PRESS RELEASE
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LUKOIL AND VOLGOGRAD REGION ADMINISTRATION SIGN AGREEMENT ON SOCIAL AND ECONOMIC COOPERATION

Today in Moscow Vagit Alekperov, LUKOIL President, and Nikolai Maksyuta, Head of Volgograd region, signed an Agreement on social and economic cooperation between the Administration of the region and the Company for the next three years.

The Agreement stipulates partnership in compliance with the applicable law aimed at further development and raising the efficiency of the fuel and energy sector, supplying fuel and lubricants, protecting environment and improving living conditions of Volgograd region residents.

In accordance with the Agreement, in 2006 LUKOIL intends to produce 2.8 mln tons of oil in Volgograd region, and to provide load at OOO LUKOIL-Volgogradneftepererabotka in the amount of at least 9 mln tons of oil per year.

In 2006 the Company also plans to contribute over 6 bln rubles worth of capital investments into investment projects in Volgograd region.

The above-stated investments in oil production will be aimed, among other things, at developing Vostochno-Kudinovskoye, Kudryashovskoye, Novokochetkovskoye and Gurovskoye fields, construction of the oil pipeline JV Antipovskaya – JV Yu. Umet and construction of compressed air plant at Korobkovsky gas processing plant.

In terms of oil processing, the Company will continue reconstruction of OOO LUKOIL-Volgogradneftepererabotka, with isomerization installation and catalytic reforming unit to be constructed.

In 2006 LUKOL intends to build one and reconstruct six service stations in Volgograd and a number of other cities of the region.

In order to improve environmental situation and use hydrocarbon material to its fullest, LUKOIL plans to continue reconstruction of Korobkovsky gas processing plant, construct physical and chemical treatment facilities at OOO LUKOIL-Volgogradneftepererabotka and to increase associated gas recovery.

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