PRESS RELEASE
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LUKOIL ACQUIRES ASSETS IN THE REPUBLIC OF KAZAKHSTAN

Today LUKOIL Overseas, operator of international upstream projects of LUKOIL, signed a Merger Agreement with Chaparral Resources Inc. according to which LUKOIL Overseas will acquire all of the outstanding common stock of Chaparral Resources, subject to the conditions precedent and other terms of such Merger Agreement, including approval of Kazakh state authorities.

The Agreement was approved by the Special Committee of the Board of Directors of Chaparral Resources, which consists of Chaparral Resources' independent directors. The agreed upon acquisition price is USD 5.80 per share, which represents a premium of 12.3% to the average closing price of Chaparral Resources' shares for the last 30 days. Chaparral Resources' Special Committee received the opinion of its financial advisor, Petrie Parkman & Co., Inc., to the effect that, the acquisition price is fair from a financial point of view.

The total acquisition price for the shares of Chaparral Resources not owned by LUKOIL is USD 88.6 million, which represents a cost of acquired proved oil reserves of USD 8.10 per barrel. The deal is expected to be completed in May of this year. Akin Gump Strauss Hauer & Feld LLP served as Lukoil Overseas' legal consultant, and Aton Capital served as Lukoil Overseas' financial consultant.

Currently LUKOIL Overseas is the indirect owner of 60% of the outstanding shares of Chaparral Resources, which were acquired in December 2005 together with the other assets of Nelson Resources. The remaining shares of Chaparral Resources are publicly traded. LUKOIL consolidates the assets of Chaparral Resources in order to gain a full control of the venture and improve management.

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Chaparral Resources Inc. was incorporate in 1972 in the United States and operates exclusively in the Republic of Kazakhstan. Chaparral Resources' common stock is traded on the Over the Counter Bulletin Board in the United States.

Chaparral Resources and LUKOIL Overseas together own all of Closed JSC Karakudukmunay (KKM), a Kazakh joint stock company that holds the governmental license to develop the Karakuduk Oil Field. Seventy six percent of KKM is indirectly owned by LUKOIL Overseas.

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The Karakuduk Oil Field, consisting of 68 square kilometers, was discovered in 1972. It is located in the Mangistau Region of Kazakhstan, 160 kilometers south of the Tengiz field and 360 kilometers northeast of the Oblast's administrative center, Aktau, where KKM's office is located. The development license was issued to KKM in 1995 for a period of 25 years. Development started in 2000. The field has over 50 development wells operating. A total of 3.5 million barrels of oil were produced there in 2005 (after royalty). Proven reserves are 45.3 million barrels of oil (after royalty, according to the audit conducted by McDaniel & Associates Consultants Ltd. dated as of 31 December 2005)