PRESS RELEASE
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LUKOIL TO SUPPLY 3 MILLION TONS OF OIL TO CHINESE SINOPEC

Today in Moscow General Director of LITASCO (LUKOIL global trader) Gati Al-Jebouri and President of Unipec Asia Company Ltd. (Sinopec Trader) Dai Zhaoming have signed a frame agreement on oil supplies.

The document has also been initialed by First Executive Vice-President of OAO LUKOIL Ravil Maganov and Chairman of Sinopec's Board of Directors – President of Sinopec Group Su Shulin.

The agreement calls for Russian export of 3 million tons of oil blend and/or YK blend of oil produced from Yuzhnoye Khylchiyu Field, Nenets Autonomous Okrug. This being the case, the actual export volumes will be dependent on public arbitration and price rates.

The oil will be delivered by tankers with displacement of 80,000 to 140,000 tons. The contract will be valid from July 1, 2009 through June 30, 2010 or up to the time the full contract value has been paid under the agreement.

Over the last few years LITASCO have sold under spot contracts 1 million tons of oil and 250 thousand tons of fuel oil.

In 2008 LITASCO total sales to China amounted to 470 thousand tons of oil and 662 thousand tons of virgin fuel oil, and from January to June 2009 the oil delivery rose as high as 700 thousand tons.

"China is one of major oil and fuel oil importers. Therefore, the Chinese market is of great interest to LUKOIL. Our traders' global comparative analysis features the oil & petroleum products selling price in the region that can maximize our Company's revenue. We are also prepared to discuss with our Chinese partners the potential for upstream cooperation projects", says First Executive Vice-President of OAO LUKOIL Ravil Maganov.

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