

THIS PROPOSED PLAN OF REORGANIZATION HAS NOT BEEN CONFIRMED BY THE BANKRUPTCY COURT NOR HAS DEBTOR FILED A DISCLOSURE STATEMENT FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THIS PROPOSED PLAN OF REORGANIZATION. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS PROPOSED PLAN OF REORGANIZATION ARE NOT INTENDED AND SHOULD NOT IN ANY WAY BE CONSTRUED AS A SOLICITATION OF VOTES ON THE PLAN.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	
Yukos Oil Company,	§	Case No. 04-47742-H3-11
	§	
	§	
Debtor.	§	Chapter 11

**DEBTOR'S PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

Dated: February 11, 2005
Houston, Texas.

Respectfully submitted,

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**DEBTOR' AMENDED PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE
UNITED STATES BANKRUPTCY CODE**

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Yukos Oil Company (the "Debtor") proposes the following Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code (the "Plan") for the resolution of the outstanding claims against and equity interests in the Debtor. The Debtor is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code, 11 U.S.C. § 1129. Reference is made to the Debtor's disclosure statement, which is still being prepared and will be filed after the Plan (the "Disclosure Statement"), for a discussion of the Debtor's history, business, results of operations, historical financial information, projections and properties, and for a summary and analysis of the Plan. There also are other agreements and documents, which will be filed with the Bankruptcy Court, that are referenced in the Plan or the Disclosure Statement and that will be available for review.

ARTICLE I

DEFINITIONS, CONSTRUCTION, INTERPRETATION AND COMPUTATION OF TIME

A. Definitions

As used in the Plan, capitalized terms have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, will have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.1 *Administrative Claim.* Any Claim for Administrative Expenses.

1.2 *Administrative Expense.* Any cost or expense of administration of the Chapter 11 Case incurred on or before the Effective Date of a kind specified in Section 503(b), 507(a)(1), 546(c) or 1114(e)(2) of the Bankruptcy Code, including any actual and necessary expenses of preserving Debtor's Estate, including wages, salaries or commissions for services rendered after the commencement of the Chapter 11 Case; professional fees allowed under Section 330 of the Bankruptcy Code; certain taxes, fines and penalties; any actual and necessary expenses of operating the business of Debtor; any indebtedness or obligations incurred by or assessed against Debtor in connection with the conduct of its businesses, for the acquisition or lease of property or for provision of services to Debtor, including all allowances of compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under the Bankruptcy Code; and any fees or charges assessed against Debtor's Estate under chapter 123, title 28, United States Code.

1.3 *Allowed.* When used in connection with a Claim or Interest, any Claim against or Interest in the Debtor, proof of which was filed on or before the date designated by the Bankruptcy Court as the last date for filing proofs of Claim or Interest or another applicable date as ordered by the Bankruptcy Court or permitted by the Bankruptcy Rules; or, if no proof of Claim or Interest is filed, any Claim against or Interest in Debtor that is listed by Debtor as liquidated in amount and not disputed or contingent and as to which no objection to the allowance of the Claim or Interest has been interposed; or a Claim or Interest as to which an objection has been filed and a Final Order subsequently has been entered fixing the amount of the Claim or Interest; or a Claim or Interest that is allowed pursuant to the terms of this Plan or

the Confirmation Order; or, an Administrative Claim, Priority Tax Claim or Other Priority Claim, that has been recognized as such by Debtor, or has been fixed in amount and priority by a Final Order. Unless otherwise specified in this Plan, “Allowed Claim” will not, for the purposes of computation or Distributions under this Plan, include postpetition interest on the amount of the Claim.

1.4 *"Allowed . . . Claim."* An Allowed Claim in the particular Class or category specified.

1.5 *Assumed Contracts.* All Contracts of Debtor listed or otherwise described on Exhibit C to the Disclosure Statement that are to be assumed pursuant to this Plan, including the amounts of cure Claims that Debtor believes are due under those Contracts.

1.6 *Ballot.* The form distributed to each holder of an impaired Claim on which it is to be indicated acceptance or rejection of the Plan.

1.7 *Ballot Date.* The date established by the Bankruptcy Court and set forth in the Disclosure Statement Order for the submission of Ballots and the election of alternative treatments pursuant to the terms and provisions of the Plan.

1.8 *Bankruptcy Code.* The Bankruptcy Reform Act of 1978, as amended, as codified in Title 11, United States Code, 11 U.S.C. §§ 101-1330, as now in effect or as amended and as applicable to the Chapter 11 Case.

1.9 *Bankruptcy Court.* The United States District Court for the Southern District of Texas, Houston Division, having jurisdiction over the Chapter 11 Case, or if this Court ceases to exercise jurisdiction over the Chapter 11 Case, the court or adjunct of a court that exercises jurisdiction over the Chapter 11 Case in lieu of the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

1.10 *Bankruptcy Rules.* The Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, and the local rules of the Bankruptcy Court, as applicable to the Chapter 11 Case.

1.11 *Bar Date.* The applicable date by which a proof of Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including the Bar Date Order and the Confirmation Order.

1.12 *Bar Date Order.* The order of the Bankruptcy Court establishing Bar Dates for Filing proofs of Claims in the Chapter 11 Cases, as the same may be amended, modified or supplemented.

1.13 *Business Day.* Any day other than a Saturday, a Sunday, or a legal holiday as defined in the Bankruptcy Rules.

1.14 *Cash.* Cash, cash equivalents and other readily marketable securities or instruments issued by a Person other than a Debtor, including readily marketable direct

obligations of the United States of America, certificates of deposit issued by banks and commercial paper of any entity, including interest accrued or earned thereon.

1.15 *Certificate.* An instrument evidencing an existing security.

1.16 *Chapter 11 Case.* The case commenced under Chapter 11 of the Bankruptcy Code in which the Debtor is the Debtor and Debtor-in-possession.

1.17 *Claim.* Any claim against the Debtor, whether or not asserted, as defined in Section 101(5) of the Bankruptcy Code.

1.18 *Class.* A class of Claims or Interests, as described in ARTICLE II.

1.19 *Collateral.* Property of Debtor on which a Holder of a Claim against Debtor has a perfected lien securing the Claim.

1.20 *Confirmation.* The entry of the Confirmation Order on the docket of the Bankruptcy Court.

1.21 *Confirmation Date.* The date on which the Bankruptcy Court enters the Confirmation Order.

1.22 *Confirmation Hearing.* The Bankruptcy Court hearing held on Confirmation of the Plan, as such hearing may be continued from time to time.

1.23 *Confirmation Notice.* Notice of Confirmation to be served on parties in interest, the form and manner of service of which will be approved by the Bankruptcy Court in the Confirmation Order.

1.24 *Confirmation Order.* The order entered by the Bankruptcy Court confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.25 *Contract.* Any executory contract or unexpired lease governed by Section 365 of the Bankruptcy Code.

1.26 *Convenience Claim.* Except as provided in Section 11.2 of the Plan, any Claim equal to or less than Fifty Thousand Dollars (\$50,000.00) or greater than Fifty Thousand Dollars (\$50,000.00) but, with respect to which, the holder thereof has agreed to voluntarily reduce the Claim to Fifty Thousand Dollars (\$50,000.00) and so indicates on the Ballot.

1.27 *Convenience Claim Distribution Percentage.* With respect to a Convenience Claim against an individual Debtor, the amount set forth opposite the appropriate Class listed on Exhibit “_____” to be included in the Plan Supplement.

1.28 *Creditor.* Any person that holds a Claim against Debtor that arose on or before the Petition Date.

1.29 *Creditor Cash.* At any time, the excess, if any, of (a) all Cash (i) in the Disbursement Account(s) or (ii) to be distributed in accordance with the provisions of Section 22.8 of the Plan over (b) such amounts of Cash (i) reasonably determined by the Disbursing Agent as necessary to satisfy, in accordance with the terms and conditions of the Plan, Administrative Expense Claims, Priority Non-Tax Claims, Priority Tax Claims, Convenience Claims and Secured Claims, (ii) necessary to fund the Litigation Trust in accordance with Article XVII of the Plan, (iii) necessary to fund the Yukos Charitable Trust in accordance with Article XVIII of the Plan, (iv) necessary to make pro rata distributions to holders of Disputed Claims as if such Disputed Claims were, at such time, Allowed Claims and (v) such other amounts reasonably determined by the Reorganized Debtor as necessary to fund the ongoing operations of the Reorganized Debtor, during the period from the Effective Date up to and including such later date as the Reorganized Debtor shall reasonably determine; provided, however, that, such projected amount of Creditor Cash shall be reduced, on a dollar- for-dollar basis, to the extent of any distributions of Cash made by the Debtor to Creditors, pursuant to a Final Order, during the period from the Confirmation Date up to and including the Effective Date.

1.30 *Cure Amount Claim.* Claim based upon the Debtor's defaults pursuant to a Contract at the time such Contract is assumed by the Debtor under section 365 of the Bankruptcy Code.

1.31 *Current Officers and Directors.* Those individuals who serve or have served as directors or officers of any Debtor at any time on or after the Petition Date.

1.32 *Debtor.* The above captioned Debtor and debtor-in-possession identified on the cover page to this Plan.

1.33 *Debtor's Schedules.* The Schedules of Assets and Liabilities, Statement of Financial Affairs and Statement of Executory Contracts, as each may be amended, filed by Debtor with the Bankruptcy Court in accordance with Section 521(l) of the Bankruptcy Code.

1.34 *Derivative Claims.* A claim or cause of action that is property of the Debtor's Estate pursuant to section 541 of the Bankruptcy Code.

1.35 *Disbursing Agent.* The Reorganized Debtor or any Entity designated by the Reorganized Debtor, in its sole discretion, to serve as a disbursing agent under this Plan.

1.36 *Disbursement Account(s).* The account(s) to be established by the Reorganized Debtor on the Effective Date in accordance with Section 22.1 of the Plan, together with any interest earned thereon.

1.37 *Disclosure Statement.* Debtor's disclosure statement under Section 1125 of the Bankruptcy Code, as amended, supplemented or modified from time to time.

1.38 *Disclosure Statement Hearing.* The hearing held by the Bankruptcy Court to determine the adequacy of the information contained in the Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code.

1.39 *Disclosure Statement Order.* The Final Order of the Bankruptcy Court approving the Disclosure Statement in accordance with section 1125 of the Bankruptcy Code.

1.40 *Disputed.* When used in connection with a Claim or Interest against a Debtor, (a) any Claim or Interest as to which a proof of claim or interest has been filed, an objection has been filed on or before the deadline for objecting to a Claim or Interest by Debtor or any party in interest having standing to file the objection, and the objection has not been resolved by entry of a Final Order; or (b) until the Objection Deadline: (i) a Claim for which a corresponding Claim has not been listed in Debtor's Schedules or for which the corresponding Claim is listed in Debtor's Schedules with a differing amount (to the extent of the difference), with a differing classification, or as disputed, contingent, or unliquidated; (ii) a Claim that a Debtor in good faith believes is held by a Holder either: (A) from which property is recoverable by the Debtor under any of Bankruptcy Code Sections 542, 543, 550 or 553; or (B) that is a transferee of a transfer avoidable under Bankruptcy Code 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) unless the Holder has paid the amount, or turned over any property for which the Holder is liable under the terms of Bankruptcy Code Sections 522(i), 542, 543, 550 or 553; and (iii) an Interest for which a corresponding Interest has not been listed in Debtor's Schedules or has been listed in a different number (to the extent of the difference); or (c) a Claim or Interest that Debtor's Schedules list as contingent, unliquidated or disputed and as to which no proof of claim or interest has been filed; or (d) an Interest that is not evidenced by a Certificate representing shares of Existing Common Stock.

1.41 *Disputed Claims and Interests Reserve.* Amounts held in trust by Debtor for the benefit of Holders of Disputed Claims or Interests in accordance with the provisions of Article XVI of this Plan.

1.42 *Distribution Record Date.* Except as otherwise provided in this Plan, the seventh Business Day following entry of the Confirmation Order.

1.43 *Donated Interests.* The Equity Interests owned by Yukos Charitable Trust Donor(s) donated to the Yukos Charitable Trust.

1.44 *Effective Date.* The first Business Day which occurs 10 days after entry of the Confirmation Order on which all of the conditions to consummation contained in this Plan have been satisfied and on which this Plan is substantially consummated.

1.45 *Entity.* A Person, a corporation, a general partnership, a limited partnership, a limited liability company, a limited liability partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated organization, a governmental unit or any subdivision thereof, including, without limitation, the Office of the United States Trustee, or any other entity.

1.46 *Equity Interest.* Any equity interest in the Debtor by ownership of Existing Common Stock or Existing Preferred Stock or any depository receipts representing a right in Existing Common Stock or Existing Preferred Stock, including any rights pertaining thereto, including voting rights, rights to receive dividends or other distributions, rights to request or demand any shares to be registered under securities laws, rights to nominate directors or to

otherwise determine membership on a board of directors or any committee of a board of directors, rights to approve or to withhold approval of any matters pertaining to the Debtor, and any rights to receive proceeds from any liquidation or dissolution of the Debtor.

1.47 *Equity Rights.* The rights under any warrant, option or other right to acquire any Existing Common Stock, Existing Preferred Stock or any other securities of the Debtor.

1.48 *Estate.* The rights to property and other things of value owned by Debtor pursuant to Section 541 of the Bankruptcy Code.

1.49 *Existing Common Stock.* The common stock of the Debtor, issued and outstanding before the Effective Date.

1.50 *Existing Preferred Stock.* An Equity Interest represented by an issued and outstanding share of preferred stock of the Debtor as of the Effective Date, or any other interest or right to convert into such a preferred equity interest or acquire any preferred equity interest of the Debtor which was in existence immediately prior to the Petition Date.

1.51 *Existing Yukos Subsidiary.* Direct or indirect subsidiary of the Debtor which is not a Former Yukos Subsidiary.

1.52 *Face Amount.* (a) When used in reference to a Disputed Claim, the full stated amount claimed by the Holder of the Claim in a proof of claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by a Final Order of the Bankruptcy Court or other applicable bankruptcy law; (b) when used in reference to an unliquidated Claim, the amount of the Claim as estimated by the Bankruptcy Court pursuant to Section 502(c) of the Bankruptcy Code; and (c) when used in reference to an Allowed Claim, the Allowed amount of the Claim.

1.53 *File, Filed, or Filing.* Means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Case.

1.54 *Final Allowed Claim Amount.* The amount of Allowed General Unsecured Claims fixed on the sixth month anniversary of the Effective Date by Reorganized Debtor based on its good faith estimate of the final aggregate amount of Allowed General Unsecured Claims.

1.55 *Final Order.* (a) An order of the Bankruptcy Court as to which the time to appeal, petition for writ of certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for writ of certiorari, or other proceedings for reargument or rehearing will then be pending; or (b) if an appeal, writ of certiorari, reargument, or rehearing of the order has been sought, an order of the Bankruptcy Court that has been affirmed by the highest court to which the order was appealed, or as to which the writ of certiorari has been denied and the time to take any further appeal, to petition for writ of certiorari or to move for reargument or rehearing has expired; *provided, however*, that the order is not subject to a stay and that no order will fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure may be filed with respect to the order.

1.56 *Former Officers and Directors.* Those individuals who served as directors or officers of any Debtor at any time before the Petition Date and who were no longer so serving on the Petition Date.

1.57 *Former Yukos Subsidiary.* Any former subsidiary of the Debtor, including but not limited to Yuganskneftegaz, and its successors, assigns, officers, directors, employees, agents managers, attorneys and affiliates, the shares or assets of which are no longer under the control of the Debtor based on actions taken by the Russian Government.

1.58 *Fully Secured Claim.* A Claim secured by a lien on Collateral whose value exceeds the Allowed amount of that Claim pursuant to Section 506(a) of the Bankruptcy Code.

1.59 *General Unsecured Claim.* A Claim, other than an Administrative Claim, a Priority Tax Claim, a Priority Non-Tax Claim or a Convenience Claim, that is not secured by a charge against or interest in property in which the Estate has an interest.

1.60 *Guaranty Claims.* Any Unsecured Claim, other than a Claim of an Existing Yukos Subsidiary or Former Yukos Subsidiary, against Debtor arising from or relating to an agreement by Debtor to guarantee or otherwise satisfy the obligations of an Existing Yukos Subsidiary.

1.61 *Holder.* A Person who is the beneficial owner of a Claim or Interest. For purposes of voting to accept or reject this Plan, a Person is a Holder as of the Voting Record Date. For purposes of the distribution, a person is a Holder as of the Distribution Record Date.

1.62 *Interest.* An Equity Interest or an Equity Right.

1.63 *Litigation Trust.* The Entity to be created on or before the Effective Date, unless such date is otherwise extended by the Debtor, in its absolute discretion, and by notice filed with the Bankruptcy Court, in accordance with the provisions of Article XVII hereof and the Litigation Trust Agreement, to which the Litigation Trust Claims shall be transferred for the benefit of holders of Allowed Claims, in accordance with the terms and provisions of Article XVII of the Plan.

1.64 *Litigation Trustee.* The Entity approved by the Bankruptcy Court to administer the Litigation Trust in accordance with the terms and provisions of Article XVII hereof and the Litigation Trust Agreement, and who shall determine in accordance with the Litigation Trust Agreement whether to prosecute, compromise or discontinue any Litigation Trust Claims.

1.65 *Litigation Trust Agreement.* The trust agreement, which agreement shall be substantially in the form contained in the Plan Supplement, pursuant to which the Litigation Trust shall pursue the Litigation Trust Claims, if applicable, and distribute the proceeds thereof, if any.

1.66 *Litigation Trust Beneficiaries.* Holders of Allowed Claims in Classes 3, 4, 5, 6 and 7.

1.67 *Litigation Trust Claims.* All of the Debtor's rights of recovery, claims and causes of action asserted, or which may be asserted, by or on behalf of the Debtor or the Debtor's estate which are to be transferred to the Litigation Trust, including, but not limited to rights, claims and causes of action arising in or arising under the U.S. Bankruptcy Code, the Russian Federation Law on Foreign Investments, the European Convention on Human Rights or otherwise, all of which may, in the discretion of the Litigation Trustee be pursued in whichever fora the Litigation Trustee, in its discretion, deems appropriate, provided however, that, under no circumstances, shall such claims and causes of action include any rights of recovery, claims and causes of action that were released or waived by the Debtor (subject to an applicable agreement or stipulation).

1.68 *Litigation Trust Interests.* The twelve million (12,000,000) beneficial interests in the Litigation Trust to be deemed distributed ratably to holders of Allowed Claims pursuant to the terms and conditions of Article XVII of the Plan.

1.69 *New Board of Directors.* The board of directors of the Reorganized Debtor as of the Effective Date, as described in Article XXI of this Plan.

1.70 *Non-Tax Priority Claims.* A Claim of the nature of those described in Section 507(a) of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.

1.71 *Objection Deadline.* The date that is 180 days after the Confirmation Date, unless extended by order of the Bankruptcy Court, and, if so extended, the date as set by the Bankruptcy Court.

1.72 *Person.* Any person as defined in Section 101(41) of the Bankruptcy Code.

1.73 *Petition Date.* December 14, 2004, the date on which the Debtor filed its voluntary petitions under Chapter 11 of the Bankruptcy Code.

1.74 *Plan.* This Plan of Reorganization under Chapter 11 of the Bankruptcy Code, either in its present form or as it may be altered, amended, or modified from time to time.

1.75 *Plan Currency.* The mixture of Creditor Cash and Litigation Trust Interests to be distributed to holders of Allowed Claims pursuant to the Plan.

1.76 *Plan Participants.* Debtor and Reorganized Debtor, and directors, officers, employees and advising professionals of all of the preceding.

1.77 *Plan Supplement.* A separate volume, to be filed with the Clerk of the Bankruptcy Court including, among other documents, forms of (a) the Litigation Trust Agreement, (b) the Yukos Charitable Trust Agreement, (c) the Reorganized Debtor Plan Administration Agreement, (d) the Reorganized Debtor's By-laws, (e) the Reorganized Debtor's Certificate of Incorporation, (f) a schedule setting forth the identity of the proposed senior officers and directors of Reorganized Debtor, (g) a schedule setting forth the identity and compensation of any insiders to be retained or employed by Reorganized Debtor, (h) a schedule setting forth any litigation commenced by the Debtor to the extent that such litigation has not previously been set forth in the Disclosure Statement, and (i) a schedule or description of

Litigation Trust Claims consistent with the substance of the economic and governance provisions contained in the Plan. The Plan Supplement shall also set forth the amount of Creditor Cash to be available as of the Effective Date as determined by the Debtor, which amount may be subsequently adjusted. The Plan Supplement (containing drafts or final versions of the foregoing documents) shall be filed with the Clerk of the Bankruptcy Court as early as practicable (but in no event later than fifteen (15) days) prior to the Ballot Date, or on such other date as the Bankruptcy Court establishes.

1.78 *Priority Tax Claim.* Any Claim entitled to priority in payment under Section 507(a)(8) of the Bankruptcy Code other than a Russian Government Tax Claim.

1.79 *Pro Rata Share.* With respect to Claims or Equity Interests (a) within the same Class or sub-Class, the proportion that a Claim or Equity Interest bears to the sum of all Claims and/or Equity Interests, as the case may be, within such Class or sub-Class, and (b) among all Classes, the proportion that a Class of Claims or Equity Interests bears to the sum of all Claims and/or Equity Interests, as the case may be; provided, however, that, notwithstanding the foregoing, for purposes of distributing Litigation Trust Interests, “Pro Rata” shall not include Convenience Claims.

1.80 *Professionals.* Those Persons defined as professional persons in Sections 327 or 1103 of the Bankruptcy Code who have been employed pursuant to the order of the Bankruptcy Court in the Chapter 11 Case and the professionals seeking compensation or reimbursement of costs and expenses in connection with the Chapter 11 Case pursuant to Sections 503(b)(4) or 1129(a)(4) of the Bankruptcy Code.

1.81 *Professional Fee Claim.* The Claim of a Professional for compensation allowed by the Bankruptcy Court pursuant to Section 328 of the Bankruptcy Code or other applicable Bankruptcy Code provisions.

1.82 *Reinstated or Reinstatement.* The rendering of a Claim or Interest unimpaired within the meaning of section 1124 of the Bankruptcy Code. Unless the Plan specifies a particular method of Reinstatement, when the Plan provides that an Allowed Claim or Allowed Interest will be Reinstated, such Claim or Interest will be Reinstated, at the Reorganized Debtor's sole discretion, in accordance with one of the following:

(a) The legal, equitable and contractual rights to which such Claim or Interest entitles the holder will be unaltered; or

(b) Notwithstanding any contractual provisions or applicable law that entitles the holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default:

(i) any such default that occurred before or after the commencement of the Chapter 11 Case, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, will be cured;

(ii) the maturity of such Claim or Interest as such maturity existed before such default will be reinstated;

(iii) the holder of such Claim or Interest will be compensated for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and

(iv) the legal, equitable or contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest will not otherwise be altered.

1.83 *“Reorganized.”* When used in reference to the Debtor, Debtor on and after the Effective Date.

1.84 *Representatives.* An officer, director, financial advisor, attorney or other professional who participated in the formulation or confirmation of this Plan for Debtor, including the Plan Participants.

1.85 *Russian Government.* The Russian Federation and any State, Commonwealth, District, Territory, municipality, department, agency, or instrumentality of the Russian Federation.

1.86 *Russian Government Tax Claim.* Any Claim asserted by the Russian Government against the Debtor for unpaid Taxes, penalties and/or interest for any period prior to the Petition Date, including, but not limited to, those claims listed by Debtor as disputed on its schedules of assets and liabilities filed with the Bankruptcy Court.

1.87 *Secured Claim.* A Claim to the extent of the value, as determined by the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code, of any interest in property of the Estate securing the Claim. To the extent that the value of the Collateral is less than the amount of the Claim that has the benefit of the security, the Claim is an Unsecured Deficiency Claim unless the class of which the Claim is a part makes a valid and timely election under Section 1111(b) of the Bankruptcy Code to have the Claim treated as a Secured Claim to the extent allowed.

1.88 *Securities Act.* The Securities Act of 1933 and the rules and regulations promulgated thereunder, as now in effect or as amended.

1.89 *Stipulation of Amount and Nature of Claim.* A stipulation or other agreement between a Debtor or Reorganized Debtor and a Holder of a Claim or Interest, or an agreed order of the Bankruptcy Court, establishing the amount and nature of a Claim or Interest.

1.90 *Subordinated Claim.* Any Claim determined pursuant to a Final Order to be subordinated in accordance with section 510(c) of the Bankruptcy Code under the principles of equitable subordination or otherwise.

1.91 *Tax.* (a) Any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

1.92 *Unsecured Deficiency Claim.* A Claim arising out of the same transaction as a Secured Claim to the extent that the value, as determined by the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code, of the Creditor's interest in property of the Estate securing the Claim is less than the amount of the Claim that has the benefit of the security as provided by Section 506(a) of the Bankruptcy Code, unless the class of which the Claim is a part makes a valid and timely election under Section 1111(b) of the Bankruptcy Code to have the Claim treated as a Secured Claim to the extent allowed.

1.93 *Yukos Charitable Trust.* The Entity to be created on or before the Effective Date, unless such date is otherwise extended by the Debtor, in its absolute discretion, and by notice filed with the Bankruptcy Court, in accordance with the provisions of Article XVIII hereof and the Yukos Charitable Trust Agreement.

1.94 *Yukos Charitable Trustee.* The Entity approved by the Bankruptcy Court to administer the Yukos Charitable Trust in accordance with the terms and provisions of Article XVIII hereof and the Yukos Charitable Trust Agreement, and who shall determine in accordance with the Yukos Charitable Trust Agreement the manner of distribution of the Yukos Charitable Trust Interests.

1.95 *Yukos Charitable Trust Agreement.* The trust agreement, which agreement shall be substantially in the form contained in the Plan Supplement, pursuant to which the Yukos Charitable Trust shall hold the Donated Interests, and if applicable, distribute the proceeds thereof, if any.

1.96 *Yukos Charitable Trust Beneficiaries.* The beneficiaries of the Yukos Charitable Trust described with particularity in the Yukos Charitable Trust Agreement.

1.97 *Yukos Charitable Trust Donor(s).* Those current Holders of Interests who, pursuant to the Plan and the terms of the Yukos Charitable Trust Agreement, fund the Yukos Charitable Trust through the donation of a portion of their Interests in the Debtor.

B. Rules of Interpretation and Computation of Time

1.98 *Rules of Interpretation.* For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in the Plan, any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will

be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or Exhibit Filed or to be Filed means such document or Exhibit, as it may have been or may be amended, modified or supplemented pursuant to the Plan, Confirmation Order or otherwise; (d) any reference to an entity as a holder of a Claim or Interest includes that entity's successors, assigns and affiliates; (e) all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (f) the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) subject to the provisions of any contract, articles of incorporation, bylaws, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the rights and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and the Bankruptcy Rules; (i) "including" means "including without limitation"; (j) all references to "\$" or "Dollars" are references to United States Dollars; and (k) the rules of construction set forth in section 102 of the Bankruptcy Code will apply to the extent not inconsistent with any other provision of this Section.

1.99 *Computation of Time.* In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) will apply and the operative time shall be that of the local Bankruptcy Court (United States Central Time).

ARTICLE II CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Claims and Interests, except the Allowed Administrative Claims and Allowed Priority Tax Claims, are placed in the following Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, Allowed Administrative Claims and Allowed Priority Tax Claims as described in Articles III, IV, V and VI have not been classified and thus are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

2.1 Unimpaired Classes of Claims and Interests.

- (a) Class 1 – Priority Non-Tax Claims
- (b) Class 2 – Secured Claims

2.2 Impaired Classes of Claims and Interests.

- (a) Class 3 - General Unsecured Claims
- (b) Class 4 – Yukos Guaranty Claims
- (c) Class 5 - Convenience Claims

- (d) Class 6 - Claims of Yukos Subsidiaries
- (e) Class 7 – Subordinated Claims
- (f) Class 8 – Claims of Holders of Existing Preferred Stock
- (g) Class 9 – Claims of Holders of Existing Common Stock

2.3 **Controversy Concerning Impairment.** In the event of a controversy as to whether any Claim or Interest or class of Claims or Interests is impaired under this Plan, the Bankruptcy Court will, after notice and a hearing, determine the controversy.

ARTICLE III PROVISIONS FOR TREATMENT OF GENERAL ADMINISTRATIVE CLAIMS

3.1 **Treatment of Administrative Claims in General.** Except as specified in this section, and subject to the bar date provisions herein, unless otherwise agreed by the holder of an Administrative Claim and the Debtor or Reorganized Debtor or unless a Final Order of the Bankruptcy Court provides otherwise, each holder of an Allowed Administrative Claim will receive, in full satisfaction of its Administrative Claim, cash equal to the amount of such Allowed Administrative Claim either (i) on the Effective Date or (ii) if the Administrative Claim is not allowed as of the Effective Date, 30 days after the date on which an order allowing such Administrative Claim becomes a Final Order or a Stipulation of Amount and Nature of Claim is executed by the Reorganized Debtor and the holder of the Administrative Claim.

3.2 **Administrative Bar Date Provisions.** Except as otherwise provided in Section 3.3 or 5.2, unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtor, pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order, no later than 60 days after the date of service of a notice of such Bar Date. A notice of this Bar Date will be served on all known potential holders of Administrative Claims on or after the Effective Date, which may be part of the Confirmation Notice. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the Bar Date will be forever barred from asserting such Administrative Claims against the Debtor, the Reorganized Debtor or their respective property and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the Reorganized Debtor and the requesting party by the later of (A) 120 days after the Effective Date or (B) 60 days after the Filing of the applicable request for payment of Administrative Claims.

3.3 **Professional Compensation Bar Date.** Professionals or other entities asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on the Reorganized Debtor and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court an application for final allowance of such Professional Fee Claim no later than 60 days after service of a notice of such deadline. A notice of the deadline for filing an application for allowance and payment of a Professional Fee Claim will be served on all known potential holders of such Claims on or after the Effective

Date, which may be part of the Confirmation Notice. Objections to any Professional Fee Claim must be Filed and served on the Reorganized Debtor and the requesting party by the later of (1) 90 days after the Effective Date or (2) 30 days after the Filing of the applicable request for payment of the Professional Fee Claim. To the extent necessary, the Confirmation Order will amend and supersede any previously entered order of the Bankruptcy Court regarding the payment of Professional Fee Claims. Professionals providing services to the Reorganized Debtor, the Litigation Trust or the Yukos Charitable Trust after the Effective Date, may be paid without further application to or approval by the Bankruptcy Court.

ARTICLE IV PROVISIONS FOR TREATMENT OF STATUTORY FEES

4.1 **Treatment of Statutory Fees.** On the Effective Date, or as soon as practicable after the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, will be paid in cash equal to the amount of such Administrative Claims. All fees payable pursuant to 28 U.S.C. § 1930 will be paid by the Reorganized Debtor in accordance therewith until the closing of the Chapter 11 Case pursuant to section 350(a) of the Bankruptcy Code.

ARTICLE V PROVISIONS FOR TREATMENT OF ORDINARY COURSE LIABILITIES

5.1 **Treatment of Ordinary Course Liabilities.** Claims based on liabilities incurred by a Debtor in the ordinary course of its business—including Administrative Claims of governmental units for lawfully imposed Taxes for post-petition periods, payments on contracts and leases entered into prior to the Petition Date on which post-petition performance is being rendered, and Allowed Administrative Claims arising from those contracts and leases entered into after the Petition Date— may be paid by the Reorganized Debtor pursuant to the terms and conditions of the particular transaction giving rise to those Claims unless Debtor objects to same.

5.2 **Ordinary Course Liabilities Bar Date.** Holders of Administrative Claims based on liabilities incurred by the Debtor in the ordinary course of its business, including Administrative Claims of governmental units for Taxes (including Tax audit Claims arising after the Petition Date) and Administrative Claims arising from those contracts and leases entered into after the Petition Date, will not be required to File or serve any request for payment of such Administrative Claims. Such Administrative Claims will be satisfied pursuant to Section 5.1.

ARTICLE VI PROVISIONS FOR TREATMENT OF PRIORITY TAX CLAIMS

6.1 **Treatment of Priority Tax Claims.** Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the holder of a Priority Tax Claim and the Debtor or Reorganized Debtor, each holder of an Allowed Priority Tax Claim, shall receive in full satisfaction, settlement, release, and discharge of, and in exchange for such Priority Tax Claim, deferred cash payments over a period not exceeding six years from the date of assessment of such Priority Tax Claim. Payments will be made in equal quarterly installments of principal, plus simple interest accruing from the Effective Date with interest payable at the federal

judgment rate on the unpaid portion of each Allowed Priority Tax Claim (or upon such other terms determined by the Bankruptcy Court to provide the holders of Priority Tax Claims with deferred cash payments having a value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claims). The Reorganized Debtor will have the right to pay any Allowed Priority Tax Claim, or any remaining balance of such Priority Tax Claim, in full at any time on or after the Effective Date, without premium or penalty. Notwithstanding the provisions of this section, the holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim. Any such Claim or demand for any such penalty (i) will be subject to treatment in Class 3 and (ii) the holder of an Allowed Priority Tax Claim will not assess or attempt to collect such penalty from the Reorganized Debtor or its property.

ARTICLE VII
PROVISIONS FOR TREATMENT OF PRIORITY NON-TAX CLAIMS
(Class 1)

7.1 **Treatment of Priority Non-Tax Claims.** On the Effective Date, or as soon as practicable after the Effective Date, unless otherwise mutually agreed upon by the holder of an Allowed Priority Non-Tax Claim and the Reorganized Debtor, each holder of an Allowed Priority Non-Tax Claim shall receive in full satisfaction, settlement, release, and discharge of, and in exchange for such Allowed Priority Non-Tax Claim, Cash in an amount equal to such Allowed Priority Non-Tax Claim on the later of the Effective Date and the date such Allowed Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is practicable.

ARTICLE VIII
PROVISIONS FOR TREATMENT OF SECURED CLAIMS
(Class 2)

8.1 **Treatment of Secured Claims.** On the Effective Date, or as soon as practicable after the Effective Date, unless otherwise agreed by a Claim holder and the Debtor or Reorganized Debtor, each holder of an Allowed Claim in Class 2 shall receive in full satisfaction, settlement, release, and discharge of, and in exchange for such Allowed Claim treatment in the manner set forth in Option A, B or C below, at the election of the Debtor. The Debtor will be deemed to have elected Option B except with respect to any Allowed Claim as to which the Debtor elects Option A or Option C in one or more certifications Filed prior to the conclusion of the Confirmation Hearing.

Option A: Allowed Claims in Class 2 with respect to which the Debtor elects Option A will be paid in Cash, in full.

Option B: Allowed Claims in Class 2 with respect to which the Debtor elects or is deemed to have elected Option B will be Reinstated.

Option C: A holder of an Allowed Claim in Class 2 with respect to which the Debtor elects Option C will be entitled to receive (and the Debtor shall release and transfer to such holder) the collateral securing such Allowed Claim.

ARTICLE IX
PROVISIONS FOR TREATMENT OF GENERAL UNSECURED CLAIMS
(Class 3)

9.1 **Treatment of General Unsecured Claims.** On the Effective Date, or as soon as practicable after the Effective Date, and subject to the provisions of Sections 9.2 and 9.3 hereof, each holder of an Allowed General Unsecured Claim against the Debtor, shall be entitled to receive on account of such Allowed General Unsecured Claim, in full satisfaction, settlement, release and discharge of the Allowed General Unsecured Claim, distributions in an aggregate amount equal to such holder's Pro Rata Share of (i) Creditor Cash and (ii) Litigation Trust Interests.

9.2 **Allowed Claims of Fifty Thousand Dollars or More/Election to be Treated as a Convenience Claim.** Notwithstanding the provisions of Section 9.1 of the Plan, any holder of an Allowed General Unsecured Claim whose Allowed General Unsecured Claim is more than Fifty Thousand Dollars (\$50,000.00), and who elects to reduce the amount of such Allowed Claim to Fifty Thousand Dollars (\$50,000.00), shall, at such holder's option, be entitled to receive, based on such Allowed Claim as so reduced, distributions pursuant to Article XII hereof. Such election must be made on the Ballot and be received by the Debtor on or prior to the Ballot Date. Any election made after the Ballot Date shall not be binding upon the Debtor unless the Ballot Date is expressly waived, in writing, by the Debtor; provided, however, that, under no circumstances, may such waiver by the Debtor occur on or after the Effective Date.

9.3 **Limitation on Recovery.** Notwithstanding anything contained herein to the contrary, including, without limitation, the distributions to be made to a holder of an Allowed General Unsecured Claim in accordance with this Article IX, in the event that the sum of the distributions of Plan Currency in accordance with this Article IX are equal to or in excess of one hundred percent (100%) of such holder's Allowed General Unsecured Claim, then, the Plan Currency remaining to be distributed to such holder in excess of such one hundred percent (100%) shall be deemed redistributed to holders of Allowed Claims and Allowed Interests or the Disbursing Agent for and on behalf of holders of Disputed Claims and Disputed Interests and accordingly shall be distributed in accordance with the provisions of the documents, instruments and agreements governing such Claims and Interests, including, without limitation, the contractual subordination provisions set forth therein, and the Bankruptcy Code.

ARTICLE X
PROVISIONS FOR TREATMENT OF YUKOS GUARANTY CLAIMS
(Class 4)

10.1 **Treatment of Yukos Guaranty Claims.** On the Effective Date, or as soon as practicable after the Effective Date, and subject to the provisions of Sections 9.3 and 10.2 hereof, each holder of an Allowed Yukos Guaranty Claim shall be entitled to receive on account of such Allowed Yukos Guaranty Claim distributions in an aggregate amount equal to such holder's Pro Rata Share of (i) Creditor Cash and (ii) Litigation Trust Interests.

10.2 Allowed Claims of Fifty Thousand Dollars or More/Election to be Treated as a Convenience Claim. Notwithstanding the provisions of Section 10.1 of the Plan, any holder of an Allowed Yukos Guaranty Claim whose Allowed Yukos Guaranty Claim is more than Fifty Thousand Dollars (\$50,000.00), and who elects to reduce the amount of such Allowed Claim to Fifty Thousand Dollars (\$50,000.00), shall, at such holder's option, be entitled to receive, based on such Allowed Claim as so reduced, distributions pursuant to Article XII hereof; provided, however, that, under no circumstances, shall a holder of an Allowed Yukos Guaranty Claim receive aggregate distributions in accordance with the provisions of Articles IX and X of the Plan in excess of one hundred percent (100%) of such holder's corresponding Allowed General Unsecured Claim. Such election must be made on the Ballot and be received by the Debtor on or prior to the Ballot Date. Any election made after the Ballot Date shall not be binding upon the Debtor unless the Ballot Date is expressly waived, in writing, by the Debtor; provided, however, that, under no circumstances, may such waiver by the Debtor occur on or after the Effective Date.

10.3 Limitation on Recovery. Notwithstanding anything contained herein to the contrary, including, without limitation, the distributions to be made to a holder of an Allowed Guaranty Claim in accordance with this Article X, in the event that the sum of the distributions of Plan Currency in accordance with this Article X are equal to or in excess of one hundred percent (100%) of such holder's Allowed Guaranty Claim, then, the Plan Currency remaining to be distributed to such holder in excess of such one hundred percent (100%) shall be deemed redistributed to holders of Allowed Claims and Allowed Interests or the Disbursing Agent for and on behalf of holders of Disputed Claims and Disputed Interests and accordingly shall be distributed in accordance with the provisions of the documents, instruments and agreements governing such Claims and Interests, including, without limitation, the contractual subordination provisions set forth therein, and the Bankruptcy Code.

ARTICLE XI

PROVISIONS FOR TREATMENT OF CONVENIENCE CLAIMS

(Class 5)

11.1 Treatment of Convenience Claims. On the Effective Date or as soon as practicable thereafter, and except as provided in Section 11.2 hereof, each holder of an Allowed Convenience Claim against a Debtor shall receive Cash in an amount equal to the applicable Convenience Claim Distribution Percentage of such Allowed Convenience Claim.

11.2 Plan Currency Opportunity. Notwithstanding the provisions of this Article XI, any holder of an Allowed Convenience Claim against a Debtor may elect to have such holder's Claim treated as a General Unsecured Claim or a Guaranty Claim against such Debtor in accordance with the respective provisions of Articles IX and X hereof. Such election must be made on the Ballot and be received by the Debtor on or prior to the Ballot Date. Any election made after the Ballot date shall not be binding upon the Debtor unless the Ballot Date is expressly waived, in writing, by the Debtor; provided, however, that, under no circumstances, may such waiver by the Debtor occur on or after the Effective Date.

ARTICLE XII
PROVISIONS FOR TREATMENT OF YUKOS SUBSIDIARY CLAIMS
(Class 6)

12.1 **Treatment of Existing Yukos Subsidiary Claims.** Claims of Existing Yukos Subsidiaries will be listed by the Debtor in its schedules of assets and liabilities as disputed. To the extent Holders of Existing Subsidiary Claims file a proof of claim, any such Allowed Existing Yukos Subsidiary Claim shall be entitled to treatment as an Allowed Class 7 Claim and shall receive distributions, if any, *pari passu* with other holders of Allowed Class 7 Claims.

12.2 **Treatment of Former Yukos Subsidiary Claims.** Claims of Former Yukos Subsidiaries will be listed by the Debtor in its schedules of assets and liabilities as disputed. To the extent Holders of Former Subsidiary Claims file a proof of claim, any such Allowed Former Yukos Subsidiary Claim shall be entitled to treatment as an Allowed Class 7 Claim and shall receive distributions, if any, *pari passu* with other holders of Allowed Class 7 Claims.

ARTICLE XIII
PROVISIONS FOR TREATMENT OF SUBORDINATED CLAIMS
(Class 7)

13.1 **Treatment of Russian Government Tax Claims.** In its schedules of assets and liabilities, the Debtor has listed certain of the Russian Government Tax Claims as disputed. If the Russian Government fails to file a proof of claim, the Russian Government Tax Claim will be disallowed pursuant to Section 1141 of the Bankruptcy Code. Based on this Court's order on Debtor's Amended Motion to Compel, if the Russian Government files a proof of claim, the disputes relating to the proof of claim and Debtor's objections and counterclaims thereto shall be referred to an international arbitration as agreed by the Russian Government in its Foreign Investment Law. If the Russian Government is found to have an Allowed Claim, an adversary proceeding will be brought to equitably subordinate the Claim under Section 510(c) based on the inequitable and unlawful conduct of the Russian Government in assessing and executing on confiscatory taxes which had the effect of expropriating or nationalizing Debtor's assets and to disallow the Claim under Section 502 of the U.S. Bankruptcy Code because the Russian Government Tax Claims arose through actions by the claimant which were: (a) illegal under Russian law; (b) not in keeping with international norms; and (c) done without due process that would be expected of any fair and independent court system. An Allowed Claim based on the Russian Government Tax Claim, if any, shall be paid *pari passu* with all other Allowed Class 7 Claims.

13.2 **Treatment of Allowed Subordinated Claims.** Each Holder of an Allowed Subordinated Claim, including but not limited to an Allowed Claim of an Existing Yukos Subsidiary or Former Yukos Subsidiary, shall receive no distribution for and on account of such Claim until all Claims of Holders of Allowed Claims in Class 3, 4 and 5 have been paid 100% of the value of their Allowed Claims. Thereafter, any distribution to Allowed Class 7 Claims shall be *pari passu*.

13.3 **Limitation on Recovery.** Notwithstanding anything contained herein to the contrary, including, without limitation, the distributions to be made to a holder of an Allowed Subordinated Claim in accordance with this Article XIII, in the event that the sum of the distributions of Plan Currency in accordance with this Article XIII are equal to or in excess of one hundred percent (100%) of such holder's Allowed Subordinated Claim, then, the Plan Currency remaining to be distributed to such holder in excess of such one hundred percent (100%) shall be deemed redistributed to holders of Allowed Claims and Allowed Interests or the Disbursing Agent for and on behalf of holders of Disputed Claims and Disputed Interests and accordingly shall be distributed in accordance with the provisions of the documents, instruments and agreements governing such Claims and Interests, including, without limitation, the contractual subordination provisions set forth therein, and the Bankruptcy Code.

ARTICLE XIV
PROVISIONS FOR TREATMENT OF EXISTING PREFERRED STOCK
INTERESTS AND CLAIM
(Class 8)

14.1 **Treatment of Interests and Claims of Holders of Existing Preferred Stock.** On the Effective Date the rights of Holders of Existing Preferred Stock as of the Distribution Record Date, shall be Reinstated, subject to the limitations and restrictions in this Article XIV, in full satisfaction, settlement, release, and discharge of, and in exchange for any Claim of such Holder against the Debtor.

14.2 **Limitation on Distributions.** The Reorganized Debtor shall make no distribution, dividend, or other payment to Holders of Reinstated Equity Interests until the Reorganized Debtor is informed in writing by the Disbursing Agent or the Litigation Trustee, as the case may be, that all Holders of Allowed Claims in Class 3, 4, 5 and 7 have been paid 100% of the value of their Allowed Claims.

14.3 **Restriction on Transfer of Reinstated Equity Interests.** Except as otherwise provided in this Plan, the shares of Existing Preferred Stock which are Reinstated pursuant to this Plan shall be deemed restricted and no transfer of such an Equity Interest shall be entered on the Debtor's shareholder registry until the Reorganized Debtor is informed in writing by the Disbursing Agent or the Litigation Trustee, as the case may be, that all Holders of Allowed Claims in Class 3, 4, 5, 6 and 7 have been paid 100% of the value of their Allowed Claims. Upon receipt of such notice all restrictions on trading of Reinstated Equity Interests will be removed. Debtor shall amend its bylaws, make filings and give such notices as necessary to effectuate the provisions of this Article XIV.

ARTICLE XV
PROVISIONS FOR TREATMENT OF EXISTING COMMON STOCK CLAIMS
(Class 9)

15.1 **Treatment of Interests and Claims of Holders of Existing Common Stock.** On the Effective Date the rights of Holders of Existing Common Stock as of the Distribution Record Date, shall be Reinstated, subject to the limitations and restrictions in this Article XV, in

full satisfaction, settlement, release, and discharge of, and in exchange for any Claim of such Holder against the Debtor.

15.2 Limitation on Distributions. The Reorganized Debtor shall make no distribution, dividend, or other payment to Holders of Reinstated Equity Interests until the Reorganized Debtor is informed in writing by the Disbursing Agent or the Litigation Trustee, as the case may be, that all Holders of Allowed Claims in Class 3, 4, 5, 6, 7 and 8 have been paid 100% of the value of their Allowed Claims.

15.3 Restriction on Transfer of Reinstated Equity Interests. Except as otherwise provided in this Plan, the shares of Existing Common Stock which are Reinstated pursuant to this Plan shall be deemed restricted and no transfer of such an Equity Interest shall be entered on the Debtor's shareholder registry until the Reorganized Debtor is informed in writing by the Disbursing Agent or the Litigation Trustee, as the case may be, that all Holders of Allowed Claims in Class 3, 4, 5, 6, 7 and 8 have been paid 100% of the value of their Allowed Claims. Upon receipt of such notice all restrictions on trading of Reinstated Equity Interests will be removed. Debtor shall amend its bylaws, make filings and give such notices as necessary to effectuate the provisions of this Article XV.

ARTICLE XVI CLAIMS RESOLUTION

16.1 Objections to Claims. Objections must be filed by the Objection Deadline. Except as provided otherwise in the Plan, Debtor will have the sole authority to object and contest the allowance of any Claims filed with the Bankruptcy Court. When an objection to a Claim is filed, the Claim will become a Disputed Claim. Disputed Claims may become Allowed Claims by entry of a Final Order allowing the Claim in whole or in part.

16.2 Disputed Claims Reserve. Pending resolution of Disputed Claims, Reorganized Debtor or the Litigation Trustee, as the case may be, will hold in trust the distributions for Disputed Claims for the benefit of Holders of Disputed Claims and Interests. The amount held in trust for possible distribution to a Disputed Claim will be calculated based on the smaller of (a) the amount claimed or (b) the amount estimated by the Court for purposes of distribution or (c) the amount determined by the Court in a claims allowance hearing, even if there is a pending appeal concerning allowance of the Claim. The amount held in trust for possible distribution to a Disputed Interest will be calculated based on the smaller of (x) the number of shares of Existing Common Stock or Existing Preferred Stock claimed or (y) the number of shares of Existing Common Stock or Existing Preferred Stock determined by the Court in an allowance hearing, even if there is a pending appeal concerning allowance of the Interest. When a Disputed Claim or Interest becomes an Allowed Claim or Interest by a Final Order, Reorganized Debtor will cause the distribution owed on the Allowed Claim or Interest to be paid out of the Disputed Claims and Interests Reserve within 10 Business Days after entry of the Final Order. Any distribution that would have been due to the part of the Claim or Interest that is disallowed will be released from the Disputed Claims and Interests Reserve and distributed by Pro Rata Share to

Allowed Claims or Interests of the same class as the Disputed Claim or Interest that has become Allowed. These supplemental distributions will be made on the six month anniversary of the Effective Date and every six months thereafter as applicable.

ARTICLE XVII THE LITIGATION TRUST

17.1 Establishment of the Trust. On or before the Effective Date, unless such date is otherwise extended by the Debtor, in its absolute discretion, and by notice filed with the Bankruptcy Court, the Debtor, on its own behalf and on behalf of the Litigation Trust Beneficiaries, shall execute the Litigation Trust Agreement and shall take all other steps necessary to establish the Litigation Trust. The Debtor shall transfer to the Litigation Trust all of its rights, title, and interests in the Litigation Trust Claims together with all files, documents, electronic data relating to the Litigation Trust Claims. In connection with the above-described rights and causes of action, any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) shall be transferred to the Litigation Trust and shall vest in the Litigation Trustee and its representatives, and the Debtor, the Debtor-in-Possession and the Litigation Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges.

17.2 Purpose of the Litigation Trust. The Litigation Trust shall be established for the sole purpose of liquidating its assets, with no objective to continue or engage in the conduct of a trade or business.

17.3 Funding Expenses of the Litigation Trust. In accordance with the Litigation Trust Agreement and any agreements entered into in connection therewith, upon the creation of the Litigation Trust, the Debtor, in its absolute discretion, shall transfer such amounts of Cash as necessary to fund the operations of the Litigation Trust. The Debtor and the Reorganized Debtor may, but shall have no further obligation to, provide additional funding with respect to the Litigation Trust.

17.4 Transfer of Assets.

(a) The transfer of the Litigation Trust Claims to the Litigation Trust shall be made, as provided herein, for the ratable benefit of the Litigation Trust Beneficiaries, only to the extent such holders in such Classes are entitled to distributions under the Plan. In partial satisfaction of Allowed Claims of the Litigation Trust Beneficiaries, the Litigation Trust Claims shall be transferred to such holders of Allowed Claims, to be held by the Debtor on their behalf. Immediately thereafter, on behalf of the Litigation Trust Beneficiaries, the Debtor shall transfer such Litigation Trust Claims to the Litigation Trust in exchange for Litigation Trust Interests for the ratable benefit of the Litigation Trust Beneficiaries, in accordance with the Plan. Upon the transfer of the Litigation Trust Claims, the Debtor shall have no interest with respect to the Litigation Trust, except to the extent all Allowed Claims have been paid in full any remaining assets in the Litigation Trust shall revert to the Reorganized Debtor.

(b) For all federal income tax purposes, all parties (including, without limitation, the Debtor, the Litigation Trustee and the beneficiaries of the Litigation Trust) shall treat the transfer of assets to the Litigation Trust in accordance with the terms of the Plan, as a transfer to the Litigation Trust Beneficiaries, followed by a transfer by such holders to the Litigation Trust and the beneficiaries of the Litigation Trust shall be treated as the grantors and owners thereof.

17.5 Litigation; Responsibilities of Litigation Trustee.

(a) The Litigation Trustee, in the exercise of its reasonable business judgment, shall, in an expeditious but orderly manner, liquidate and convert to Cash the assets of the Litigation Trust, make timely distributions pursuant to the confirmed Plan or in conformity with the priority scheme set forth in the Bankruptcy Code and not unduly prolong the duration of the Litigation Trust. The liquidation of the Litigation Trust Claims may be accomplished either through the prosecution, compromise and settlement, abandonment or dismissal of any or all claims, rights or causes of action, or otherwise. The Litigation Trustee shall have the absolute right to pursue or not to pursue or settle any and all Litigation Trust Claims as it determines is in the best interests of the beneficiaries of the Litigation Trust, and consistent with the purposes of the Litigation Trust, and shall have no liability for the outcome of its decision except for any damages caused by willful misconduct or gross negligence. The Litigation Trustee may incur any reasonable and necessary expenses in liquidating and converting the assets to Cash and shall be reimbursed in accordance with the provisions of the Litigation Trust Agreement.

(b) The Litigation Trustee shall be named in the Confirmation Order or in the Litigation Trust Agreement and shall have the power (i) to prosecute, decline to prosecute or settle for the benefit of the Litigation Trust all claims, rights and causes of action transferred to the Litigation Trust (whether such suits are brought in the name of the Litigation Trust or otherwise), and (ii) to otherwise perform the functions and take the actions provided for or permitted herein or in any other agreement executed by the Litigation Trustee pursuant to the Plan. Any and all proceeds generated from such claims, rights, and causes of action shall be the property of the Litigation Trust.

17.6 Bond. The Litigation Trustee shall be bonded in the amount set forth in the Litigation Trust Agreement. The Litigation Trust shall pay the costs associated with the bond.

17.7 Investment Powers. The right and power of the Litigation Trustee to invest assets transferred to the Litigation Trust, the proceeds thereof, or any income earned by the Litigation Trust, shall be limited to the right and power to invest such assets (pending distributions in accordance with Section 17.10 of the Plan) in Cash; provided, however, that (a) the scope of any such permissible investments shall be limited to include only those investments, or shall be expanded to include any additional investments, as the case may be, that a liquidating trust, within the meaning of Treasury Regulation Section 301.7701-4(d) may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise, and (b) the Litigation Trustee may expend the assets of the Litigation Trust (i) as reasonably necessary to meet contingent

liabilities and to maintain the value of the assets of the Litigation Trust during liquidation, (ii) to pay reasonable administrative expenses (including, but not limited to, any taxes imposed on the Litigation Trust or fees and expenses in connection with litigation), and (iii) to satisfy other liabilities incurred or assumed by the Litigation Trust (or to which the assets are otherwise subject) in accordance with the Plan or the Litigation Trust Agreement; and, provided, further, that, under no circumstances, shall the Litigation Trust segregate the assets of the Litigation Trust on the basis of classification of the holders of Litigation Trust Interests, other than with respect to distributions to be made on account of Disputed Claims and Disputed Equity Interests in accordance with the provisions hereof.

17.8 Distribution; Withholding. The Litigation Trustee shall distribute to the holders of Litigation Trust Interests all net cash income plus all net cash proceeds from the liquidation of assets; provided, however, that the Litigation Trust may retain such amounts (i) as are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Litigation Trust during liquidation, (ii) to pay reasonable administrative expenses (including any taxes imposed on the Litigation Trust or in respect of the assets of the Litigation Trust), and (iii) to satisfy other liabilities incurred or assumed by the Litigation Trust (or to which the assets are otherwise subject) in accordance with the Plan or the Litigation Trust Agreement. All such distributions shall be pro rata based on the number of Litigation Trust Interests held by a holder compared with the aggregate number of Litigation Trust Interests outstanding, subject to the terms of the Plan and the Litigation Trust Agreement. The Litigation Trustee may withhold from amounts distributable to any Person any and all amounts, determined in the Litigation Trustee's reasonable sole discretion, to be required by any law, regulation, rule, ruling, directive or other governmental requirement.

17.9 Reporting Duties.

(a) The Litigation Trustee shall annually send to each holder of a Litigation Trust Interest a statement setting forth the holder's undistributed share of items of income, gain, loss, deduction or credit.

(b) The Litigation Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Litigation Trust that are required under United States federal or state law.

17.10 Trust Implementation.

The Litigation Trust shall be established and become effective for the benefit of the Litigation Trust Beneficiaries. The Litigation Trust Agreement shall be filed in the Plan Supplement and shall contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of the Litigation Trust as a grantor trust for federal income tax purposes. All parties (including the Debtor, the Litigation Trustee and holders of Litigation Trust Interests) shall execute any documents or other instruments as necessary to cause title to the applicable assets to be transferred to the Litigation Trust.

17.11 Registry of Beneficial Interests.

The Litigation Trustee shall maintain a registry of the holders of Litigation Trust Interests.

17.12 Termination of the Litigation Trust.

(a) The Litigation Trust shall terminate no later than the fifth (5th) anniversary of the Effective Date; provided, however, that, on or prior to the date three (3) months prior to such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Litigation Trust if it is necessary to the liquidation of the Litigation Trust Claims. Notwithstanding the foregoing, multiple extensions can be obtained so long as Bankruptcy Court approval is obtained at least three (3) months prior to the expiration of each extended term.

(b) Upon the complete liquidation of all Litigation Trust Claims, and after funding of all costs of the operation of the Litigation Trust and payment to holders of Allowed Claims entitled to distributions of Litigation Trust Interests, in accordance with the provisions of the Plan herein or in conformity with the priority scheme set forth in the Bankruptcy Code, any amount in excess and over the above expenses will revert back to Debtor or Reorganized Debtor.

17.13 Net Litigation Trust Recovery/Assignment of Claims.

(a) Net Judgment: Notwithstanding anything contained herein to the contrary, in the event that a defendant in a litigation brought by the Litigation Trustee for and on behalf of the Litigation Trust (i) is required by a Final Order to make payment to the Litigation Trust (the “Judgment Amount”), and (ii) is permitted by a Final Order to assert a right of setoff under section 553 of the Bankruptcy Code or applicable non-bankruptcy law against the Judgment Amount (a “Valid Setoff”), (y) such defendant shall be obligated to pay only the excess, if any, of the amount of the Judgment Amount over the Valid Setoff and (z) none of the Litigation Trust, the holders or beneficiaries of the Litigation Trust Interests shall be entitled to assert a claim against the Debtor or the Reorganized Debtor with respect to the Valid Setoff.

(b) Assignment: Notwithstanding anything contained herein to the contrary, in the event that a compromise and settlement of a Litigation Trust Claim or a Final Order with respect to a Litigation Trust Claim provides for a waiver, subordination or disallowance of a defendant’s Claim or Claims against the Debtor for purposes of computing amounts of distributions, (i) such Claim shall be deemed allowed at the lesser of (y) the “Estimated Allowed Amount” (which shall exclude duplicative Claims) of such Claim, and (z) the filed proof of claim with respect thereto; provided, however, that, in the event that such proof of claim was filed in a zero dollar (\$0.00), contingent or unliquidated amount, such Claim shall be deemed allowed at the “Estimated Allowed Amount” of such Claim on the Debtor’s claims management system, (ii) such defendant shall be deemed to have assigned such Claim or Claims and right to receive distributions in accordance with the Plan to the Litigation Trust, (iii) the Disbursing Agent shall make distributions with respect to such Allowed Claims to the Litigation Trust and (iv) such

defendant shall not be entitled to receive distributions from the Litigation Trust on account thereof.

17.14 Applicability to Certain Claims and Equity Interests.

In the event that distributions of Litigation Trust Interests are made to holders of Allowed Claims in accordance with the provisions of Section 9.3 or 10.3 of the Plan, all provisions contained in this Article XVII shall be for the benefit of and be applicable to such holders of Allowed Claims, as the case may be, as though set forth in this Article XVII in the first instance.

**ARTICLE XVIII
THE YUKOS CHARITABLE TRUST**

18.1 Establishment of the Trust. On or before the Effective Date, unless such date is otherwise extended by the Debtor, in its absolute discretion, and by notice filed with the Bankruptcy Court, the Yukos Charitable Trust Donors, on their own behalf and on behalf of the Charitable Trust Beneficiaries, may execute the Yukos Charitable Trust Agreement and take all other steps necessary to establish the Yukos Charitable Trust. Each Yukos Charitable Trust Donor will transfer the Donated Interests to the Yukos Charitable Trust. Included in such transfer shall be all rights and causes of action associated with the Donated Interests, any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) shall be transferred to the Yukos Charitable Trust and shall vest in the Yukos Charitable Trustee and its representatives, and the Yukos Charitable Trust Donors, the Debtor, the Debtor-in-Possession and the Yukos Charitable Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges.

18.2 Purpose of the Yukos Charitable Trust. The Yukos Charitable Trust shall be established for the purpose of receiving payments made by the Debtor on account of the Donated Interests for distribution to the Yukos Charitable Trust Beneficiaries.

18.3 Funding Expenses of the Yukos Charitable Trust. In accordance with the Yukos Charitable Trust Agreement and any agreements entered into in connection therewith, upon the creation of the Yukos Charitable Trust, the Debtor, in its absolute discretion, shall transfer such amounts of Cash as necessary to fund the operations of the Yukos Charitable Trust. The Debtor and the Reorganized Debtor may, but shall have no further obligation to, provide additional funding with respect to the Yukos Charitable Trust.

18.4 Responsibilities of Yukos Charitable Trustee.

(a) The Yukos Charitable Trustee, in the exercise of its reasonable business judgment, shall, hold the Donated Interests and collect any dividends or other payments received on account those assets, and may liquidate and convert to Cash any Yukos Charitable Trust Claims either through the prosecution, compromise and settlement, abandonment or dismissal of any or all claims, rights or causes of action, or otherwise. The Yukos Charitable Trustee shall have the absolute right to pursue or not to pursue any and all Yukos Charitable Trust Claims as it determines is in the best interests of the beneficiaries of the Yukos Charitable Trust, and consistent with the purposes of the

Yukos Charitable Trust, and shall have no liability for the outcome of its decision except for any damages caused by willful misconduct or gross negligence. The Yukos Charitable Trustee may incur and satisfy any reasonable and necessary expenses in liquidating and converting the Yukos Charitable Trust Claims to Cash and shall be reimbursed in accordance with the provisions of the Yukos Charitable Trust Agreement.

(b) The Yukos Charitable Trustee shall be named in the Confirmation Order or in the Yukos Charitable Trust Agreement and shall have the power (i) to prosecute for the benefit of the Yukos Charitable Trust all claims, rights and causes of action transferred to the Yukos Charitable Trust (whether such suits are brought in the name of the Yukos Charitable Trust or otherwise), and (ii) to otherwise perform the functions and take the actions provided for or permitted herein or in any other agreement executed by the Yukos Charitable Trustee pursuant to the Plan. Any and all proceeds generated from such claims, rights, and causes of action shall be the property of the Yukos Charitable Trust.

18.5 **Bond.** The Yukos Charitable Trustee shall be bonded in the amount set forth in the Yukos Charitable Trust Agreement. The Yukos Charitable Trust shall pay the costs associated with the bond.

18.6 **Investment Powers.** The right and power of the Yukos Charitable Trustee to invest assets transferred to the Yukos Charitable Trust, the proceeds thereof, or any income earned by the Yukos Charitable Trust, shall be limited to the right and power to invest such assets (pending distributions in accordance with Section 18.10 of the Plan) in Cash. The Yukos Charitable Trustee may expend the assets of the Yukos Charitable Trust (i) as reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Yukos Charitable Trust, (ii) to pay reasonable administrative expenses (including, but not limited to, any taxes imposed on the Yukos Charitable Trust or fees and expenses in connection with litigation), and (iii) to satisfy other liabilities incurred or assumed by the Yukos Charitable Trust (or to which the assets are otherwise subject) in accordance with the Plan or the Yukos Charitable Trust Agreement.

18.7 **Distribution; Withholding.** The Yukos Charitable Trustee shall distribute to the Yukos Charitable Trust Beneficiaries all net cash income plus all net cash proceeds from the liquidation of assets and all payments received on account of its ownership of the Donated Interests; provided, however, that the Yukos Charitable Trust may retain such amounts (i) as are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Yukos Charitable Trust during liquidation, (ii) to pay reasonable administrative expenses (including any taxes imposed on the Yukos Charitable Trust or in respect of the assets of the Yukos Charitable Trust), and (iii) to satisfy other liabilities incurred or assumed by the Yukos Charitable Trust (or to which the assets are otherwise subject) in accordance with the Plan or the Yukos Charitable Trust Agreement. All such distributions shall be pro rata based on the number of Yukos Charitable Trust Interests held by a holder compared with the aggregate number of Yukos Charitable Trust Interests outstanding, subject to the terms of the Plan and the Yukos Charitable Trust Agreement. The Yukos Charitable Trustee may withhold from amounts distributable to any Person any and all amounts, determined in the Yukos Charitable Trustee's

reasonable sole discretion, to be required by any law, regulation, rule, ruling, directive or other governmental requirement.

18.8 Reporting Duties.

(a) The Yukos Charitable Trustee shall annually send to each holder of a Yukos Charitable Trust Interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit.

(b) The Yukos Charitable Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Yukos Charitable Trust that are required United States federal or state law.

18.9 Trust Implementation.

The Yukos Charitable Trust shall be established and become effective for the benefit of Yukos Charitable Trust Beneficiaries. The Yukos Charitable Trust Agreement shall be filed in the Plan Supplement and shall contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of the Yukos Charitable Trust as a grantor trust for federal income tax purposes. All parties (including the Debtor, the Yukos Charitable Trustee and Yukos Charitable Trust Donor(s)) shall execute any documents or other instruments as necessary to cause title to the applicable assets to be transferred to the Yukos Charitable Trust.

18.10 Registry of Beneficial Interests.

The Yukos Charitable Trustee shall maintain a registry of the holders of Yukos Charitable Trust Interests.

18.11 Termination. The Yukos Charitable Trust shall continue in existence pursuant to the terms of the Yukos Charitable Trust Agreement.

ARTICLE XIX EXECUTORY CONTRACTS

19.1 Assumption of Executory Contracts. On the Effective Date, all Contracts of Debtor will be assumed, except for (a) Contracts that have already been rejected by order of the Bankruptcy Court; (b) Contracts that have already been assumed by order of the Bankruptcy Court; (c) Contracts that are the subject of then-pending motions to assume; (d) the Assumed Contracts; and (e) any Contract among Debtor and an Existing Yukos Subsidiary. This Plan constitutes a motion to assume the Assumed Contracts. Debtor will provide at the Disclosure Statement Hearing a list of the Assumed Contracts and will serve this Plan and Disclosure Statement on parties to the Assumed Contracts with Debtor's position concerning any cure amounts due. This list may be modified by Debtor prior to the Confirmation Hearing by adding or deleting Contracts on notice to the Bankruptcy Court and the contracting parties. Any objections to the assumption of a Contract pursuant to this Plan will be heard and adjudicated at the Confirmation Hearing or, at Debtor's option, in a separate hearing. Any Contracts assumed

pursuant to this Plan will be assumed by the Reorganized Debtor. The Confirmation Order will constitute an order of the Bankruptcy Court under Section 365 of the Bankruptcy Code approving the assumption of these Contracts and authorizing and directing payment of cure costs on the Effective Date, or after the Effective Date as permitted by Section 365 of the Bankruptcy Code.

19.2 Claims Based on Rejection of Contracts. All proofs of claim with respect to Claims arising from the rejection of a Contract must be filed with the Bankruptcy Court within 30 days after the earlier of (a) entry of an order of the Bankruptcy Court approving the rejection, or (b) entry of the Confirmation Order. Any Claims not filed within that time will be forever barred from assertion against Debtor, Reorganized Debtor, the Estate or their property.

19.3 Indemnification Obligations. The obligations of Debtor to indemnify any of the Current Officers and Directors, whether under the Debtor's certificate of incorporation or bylaws (or analogous governing documents), under any agreement, law or regulation, or otherwise, will be assumed by the Reorganized Debtor and will continue after the Confirmation Date and be the obligations of the Reorganized Debtor. The obligations of Debtor to indemnify any of the Former Officers and Directors, whether under Debtor's certificate of incorporation or bylaws (or analogous governing documents), under any agreement, law or regulation or otherwise, will be assumed by the Reorganized Debtor and will continue after the Confirmation Date and be the obligation of Reorganized Debtor only to the extent that applicable insurance coverage is available. On the Effective Date, the Reorganized Debtor will (a) purchase a new directors and officers insurance policy covering post-Effective Date officers and directors and (b) purchase a six-year tail insurance policy on directors and officers consistent with this Plan, and (c) take other actions concerning the purchase of insurance as the New Board of Directors believes is reasonable.

ARTICLE XX EFFECT OF CONFIRMING THIS PLAN

20.1 Discharge and Release of Claims Against Debtor. All consideration distributed under this Plan will be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims against and Interests in Debtor of any nature whatsoever or against any of Debtor's assets or properties. Except as otherwise expressly provided in this Plan, entry of the Confirmation Order acts as a discharge of all Claims against, liens on, and Interests in the Debtor, the Debtor's assets and properties, arising at any time before the Effective Date, regardless of whether a proof of Claim or proof of Interest was filed, whether the Claim or Interest is Allowed, or whether the Holder of the Claim or Interest votes to accept this Plan or is entitled to receive a distribution under this Plan. On the entry of the Confirmation Order, any holder of the discharged Claim or Interest will be precluded from asserting against Debtor or Reorganized Debtor or any of their assets or properties any other or further Claim or Interest based on any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred before the Effective Date. The Confirmation Order will be a judicial determination of discharge of all liabilities of Debtor, and Reorganized Debtor will not be liable for any Claims or Interests and will only have the obligations as are specifically provided for in this Plan.

20.2 **Injunction.** In accordance with Section 524 of the Bankruptcy Code, the discharge provided by Section 20.1 of this Plan and Section 1141 of the Bankruptcy Code will act as an injunction against the commencement or continuation of any action, employment of process, or act to collect, offset, or recover the Claims and Interests discharged by the entry of the Confirmation Order. Except as otherwise expressly provided in this Plan or the Confirmation Order, all entities who have held, hold, or may hold Claims against, or Interests in, Debtor will be permanently enjoined, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any Claim or Interest against Debtor or Reorganized Debtor, (b) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree or order against Debtor or Reorganized Debtor on account of any Claim or Interest, (c) creating, perfecting, or enforcing any encumbrance of any kind against Debtor or Reorganized Debtor or against the property or interests in property of Debtor or Reorganized Debtor on account of any Claim or Interest, or (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from Debtor or Reorganized Debtor or against the property or interests in property of Debtor or Reorganized Debtor on account of any Claim or Interest. The foregoing injunction will extend to successors of Debtor (including, without limitation, Reorganized Debtor), and their respective properties and interests in property.

ARTICLE XXI THE REORGANIZED DEBTOR

21.1 **Reorganized Debtor.** From and after the Effective Date, the Reorganized Debtor will continue in existence as a separate corporate or other entity, in accordance with the law applicable in the jurisdiction under which it was incorporated or otherwise formed and pursuant to its charter and bylaws (or analogous governing documents) that were in effect immediately before the Effective Date; provided, however, that the charter and bylaws of the Reorganized Debtor will be changed on the Effective Date to comply with Section 1123(a)(6) of the Bankruptcy Code (that requires provisions prohibiting the issuance of non-voting equity securities) and with other changes as are agreed to by Debtor.

21.2 **Revesting of Assets.** Except as otherwise provided in this Plan, the property and assets of Debtor's Estate under Section 541 of the Bankruptcy Code will revert in Reorganized Debtor on the Effective Date free and clear of all Claims and Interests, but subject to the obligations of Reorganized Debtor as set forth in this Plan and the Confirmation Order. Commencing on the Effective Date, Reorganized Debtor may deal with its assets and property and conduct its businesses without any supervision by, or permission from, the Bankruptcy Court or the office of the United States Trustee, and free of any restriction imposed on Debtor by the Bankruptcy Code or by the Bankruptcy Court during the Chapter 11 Case.

21.3 **Treatment of the Existing Debt Instruments.** As of the Effective Date, except to the extent provided otherwise in this Plan, any and all notes held by Holders of any Claims, and all agreements, instruments and other documents evidencing the Claims and the rights of the Holders of the Claims, will be automatically canceled, extinguished and are void (all without further action by any person); all obligations of any person under those instruments and

agreements will be fully and finally satisfied and released; and the obligations of Debtor under those instruments and agreements will be discharged.

21.4 **Amended and Restated Certificate of Incorporation.** The amended and restated certificate of incorporation and bylaws of the Reorganized Debtor and the charters or analogous documents and bylaws of the other Reorganized Debtor will go into effect on the Effective Date and will satisfy the provisions of this Plan and Section 1123(a)(6) of the Bankruptcy Code.

21.5 **Implementing Documents.** To implement this Plan, several documents will be signed and delivered or otherwise made effective on the Effective Date, including the following documents:

- The Litigation Trust Agreement;
- The Yukos Charitable Trust Agreement;
- Amended and restated certificate of incorporation of Reorganized Debtor;
- Amended and restated bylaws of Reorganized Debtor;

Forms of these documents will be filed with the Bankruptcy Court, in the Plan Supplement, 15 days before the Ballot Date. Debtor will provide a copy of the form of any of these documents to any party in interest who requests it in writing. Written requests should be sent to Counsel for the Debtor, Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston Texas 77010, if by mail or courier service, or to (713) 651-5246, if by facsimile, in each case to the attention of Zack A. Clement, Esq. Confirmation of this Plan will authorize Debtor, Reorganized Debtor and their directors and officers to execute and deliver, file or record these implementing documents and related necessary documents, and to take any actions as may be necessary or appropriate in furtherance of this Plan.

ARTICLE XXII PROVISIONS FOR THE ESTABLISHMENT AND MAINTENANCE OF DISBURSEMENT ACCOUNTS

22.1 **Establishment of Disbursement Account.** On or prior to the Effective Date, the Debtor shall establish one or more segregated bank accounts in the name of the Reorganized Debtor as Disbursing Agent under the Plan, which accounts shall be trust accounts for the benefit of Creditors and holders of Administrative Expense Claims pursuant to the Plan and utilized solely for the investment and distribution of Cash consistent with the terms and conditions of the Plan. On or prior to the Effective Date, and periodically thereafter, the Debtor or Reorganized Debtor shall deposit into such Disbursement Account(s) all Cash of the Debtor, less amounts reasonably determined by the Debtor or the Reorganized Debtor, as the case may be, as necessary to fund the ongoing implementation of the Plan and operations of the Reorganized Debtor.

22.2 **Maintenance of Disbursement Account(s).** Disbursement Account(s) shall be maintained at one or more banks or financial institutions of the Reorganized Debtor's choice having a shareholder's equity or equivalent capital of not less than One Hundred Million

(\$100,000,000.00). The Reorganized Debtor shall invest Cash in Disbursement Account(s); provided, however, that sufficient liquidity shall be maintained in such account or accounts to (a) make promptly when due all payments upon Disputed Claims if, as and when they become Allowed Claims and (b) make promptly when due the other payments provided for in the Plan.

ARTICLE XXIII METHOD OF DISTRIBUTION

23.1 **Disbursing Agent.** The Disbursing Agent will make such distributions required under this Plan (subject to the provisions of this Plan) as are not made by the Liquidation Trustee.

If the Disbursing Agent is an independent third party designated by Reorganized Debtor to serve in its capacity, the Disbursing Agent will receive, without further Bankruptcy Court approval, reasonable compensation for distribution services rendered pursuant to this Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with the services rendered to the Reorganized Debtor on terms acceptable to Reorganized Debtor. No Disbursing Agent will be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court; provided, however, that if otherwise so ordered, all costs and expenses of procuring any bond will be paid by Reorganized Debtor.

23.2 **Distribution Record Date.** At the close of business on the Distribution Record Date, the transfer ledgers for the Equity Interests will be closed, and there will be no further changes in the record Holders of these securities except as provided in Articles XIV and XV. The Reorganized Debtor and the Disbursing Agent, if any, will have no obligation to recognize any transfer of any securities or instruments occurring after the Distribution Record Date and will be entitled instead to recognize and deal for all purposes hereunder with only those record Holders stated on the transfer ledgers as of the close of business on the Distribution Record Date.

23.3 **Means Of Cash Payment.** Cash payments made pursuant to this Plan will be in U.S. funds, by the means agreed to by the payor and the payee, including by check or wire transfer, or, in the absence of an agreement, by a commercially reasonable manner as the payor will determine in its sole discretion.

23.4 **Delivery of Distributions.** Distributions to Holders of Allowed Claims or Allowed Equity Interests will be made by the Disbursing Agent or the Litigation Trustee, as the case may be, (a) at the addresses set forth on the proofs of Claim or Interest filed by the Holders, (b) at the addresses set forth in any written notice of address change delivered to the Disbursing Agent after the date of any related proof of Claim or Interest, (c) at the addresses reflected in the Schedules if no proof of Claim or Interest has been filed and the Disbursing Agent has not received a written notice of a change of address, (d) or at the last known address of the Holder if no proof of Claim or Interest has been filed, or (e) at the addresses set forth in a properly completed letter of transmittal accompanying securities or instruments properly remitted to Reorganized Debtor. If any Holder's distribution is returned as undeliverable, no further distributions to the Holder will be made unless and until the Disbursing Agent is notified of the Holder's then current address, at which time all missed distributions will be made to the Holder

without interest. Amounts in respect of undeliverable distributions made through the Disbursing Agent will be returned to Reorganized Debtor until the distributions are claimed by the Holder or released to the Reorganized Debtor under the provisions of this Article XXIII.

23.5 **Fractional Dollars; De Minimis Distributions.** Any other provision of this Plan notwithstanding, payments of fractions of dollars will not be made. Whenever any payment of a fraction of a dollar under this Plan would otherwise be called for, the actual payment made will reflect a rounding of the fraction to the nearest whole dollar (up or down), with half dollars being rounded down. The Disbursing Agent will not make any payment of less than twenty-five dollars (\$25.00) with respect to any Claim unless a request is made in writing to the Disbursing Agent.

23.6 **Allocation of Plan Distribution Between Principal And Interest.** To the extent that any Allowed Claim entitled to a distribution under this Plan is comprised of principal indebtedness and accrued but unpaid interest thereon, the distribution will, to the extent permitted, be allocated for income tax purposes to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

23.7 **Unclaimed Distributions.** On the second anniversary of the Effective Date, Reorganized Debtor will publish the names of Holders of unclaimed Claims and Interests. Any distributions under this Plan in the form of Cash remaining unclaimed as of two years after the Effective Date will be released for Reorganized Debtor's use in its ordinary business operations.

ARTICLE XXIV ASSERTION OF CLAIMS

24.1 **Causes of Action.** In keeping with Section 1123(b)(3) of the Bankruptcy Code, Reorganized Debtor will retain all claims it owned before the Effective Date, including all claims against third parties on account of any indebtedness, and all other claims owed to or in favor of Debtor to the extent not specifically compromised, released, or assigned pursuant to this Plan or an agreement referred to or incorporated herein; all claims Reorganized Debtor owned before the Effective Date will be preserved and retained for enforcement by Reorganized Debtor after the Effective Date; no other party will have the right to assert these claims except as otherwise provided in this Plan.

24.2 **Preservation Of Rights Of Action.** Except as otherwise provided in this Plan or the Confirmation Order, or in any contract, instrument, release, indenture, or other agreement entered into in connection with this Plan, in accordance with Section 1123(b) of the Bankruptcy Code, Reorganized Debtor will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes, rights or causes of action, suits, and proceedings, whether in law or in equity, whether known or unknown, that Debtor or the Estate may hold against any Person. Reorganized Debtor or its assigns and successors may pursue the retained claims, rights or causes of action, suits, or proceedings as appropriate, in accordance with the best interests of Reorganized Debtor or its successor(s) who hold the rights.

24.3 **Setoffs.** The Reorganized Debtor may, but will not be required to, set off against any Claim, and the payments or other distributions to be made pursuant to this Plan in respect of the Claim, claims of any nature whatsoever that the Debtor or Reorganized Debtor may have against the Holder of the Claim, provided, however, that neither the failure to do so nor the allowance of any Claim hereunder will constitute a waiver or release by the Reorganized Debtor of any claim that Debtor or Reorganized Debtor may have against the Holder. The Holder of a Disputed Claim who asserts a right of setoff will retain the right, subject to any defenses of the Debtor or Reorganized Debtor, until the earlier of the time when (a) the Disputed Claim becomes Allowed, in whole or in part, or (b) the claim is expunged by entry of an order of the Bankruptcy Court.

ARTICLE XXV

VOTING AND EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS

25.1 **Impaired Classes to Vote.** Each impaired class of Claims and Interests will be entitled to vote separately to accept or reject this Plan. For purposes of voting to accept or reject this Plan, a Person is a Holder as of the Voting Record Date. A Holder of an Allowed Claim or Interest as of the Voting Record Date may vote to accept or reject this Plan. A Holder of a Claim or Interest as to which an objection has been filed that has not been temporarily allowed for purposes of voting on this Plan may not vote. A Holder of a contingent or unliquidated Claim or Interest may vote on this Plan in an amount based on the portion, if any, of the Claim or Interest shown as fixed, liquidated and undisputed in Debtor's Schedules, or equal to \$1.00 or one share, if not so shown.

25.2 **Acceptance by Class of Creditors.** A class of Claims will have accepted this Plan if its members vote to accept by at least two-thirds in amount and more than one-half in number of the Allowed Claims in the class actually voting to accept or reject this Plan. A class of Interests will have accepted this Plan if its members vote to accept by at least two-thirds in amount of the Allowed Interests in the class actually voting to accept or reject this Plan.

25.3 **Section 1129(b).** If any impaired class fails to accept this Plan in accordance with Section 1129(a) of the Bankruptcy Code, Debtor reserves the right to request the Bankruptcy Court to confirm this Plan in accordance with the provisions of Section 1129(b) of the Bankruptcy Code. Debtor asserts this Plan provides for fair and equitable treatment of Classes 3, 4, 5, 6, 7 and 8.

ARTICLE XXVI

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THIS PLAN

26.1 **Conditions to Confirmation.** The Bankruptcy Court will not enter the Confirmation Order unless and until each of the following conditions has been satisfied or duly waived (if waivable) pursuant to Section 27.3 of this Plan:

- (a) The documents implementing this Plan listed in Section 23.10 of this Plan will be in form and substance acceptable to Debtor and have been provided to the Bankruptcy Court.

(b) The Confirmation Order is in a form and substance acceptable to Debtor and the and, among other things, makes findings that particular sections of Section 1129 of the Bankruptcy Code have been met, including (i) that Debtor, the Plan Participants and each of their Representatives have proposed and obtained confirmation of this Plan in good faith; (ii) that this Plan is in the best interests of the Creditors and (iii) that this Plan is fair and equitable to Holders of Claims and Interests.

(c) The Confirmation Order authorizes and directs Debtor, Reorganized Debtor and their subsidiaries to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases and other agreements or documents created in connection with this Plan, including those documents described in Section 22.8 of this Plan.

26.2 Conditions to Consummation. This Plan will not be consummated and the Effective Date will not occur unless and until each of the following conditions has been satisfied or duly waived (if waivable) pursuant to Section 27.3 of this Plan:

(a) The Confirmation Order is a Final Order.

(b) Substantially all of the Cash payments required to be made on the Effective Date to the Holders of Allowed Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Convenience Claims and cure amounts for the Assumed Contracts are paid.

(c) The Secured Claims are satisfied or paid in accordance with this Plan.

(d) With the exception of Trust distributions, substantially all of the actions, documents and agreements necessary to implement this Plan, including those documents set forth in Section 22.8 of this Plan, will have been effected or executed.

26.3 Waiver of Conditions. The conditions to Confirmation and Consummation may be waived in whole or in part by Debtor, at any time, without notice.

26.4 Effect of Non-Occurrence of Conditions to Consummation. Each of the conditions to consummation and the Effective Date must be satisfied or duly waived, as provided above, within 90 days after the Confirmation Date. If each condition to Consummation has not been satisfied or duly waived, pursuant to Section 27.3 of this Plan, within 90 days after the Confirmation Date, then on motion by any party in interest made before the time that each condition has been satisfied or duly waived and on notice to the parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the filing of such a motion, the Confirmation Order may not be vacated if each of the conditions to Consummation is either satisfied or duly waived before the Bankruptcy Court enters an order granting the motion. If the Confirmation Order is vacated pursuant to this Section 27.4, this Plan will be deemed null and void, including the discharge of Claims and termination of Interests pursuant to Section 1141 of the Bankruptcy Code and the assumptions, assignments or rejections of Contracts pursuant to Section 20.1 of this Plan, and, in this event, nothing contained in this Plan will (a) constitute a waiver or release of

any Claims by or against, or any Interests in, Debtor or (b) prejudice in any manner the rights of Debtor.

ARTICLE XXVII RETENTION OF JURISDICTION

27.1 **Jurisdiction.** Until the Chapter 11 Case is closed, and except as otherwise provided herein, the Bankruptcy Court will retain the jurisdiction as is legally permissible under applicable law, including under Sections 105(a) and 1142 of the Bankruptcy Code, including that necessary to ensure that the purpose and intent of this Plan are carried out and to hear and determine all Claims and Interests set forth in Articles III through XV of this Plan that could have been brought before the entry of the Confirmation Order. The Bankruptcy Court will retain jurisdiction to hear and determine all Claims and Interests against Debtor and to enforce all causes of action that may exist on behalf of Debtor, over which the Bankruptcy Court otherwise has jurisdiction. Nothing contained in this Plan will prevent Reorganized Debtor from taking any action as may be necessary in the enforcement of any cause of action that may exist on behalf of Debtor and that may not have been enforced or prosecuted by Debtor.

27.2 **Examination of Claims and Interests.** Except as otherwise provided herein, following the Confirmation Date, the Bankruptcy Court will retain jurisdiction to decide disputes concerning the classification and allowance of any Claim or Interest and the re-examination of Claims or Interests that have been allowed for the purposes of voting, and the determination of any objections as may be filed to Creditors' Claims or Interests. The failure by Debtor to object to, or to examine, any Claims or Interests for the purposes of voting will not be deemed a waiver of their right to object to, or to re-examine, the Claim or Interest in whole or in part.

27.3 **Determination of Disputes.** Except as otherwise provided herein, the Bankruptcy Court will retain jurisdiction after the Confirmation Date to determine all questions and disputes regarding title to the assets of the Estate, disputes concerning the allowance of Claims and Interests, and determination of all causes of action, controversies, disputes, or conflicts, whether or not subject to any pending action, as of the Confirmation Date, for Debtor or Reorganized Debtor to recover assets pursuant to the provisions of the Bankruptcy Code.

27.4 **Additional Purposes.** Except as otherwise provided herein, the Bankruptcy Court will retain jurisdiction for the following additional purposes after the Effective Date:

- (a) to modify this Plan after confirmation pursuant to the Bankruptcy Rules and the Bankruptcy Code;
- (b) to assure the performance by Reorganized Debtor, the Litigation Trustee and the Yukos Charitable Trustee of their obligations to make distributions under this Plan;
- (c) to enforce and interpret the terms and conditions of this Plan;
- (d) to construe and apply any findings made in this Plan or the Confirmation Order;

(e) to adjudicate matters arising in the Chapter 11 Case, including matters relating to the formulation and consummation of this Plan;

(f) to enter any orders, including injunctions, as are necessary to enforce the title, rights, and powers of Reorganized Debtor, the Litigation Trustee and the Yukos Charitable Trustee and to impose any limitations, restrictions, terms and conditions on the title, rights, and powers as the Bankruptcy Court may deem necessary;

(g) to enter a final decree closing the Chapter 11 Case;

(h) to correct any defect, cure any omission, or reconcile any inconsistency in this Plan or the order of confirmation as may be necessary to carry out the purposes and intent of this Plan;

(i) to allow applications for fees and expenses pursuant to Sections 330, 331, 503(b), 1103 and 1129(a)(4) of the Bankruptcy Code;

(j) to decide issues concerning United States federal or state tax reporting and withholding that arise in connection with the confirmation or consummation of this Plan;

(k) to decide issues concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code;

(l) to decide issues concerning all disputes involving the existence, nature or scope of the discharge injunction;

(m) to adjudicate any issues concerning assumption or rejection of Contracts, including any disputes concerning rejection damage claims or cure costs; and

(n) to allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest.

ARTICLE XXVIII GENERAL NOTICES AND DEFAULT UNDER THIS PLAN

28.1 **General Notices.** All notices required to be given in connection with this Plan should be delivered by United States certified mail, postage prepaid, return receipt requested addressed to the Chief Financial Officer of the Debtor, to receive the notice at the following address:

Yukos Oil Company
Attention: Bruce Misamore

Houston, TX 77069

and to counsel for Debtor at the following address:

Fulbright & Jaworski L.L.P.

Attention: Zack A. Clement
1301 McKinney, Suite 4100
Houston, Texas 77010-3095

28.2 **Asserting Default.** If Debtor defaults under the provisions of this Plan (as opposed to default under the documentation executed in implementing the terms of this Plan, which documents will provide independent bases for relief), any Creditor or party in interest desiring to assert a default must provide Debtor with written notice of the alleged default. Such written notice must state with specificity the nature and details of the alleged default to be effective.

28.3 **Curing Default.** Debtor will have no less than 20 business days from the actual receipt of any such written notice in which to cure an alleged default under this Plan. If the Creditor who sent the written notice of default asserts that the default has not been cured within that time, the Creditor shall then file a second written notice of the alleged failure to cure after which Debtor shall have an additional 20 days to cure the alleged default under the Plan. If the noticing Creditor thereafter asserts that the default has not been cured, the Creditor may file with the Bankruptcy Court and serve on counsel for Debtor a motion to compel compliance with the applicable provision of this Plan. The Bankruptcy Court, only upon finding a material default, may issue orders compelling compliance with the pertinent provisions of this Plan.

ARTICLE XXIX MISCELLANEOUS PROVISIONS

29.1 **Compliance with Tax Requirements.** In connection with this Plan, Debtor will comply with any withholding and reporting requirements imposed by federal, state, and local taxing authorities, and distributions will be subject to the withholding and reporting requirements.

29.2 **Amendment of This Plan.** This Plan may be amended by Debtor before or after the Effective Date as provided in Section 1127 of the Bankruptcy Code.

29.3 **Revocation of this Plan.** Debtor reserves the right to revoke and withdraw this Plan at any time before the Confirmation Date.

29.4 **Effect of Withdrawal or Revocation.** If Debtor revokes or withdraws this Plan before the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then this Plan will be null and void. In such event, nothing contained in this Plan will be deemed to constitute a waiver or release of any Claims by or against Debtor or any other person, or to prejudice in any manner the rights of Debtor or any person in any further proceedings involving Debtor.

29.5 **Due Authorization.** Each and every Creditor or Holder of an Interest who elects to participate in the distributions provided for in this Plan warrants that it is authorized to accept in consideration of the Claim or Interest against Debtor, the distributions provided for in this Plan, and that there are no outstanding commitments, agreements, or understandings, express or

implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by it under this Plan.

29.6 **Implementation.** Debtor will be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of this Plan.

29.7 **Ratification.** The Confirmation Order will ratify all transactions effected by Debtor during the pendency of the Chapter 11 Case.

29.8 **Limitation of Liability in Connection with this Plan, Disclosure Statement and Related Documents and Related Indemnity.**

(a) The Court having found, among other things, that this Plan has been proposed in good faith, that this Plan is in the best interests of the Creditors and that this Plan is fair and equitable to Holders of Claims and Interests, the Plan Participants will neither have nor incur any liability to any Person or entity for any act taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created or entered into, or any other act taken or omitted to be taken in connection with this Plan, the Disclosure Statement or the Confirmation Order, including solicitation of acceptances of this Plan.

(b) On and after the Effective Date, the Reorganized Debtor will indemnify each Plan Participant, hold each Plan Participant harmless from, and reimburse each Plan Participant for, any and all losses, costs, expenses (including attorneys' fees and expenses), liabilities and damages sustained by a Plan Participant arising from any liability described in this Section 29.8.

29.9 **Term of Injunctions or Stays.** Unless otherwise provided herein, in the Confirmation Order, or in a separate Order issued by the Bankruptcy Court, all injunctions or stays provided for in the Chapter 11 Case under Sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order), will remain in full force and effect until the Effective Date.

29.10 **Severability of Plan Provisions.** If any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable before the Confirmation Date, the Bankruptcy Court, at the request of Debtor, will have the power to alter and interpret the term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and the term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by the holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Dated: February 11, 2005,
Houston, Texas.

Respectfully Submitted,

FULBRIGHT & JAWORSKI L.L.P.

/s/ Zack A. Clement

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