PRESS RELEASE
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LUKOIL AND IVANO-FRANKIVSK REGION SIGN A COOPERATION AGREEMENT

Vagit Alekperov, OAO LUKOIL President, and Mikhail Vyshivanyuk, Head of the Ivano-Frankivsk (Ukraine) Regional State Administration, signed a cooperation agreement between the Company and the Region.

The agreement specifies the principal areas of cooperation aimed at strengthening the industrial potential of the Ivano-Frankivsk Region and its social and economic development, increasing output and petrochemical product sales both inside and outside the Region.

To that end, the Parties intend to take all necessary steps aimed at the construction and proper maintenance of an electromembrane process unit and a suspension polyvinyl chloride production unit at Karpatneftekhim, a company of LUKOIL Group, and handle the issues of license acquisition and development of the Verkhne-Strutinskoye rock salt deposit to supply raw materials to the chlorine and caustic soda production businesses.

The Administration of the Ivano-Frankivsk Region intends to render support to the Company under applicable laws in the implementation of investment projects related, among other things, to establishing in the Region small enterprises specialized in advanced polyethylene and polyvinyl chloride processing.

The Administration will also initiate, within its jurisdiction, the amendment of legislative acts on government support to entities performing investment activities with regard to the abatement of excise tax assessments and import duties on pyrolysis raw materials (diesel fuel and straight-run gasoline), which will allow to give up tolling agreement scheme.

The agreement will be effective until 2014.

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