PRESS RELEASE
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LUKOIL CONTINUES DEVELOPING COOPERATION WITH NIZHNY NOVGOROD REGION

Today in Nizhny Novgorod Vagit Alekperov, President of LUKOIL, and Valery Shantsev, Governor and Chairman of Nizhny Novgorod Government signed Economic and Social Partnership Agreement between the Company and the Government of the region.

Among other things, the Agreement stipulates cooperation in the areas of hydrocarbon material refining, refined product and petrochemistry marketing in the domestic and foreign markets, manufacturing various equipment for LUKOIL, HR training and employment issues.

The government as well as the administration of Nizhny Novgorod cities and regions in accordance with the applicable legislation will assist the Company in allocating land plots for construction of service stations, tank farms, other oil product facilities and social and administrative sites.

In fall and winter LUKOIL intends to supply oil products to social enterprises and housing and utilities units and to the agricultural complex of Nizhny Novgorod region on terms of payment delay against budget security and other liquidity guarantees.

In order to provide passenger transportation in Nizhny Novgorod region with quality and environmentally friendly fuel, the Company will consider discount oil product supply through LUKOIL fuelling network.

The Company will assist the Government in implementing highway development programs in Nizhny Novgorod by delivering oil products and bitumen.

A new agreement between LUKOIL and Nizhny Novgorod region will be valid through December 1, 2009. The previous agreement was signed in 2001.

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