PRESS RELEASE
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LUKOIL AND BASHNEFT SIGN A COOPERATION AGREEMENT

Vagit Alekperov, OAO LUKOIL President, and Viktor Khoroshavtsev, General Director of OAO Sistema-Invest (which manages the assets of ANK Bashneft and other companies of the Bashkir Fuel and Energy Complex) signed a basic cooperation agreement in Moscow today.

Under the agreement, LUKOIL will supply oil to be refined at a group of Ufa-based refineries, while the resulting petroleum products and petrochemicals will be supplied for exports and also to the Russian Federation domestic market.

The Agreement went into effect upon signing and shall be valid until August 1, 2010, with a possibility of prolongation.

“LUKOIL and a group of Ufa-based refineries maintain mutually-beneficial cooperation of long standing. I believe that this Agreement will give it a new impetus, thus ensuring a continuous supply of oil to the refineries in Bashkortostan and providing our consumers with high-quality petroleum products. Our company will, no doubt, employ the unique experience accumulated by Ufa’s refineries and the BashNIPIneft Institute”, Mr. Alekperov noted.

“The signing of the basic cooperation agreement with LUKOIL, one of the Russian Federation ’s major oil companies, is of paramount importance to us”, Mr. Khoroshavtsev commented. “Earlier in August, LUKOIL started supplies of raw materials from Western Siberia to the group of refineries in Ufa. The Agreement will help us streamline the loading pattern for the facilities of Bashkortostan’s Fuel and Energy Complex as part of our common strategy”.

In July 2009, LUKOIL and Bashneft signed a one-year contract for the supply of crude from Western Siberia to the group of refineries in Ufa in the amount of almost 400 thousand tons per month.

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