

Press release

31 August 2005

JSB "ING Bank Ukraine" on behalf of and at the instruction of the issuer announces about full placement of corporate bonds series F issued by OJSC "Galnaftogaz". Nominal yield of initial placement is 11.45% per annum. Funds from a bond placement will be used by the issuer for working capital replenishment for oil products purchase.

Bonds profile:

Series	F
Volume of issue	UAH 30 m
Nominal	UAH 1000
Tenor	1820 days (from August 1, 2005 to August 26, 2010)
Coupon rate	12% per annum (till the date of first possibility of pre-term redemption August 31, 2006)
Coupon payments	After every 91 days starting from issue date
Pre-term redemption possibility	After every 364 days starting from issue date
Nominal yield of primary placement	11.45%
Effective yield of primary placement	11.95%
Credit rating (by the national credit ratings scale)	"uaA"

OJSC "Concern Galnaftogaz". The Concern owns a network of "OKKO" branded gasoline stations, which has 103 modern complexes. In aggregate, "Concern Galnaftogaz" owns 164 gasoline stations and 15 petroleum storages in the regions of Lviv, Ivano-Frankivsk, Zakarpattya, Ternopil, Rivne, Khmelnytsky, Vinnytsya, Volyn, Kirovohrad, Kharkiv and Chernihiv, as well as in Kyiv city. As at December 31, 2004, the company's consolidated assets audited by Ernst&Young were UAH 476.0 m, consolidated net profit for 2004 – UAH 22.2 m, net revenues from products, commodities and services sales – UAH 1283.6 m. The bonds issuer has the following ratings: "uaA" (by the national credit ratings scale) and 4A-2 (Dun&Bradstreet). www.galnaftogas.com