PRESS RELEASE
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LUKOIL SETS UP A FINANCIAL AND INVESTMENT CENTER TO FINANCE CONSTRUCTION OF VISBREAKING UNITS AND A DEEP CONVERSION UNIT AT LUKOIL-NIZHEGORODNEFTEORGSINTEZ

OAO LUKOIL Management Committee decided to set up a financial and investment center based on OAO LUKOIL-Volganefteprodukt, which will act as a customer for construction of visbreaking units and a deep conversion unit at OAO LUKOIL-Nizhegorodnefteorgsintez production sites.

OAO LUKOIL-Volganefteprodukt will be constructing the units by attracting its own and borrowed funds in the framework of the LUKOIL Group Refinery Upgrading Program. New sites will belong to OAO LUKOIL-Volganefteprodukt and will be part of OAO LUKOIL-Nizhegorodnefteorgsintez process flow.

The decision to set up a financial and investment center based on OAO LUKOIL-Volganefteprodukt ensued from the necessity to improve financial performance of OAO LUKOIL-Nizhegorodnefteorgsintez and inability to finance the upgrade of its refining capacities by borrowed funds. As reported earlier, the shareholders of OAO LUKOIL-Nizhegorodnefteorgsintez disapproved of attracting funds to finance the upgrade of the plant at the General Annual Shareholders Meeting of the Company.

Thus, OAO LUKOIL believes that a financial and investment center based on LUKOIL-Volganefteprodukt will provide consistent and sufficient financing for construction of visbreaking units and a deep conversion unit at OAO LUKOIL-Nizhegorodnefteorgsintez.

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