PRESS RELEASE
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LUKOIL AND AVTOVAZ ENTER INTO 2006-2009 COOPERATION AGREEMENT

Today in Moscow Vladimir Nekrasov, First Vice-President of OAO LUKOIL, and Nikolay Maltsev, Vice-President of OAO AVOVAZ, have signed a Cooperation Agreement between the two companies for 2006-2009.

Pursuant to the Agreement, the companies will be adhering to a common technological policy in improving the quality of fuels and lubricants to ensure their compliance with international standards. The cooperation will involve leading Russian oil companies, research institutions, the Association of Motor Engineers of the Russian Federation and the Government Committee for Standards, Metrology and Certification (Gosstandart).

The Agreements provides for OAO AVTOVAZ plans to purchase fuels, lubricants and special-purpose liquids from LUKOIL and to use LUKOIL motor and transmission oils for first car tank filling and advise VAZ cars owners and service stations to use LUKOIL oils.

LUKOIL in its turn undertakes to ensure the regularity of supplies to AVTOVAZ and competitive pricing. LUKOIL will schedule, organize and finance the development and commencement of industrial production for advanced lubricants.

In addition, OOO LLK-International, a wholly-owned subsidiary of OAO LUKOIL will arrange for installation of an extra filtering device used to produce oils of different purification level, and will develop the program to provide OAO AVTOVAZ with full supplies of lubricant oils, and will work on waste management issues.

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