PRESS RELEASE
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LUKOIL AND CNPC SIGN A STRATEGIC PARTNERSHIP AGREEMENT

Vagit Alekperov, President of LUKOIL, and Jiang Jiemin, President of the Chinese National Petroleum Corporation (CNPC), signed a Strategic Partnership Agreement in Beijing today.

In accordance with the document signed, the companies intend to expand the interaction in the existing projects, as well as to co-operate in prospective projects of oil and gas production, development, refining and production of petroleum products in third countries. The parties will also discuss the opportunities of cooperation in the area of oil and natural gas supplies to China and refining of hydrocarbons within the country.

In order to implement the Agreement, the parties will create a Joint Coordination Committee within two weeks. The Committee will meet at least twice a year to discuss and make decisions on development of an integrated plan and to draft agreements and relevant work plans for specific projects. Within the Committee, working teams can be created for resolving specific issues of joint activities.

The parties will organize regular meetings of their managers, hold teleconferences, organize mutual visits of specialists and develop cooperation in the area of advanced training and continuing education of employees.

At present, LUKOIL and CNPC are effectively working together in two joint projects in Kazakhstan. The companies are developing Kumkol field in Kyzylorda Region on a parity basis. The total production volume in 2006 was 3.4 million tons of oil and 119 cubic meters of gas. In North Buzachi project (Mangistau Region) LUKOIL has a 25% interest and CNPC has a 50% interest. In 2006 the production at the field amounted to 1.3 million tons of oil.

Each company also has a 20% interest in the international operating consortium for exploration in the Uzbekistan part of the Aral Sea where maritime and land seismic 2D stage is expected to start in the nearest future.

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