PRESS RELEASE
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# VAGIT ALEKPEROV, LUKOIL PRESIDENT, MET WITH IRAQI FOREIGN MINISTER

Vagit Alekperov, LUKOIL President, met with Hoshyar Zebari, Iraqi Foreign Minister, in Moscow yesterday.

The parties discussed results and prospects of LUKOIL operations in Iraq.

Among other things, Hoshyar Zebari expressed gratitude to Vagit Alekperov for help that LUKOIL provides in training Iraqi oil specialists and for humanitarian aid delivered to Iraq.

Head of LUKOIL informed Iraqi Foreign Minister that the Company delivered $2 million worth humanitarian aid to the country in 2005. In 2006 humanitarian aid supplies will reach $3 million.

Hoshyar Zebari acknowledged LUKOIL's great efforts on preparing West Qurna-2 project and notified the President that the Company's participation in the project does not raise any objections on the part of Iraqi government and is fully supported by Iraqi Oil Ministry experts.

At the same time, head of Iraqi Foreign Ministry noted that Parliamentary elections will be held on December 15, 2005, in Iraq, with a new Cabinet to decide on this issue.

Hoshyar Zebari also said that the incumbent government will advise the new Cabinet and the new Parliament to study the possibility of renewing the contract with LUKOIL.

Iraqi Foreign Minister emphasized that LUKOIL as a Company with advanced technological performance and excellent financial capabilities can be part of Iraqi any energy project, including West Qurna-2.

The Parties have also agreed on a visit of LUKOIL delegation to Iraq in the beginning of 2006 to pursue further cooperation.

The second stage of Exploration and Development Contract for West Qurna-2 in the Republic of Iraq was signed on March 21, 1997 by Iraqi Oil Ministry, LUKOIL,

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Zarubezhneft Russian Foreign Economic Association and Mashinoimport State Foreign Economic Association. The term of contract under PSA terms is 23 years and may be prolonged for 5 more years. LUKOIL's share in the contract is 68.5%, Iraq has 25%, Zarubezhneft and Mashinoimport have 3.25% each. LUKOIL and ConocoPhillips as strategic partners will hold negotiations with Iraqi government to validate LUKOIL contractual rights for West Qurna-2 field development. After the rights have been validated and all required approvals from state officials and contract parties have been received, LUKOIL and ConocoPhillips intend to conclude supplement agreements which foresee transfer of 17.5% contract share to ConocoPhillips. Proven recoverable field reserves amount to approximately 6 BBO. Accumulated production during contract validity term may reach 4.8 BBO and 56.4 BCM of natural gas. Capital investment into field development is estimated at around $4 billion.