PRESS RELEASE
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# LUKOIL COMMISSIONS NAKHODKINSKOYE GAS FIELD

A commissioning ceremony of the Nakhodkinskoye field Cenomanian gas deposit took place today in the Yamalo-Nenetsky Autonomous District. License for the field development is held by LUKOIL-Western Siberia (100% subsidiary of LUKOIL).

The Nakhodkinskoye field gas reserves are more than 250 bcm under Categories C1+C2 and the oil reserves are about 9 million tons under Category C2.

31 production wells have been drilled in the field so far, and 22 out of them are completed. Construction of the complex gas treatment unit, power generating system, hard drilling and domestic wastes disposal site has been completed. 117.5 km gas pipeline has been installed to connect the field to the Yamburgskaya main compressor station including a 22 km bridge over the Tazovskaya bay. Capital investments in the field development were 12.2 billion rubles by January 1, 2005.

Production output at the Nakhodkinskoye field is estimated to be around 11 bcm in 2005-2006 and the field's planned production capacity of 10 bcm per year will be achieved in 2007.

According to agreements between LUKOIL and Gazprom, all gas produced at the Nakhodkinskoye field will be acquired in the initial period by Gazprom at a metering station near the Yamburgskaya gas compression station.

Commissioning of the other fields of the Bolshekhetskaya Basin is scheduled for 2007-2011. Overall investments into the field development are estimated to amount to 150 billion rubles. Maximum production output which is 25 bcm of gas and up to 2 million tons of gas condensate is estimated to be achieved in 2012.

Development of the Bolshekhetskaya Basin fields is a priority of the LUKOIL gas business progress strategy. In accordance with the Company's Strategic development program for 2005-2014, the gas production will rise from 8 bcm to 50 bcm during that period and its share in the hydrocarbons overall production will go up from 8% to 30%.

"We view the gas business development as one of the preconditions for a stable development of our company in the long-term perspective", Vagit Alekperov, the

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President of LUKOIL, said.