL Group companies. The Company specializes in construction and installation works for oil and gas industry, industrial and civil infrastructure development, highway engineering and business coordination as a general contractor. Presently, the Company includes an affiliate located in Yuzhno-Sakhalinsk, 16 representative offices and over 50 subsidiaries and affiliates. In 2003 LUKOIL-Neftegazstroy sales equaled 21,640 million rubles while net profit totaled 774 million rubles.

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