PRESS RELEASE
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VAGIT ALEKPEROV IS RE-ELECTED PRESIDENT OF OAO LUKOIL

Today the Annual general shareholders meeting reelected Vagit Alekperov as the President of LUKOIL for another five-year term.

Vagit Alekperov was born in 1950. He graduated in 1974 from the Azizbekov Institute of Oil and Chemistry in Azerbaijan. Doctor of Economics, current Member of the Russian Academy of Natural Sciences. Awarded four orders and eight medals. He worked from 1968 in the oil industry in Azerbaijan and Western Siberia. From 1987 to 1990 CEO of Kogalymneftegaz (oil production company), a division of Glavtyumenneftegaz within the Ministry of the Oil & Gas Industry of the USSR. From 1990 to 1991, Deputy, then First Deputy to the USSR Oil & Gas Industry Minister. From 1992 to 1993 President of Langepasuraykogalymneft (oil production group). Chairman of the Board of Directors of LUKOIL from 1993 to 2000. He has been President of LUKOIL since 1993.

During the past five-year term of V. Alekperov presidency LUKOIL achieved outstanding results. The Company's market capitalization increased from $10 bln to $60 bln. Total shareholder's return rose from 35.2% in 2001 to 99% in 2005. ROACE grew from 16% to 23% during 2001-2005. LUKOIL also significantly improved its financial results: during 2001-2005 sales grew by 315%, net income – by 206%. Dividends doubled and reached 33 rubles/share.

LUKOIL also presented significant improvement of its production results. Hydrocarbon production increased by 24% to 1,942 th. boe per day. At the same time despite high inflation rate and ruble appreciation, the Company managed to keep its lifting costs under control. During 2001-2005 dollar-nominated lifting cost increased by just 0.4%. As part of the strategy of transforming from oil company into oil & gas company, LUKOIL started commercial natural gas production. In 2001-2005 gas production increased by 54%. Enriching its resources base the Company also managed to create a significant potential for future hydrocarbon production growth. In 2001-2005 the Company's proved hydrocarbon reserves increased by 21.2% to 20.3 bln boe.

Increasing its capabilities on international and domestic markets LUKOIL set up strategic partnerships with ConocoPhillips – the international integrated oil major, and Gazprom – the world leading natural gas producer.

Thus, during the last five years, LUKOIL led by Vagit Alekperov made significant step forward transforming into an efficient global energy company.