PRESS RELEASE
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LUKOIL SUCCESSFULLY PLACES US$1.0BN IN EUROBONDS

OAO LUKOIL placed its Eurobond issue for the total amount of US$1bn split equally between 10-year and 15-year tranches.

The 10-year US$500mn issue priced with a coupon of 6.356% at a spread of +145bps vs US Treasuries. The 15-year US$500mn issue priced with a coupon of 6.656% at a spread of +175bps vs US Treasuries.

The issue was lead managed by Credit Suisse and Deutsche Bank. Application has been made to list the issue on the London Stock Exchange.

The new issue is the highest-rated private corporate bond offering from Russia to date. After a successful international roadshow, the offering was well received by the market and achieved broad and diversified global distribution. Strong name recognition as well as strong demand for LUKOIL paper attracted orders over US$ 6 bn.

10-year tranche distribution:

Geography: US 56%, UK 17%, Switzerland 5%, Germany/Austria 4%, Other Europe 8%, Russia 4%, Asia 6%.

Investor type: Asset Management 60%, Banks 20%, Insurance 12%, Retail 5%, Central Bank/Sovereign 3%.

15-year tranche distribution:

Geography: US 42%, UK 32%, Germany/Austria 6%, Switzerland 1%, Other Europe 8%, Russia 3%, Asia 4%, Other 4%.

Investor type: Asset Management 75%, Banks 9%, Insurance/Pension 12%, Retail 2%, Central Bank/Sovereign 2%.

OAO LUKOIL intends to use the proceeds of the offering for general corporate purposes, including the repayment of existing indebtedness and financing of capital expenditures.

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