PRESS RELEASE
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LUKOIL AND VIETNAMESE STATE CORPORATION PETROLIMEX AGREE ON COOPERATION

Vladimir Nekrasov, First Vice President of OAO LUKOIL, and Bui Ngoc Bao, General Director of the Vietnamese State Petroleum Corporation PETROLIMEX, have signed a Memorandum of Understanding inMoscow today.

Vu Huy Hoang, Minister of Industry and Trade of the Republic of Vietnam, attended the ceremony.

The Memorandum, among other things, implies negotiations aimed at entering a long-term agreement under which LUKOIL will supply fuel oil starting from 2010. The proposed supply volume may reach 500 thousand tons per annum.

The companies also intend to discuss a long-term agreement under which LUKOIL would supply diesel fuel with the sulfur content of 0.25 and 0.05 percent, up to 1 million tons per annum. The parties will discuss a feasibility of using the Aframax tankers owned by PETROLIMEX for supplies.

Another item to be discussed at the negotiations is LUKOIL's long-term lease of a PETROLIMEX oil storage located at the customs warehouse in Van Phong Bay. The storage construction completion and commissioning are expected to take place in 2011.

The Memorandum also provides for the information exchange on promising investment projects in Vietnam which are of interest for both companies.

The Memorandum shall be valid for 3 years from the day it was signed with a possibility of prolongation upon consent of the parties.

‘The Company is greatly interested in entering the Vietnamese fuel market as it can significantly consolidate LUKOIL’s positions on the petroleum products market in the Asia-Pacific Region’, said Vladimir Nekrasov, First Vice President of OAO LUKOIL.

‘I am convinced that the mutually beneficial cooperation between LUKOIL and PETROLIMEX will not only benefit both companies but also contribute to promotion of commercial and economic relations between Russia and Vietnam’,

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

said Vu Huy Hoang, Minister of Industry and Trade of the Republic of Vietnam.