PRESS RELEASE
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LUKOIL AND NENETS AUTONOMOUS DISTRICT CONTINUE COOPERATION

Vagit Alekperov, President of OAO LUKOIL, and Igor Fyodorov, Governor of Nenets Autonomous District (NAD), signed a protocol to the cooperation agreement between the Company and NAD at the Company's headquarters in Moscow today.

The document stipulates, among other things, that LUKOIL will undertake geological exploration in the subsoil license areas upon the terms and conditions of license agreements and provide petroleum products to various customers of the district, including housing and public utilities, agricultural producers and public sector entities at market prices.

This year, the LUKOIL Group entities will spend more than RUB 85 million on social and economic development of NAD.

Under the applicable laws the Administration of the district, in its turn, will assist the LUKOIL entities in preparing for participation in bidding and auctions to obtain subsoil use licenses. The Administration will provide for ensuring the timely consideration and approval of the Company's materials related to expanding the boundaries of license areas and extending the term of subsoil use.

The Administration of NAD will also contribute to granting the Company's entities the rights to explore and develop any discovered hydrocarbon fields.

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