PRESS RELEASE
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LUKOIL ACQUIRES NEW HYDROCARBON ASSETS IN UZBEKISTAN

LUKOIL Overseas (OAO LUKOIL's 100% owned subsidiary) has reached agreement with ZAO MGNK SoyuzNefteGaz to aquire a controlling interest in a group of companies, one of which is SoyuzNefteGaz Vostok Limited, a signatory to the Production Sharing Agreement (PSA) on the South-Western Guissar and Ustyurtsk Region fields in the Republic of Uzbekistan.

The contract area includes 8 fields, which contain C1 category gas reserves of 100 billion cubic meters according to the estimates by the State Committee for Reserves of the Republic of Uzbekistan. The planned production is about 3 billion cubic meters of gas per annum. This level is expected to be attained in 4 years. Gas is to be exported via OAO Gazprom trunk pipelines.

The PSA, to which SoyuzNefteGaz Vostok Limited is a signatory, was signed on January 23, 2007 for a 36-year period with effective date April 23, 2007. The work in the contract area is being carried out by CIS Guissar Limited as operator, which is also a part of the assets acquired. The investments required for project implementation amount to approximately USD 700 million.

Vagit Alekperov, President of LUKOIL, said: "The Republic of Uzbekistan is a priority region in our international operations. Business expansion in Uzbekistan fully agrees with the long-term strategic goals of the company. We are satisfied with the fact that the leadership of Uzbekistan gave a positive assessment of our activities in the Republic and approved our participation in the Guissar project".

"Our investment in the project has already exceeded USD 70 million. A major Russian oil and gas company with an extensive international experience involved in the project will ensure its successful implementation," Yury Shafranik, Chairman of the Board of ZAO MGNK SoyuzNefteGaz, said.

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