PRESS RELEASE
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LUKOIL EXPANSION IN THE NORTH-WEST FEDERAL DISTRICT OF RUSSIA

Vagit Alekperov, President of OAO LUKOIL, Ravil Maganov, First Executive Vice President of OAO LUKOIL and Vladimir Nekrasov, First Vice President of OAO LUKOIL, along with other executives of the Company took part in a meeting with Ilya Klebanov, Plenipotentiary Representative of the President of Russia in North-West Federal District, and regional governors. The meeting was held in St. Petersburg.

The Company representatives reported on the results of LUKOIL Group's activities in North-West Federal District and its development plans.

As a result of exploration in the District over a period of the past seven years, the Company discovered 21 new fields (9 in Komi Republic, 2 in Nenets Autonomous District, 10 in Kaliningrad Region). In the same period the Group extracted 94 million tons of crude oil and over 6 billion cubic meters of gas in the District. In general LUKOIL plans to bring into production 60 new fields in the North-West Federal District til 2020.

From 2000 to 2007 oil refining throughput at OOO LUKOIL-Ukhtaneftepererabotka increased from 3.6 million to 4.1 million tons. During the process of refinery modernization crude distillation unit AT-1 has been revamped, diesel hydrodewaxing unit has been commissioned, catalyst reforming complex revamping has been completed, crude oil and oil product loading and offloading platform and visbreaking unit have been constructed. Moreover, the Company plans to construct an isomerization unit, revamp crude distillation unit AVT-1, construct AVT-2 and a power unit. AVT-2 unit will have capacity up to 3.5 million tons per year and will process crude oil from Yaregskoye oil field. Thus, the overall capacity of the refinery will increase twofold.

At the same meeting OOO LUKOIL-Severo-Zapadnefteprodukt also presented a project to construct river/road-side gas filling stations for vehicles and small vessels. Commissioning of two unique gas stations of this kind is planned for the start of river navigation in 2009.

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