PRESS RELEASE
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LUKOIL AND KALMYKIA GOVERNMENT SIGN COOPERATION AGREEMENT

Today in Saint-Petersburg Vagit Alekperov, OAO LUKOIL President, and Kirsan Ilyumzhinov, Head of the Republic of Kalmykia, signed a cooperation agreement between the Government of the Republic and the Company.

Among other things, the agreement stipulates cooperation between the Parties on exploration and development of new oil and gas fields, production and treatment of crude hydrocarbons, development of petroleum product supply system, technical and social infrastructure.

LUKOIL and the Government of the Republic of Kalmykia have also agreed to pursue joint research-and-engineering policy on integrating state-of-the-art equipment and technologies for hydrocarbon production, transportation and refining.

The Government of Kalmykia intends to assist LUKOIL in providing land plots for construction of production facilities, including complex gas treatment plants in Chernozemelsky District.

In accordance with the agreement, LUKOIL Group companies will supply petroleum products to wholesale and retail markets of the Republic of Kalmykia, and provide all the necessary equipment, in particular, by constructing new sites and reconstructing existing retail outlets.

The Agreement comes into force the date it is signed and remains effective until December 31, 2011.

‘The Company’s long-term development strategy implies construction of a high-capacity crude production, refining and transportation facility. Therefore, we are very much interested in expanding our presence in Kalmykia’, said Vagit Alekperov, OAO LUKOIL President.

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