IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: CHAPARRAL RESOURCES, INC. STOCKHOLDERS LITIGATION	)	CONSOLIDATED C.A. No. 2001-VCL
CEDE & CO., INC., Petitioner, v. CHAPARRAL RESOURCES, INC., Respondent.	)	C.A. No. 2633-VCL

STIPULATION AND AGREEMENT OF COMPROMISE AND SETTLEMENT

This Stipulation and Agreement of Compromise and Settlement (the "Settlement Agreement" or the "Stipulation"), which is entered into between (i) plaintiffs Arc I, Inc., Rolf H. Henel and Emelia Henel (collectively, the "Plaintiffs"), on their own behalf and on behalf of the Class, as defined herein, (ii) Cede & Co. Inc. ("Petitioner"), as record holder for 1,311,000 shares of Chaparral Resources, Inc. formerly owned beneficially by The SISU Capital Fund, L.P., The SISU Capital Fund Limited II, Ltd., The SISU Capital Fund Limited, and the AVRO Master Fund, Ltd. (collectively, "SISU"), and (iii) Defendants Open Joint Stock Company "Oil Company "LUKOIL" ("OAO Lukoil"), Lukoil Overseas Holding Ltd. ("Lukoil Overseas"), NRL Acquisition Corp. ("NRL"), Chaparral Resources, Inc. ("Chaparral"), Dmitry Timoshenko, Oktay Movsumov, Boris Zilbermints, Alan D. Berlin and Peter G. Dilling (collectively, the "Settling Defendants"), by and through their undersigned attorneys, states all of the terms of the settlement and resolution of this matter and is intended by the Parties to fully and finally compromise, resolve, discharge and settle the Released Claims, as defined herein, subject to the approval of the Court:

WHEREAS, Consolidated C.A. No. 2001-VCL (the "Action") was initiated when three purported class actions were filed on March 14, 2006, March 15, 2006, and March 17, 2006, each on behalf of a putative class of stockholders of Chaparral and challenging a proposed transaction announced on March 13, 2006, whereby Chaparral's majority stockholder, NRL, an indirect subsidiary of Lukoil Overseas, would merge with Chaparral and acquire the publicly owned shares of Chaparral common stock for a cash price of $5.80 per share (the "Merger");

WHEREAS, other than the shares owned by NRL, there were 15,283,801 publicly owned shares of Chaparral common stock outstanding as of the date of the announcement of the Merger;

WHEREAS, on March 31, 2006, the Court of Chancery entered an Order consolidating the three putative class actions into this Action (the "Order of Consolidation");

WHEREAS, on April 28, 2006, Arc 1, Inc., Rolf Henel and certain other shareholders of Chaparral filed a motion to intervene as plaintiffs, amend the Order of Consolidation and seek the appointment of their counsel, Bouchard Margules & Friedlander, P.A. ("BMF"), as new lead counsel (the "Motion to Intervene"), and a representative of Allen & Company Incorporated, which, together with its affiliates, owned 3,035,594 shares of Chaparral common stock, submitted an affidavit in support of the Motion to Intervene;

WHEREAS, following argument on the Motion to Intervene, the Court of Chancery entered an Order on May 19, 2006, permitting the intervention, and on June 2, 2006, the Court of Chancery entered an Order designating BMF and Lerach Coughlin Stoia Geller Rudman & Robbins LLP (now known as Coughlin Stoia Geller Rudman & Robbins LLP ("CSGR&R") as Co-Lead Counsel and designating BMF as Delaware Liaison Counsel;

WHEREAS, on July 3, 2006, plaintiffs filed a First Amended Consolidated Complaint against Lukoil Overseas, Chaparral, and the individual members of Chaparral's Board of Directors

(the "Board"), which consisted of special committee members Alan Berlin and Peter Dilling (the "Special Committee") and Lukoil Overseas designees Oktay Movsumov, Boris Zilbermints and Dmitry Timoshenko;

WHEREAS, on August 7, 2006, Chaparral attached the First Amended Consolidated Complaint as an exhibit to its publicly filed preliminary proxy statement, and on or about August 25, 2006, Chaparral distributed a proxy statement to Chaparral's stockholders that attached the First Amended Consolidated Complaint as an exhibit;

WHEREAS, on August 30, 2006, plaintiffs filed a motion for preliminary injunction that asked the Court of Chancery to enjoin defendants preliminarily from taking a vote on the Merger until additional supplemental disclosures were provided to Chaparral's stockholders;

WHEREAS, during the pendency of the Merger, Co-Lead Counsel obtained tens of thousands of pages of documents from defendants and deposed the following individuals: Alan Berlin; Peter Dilling; Oktay Movsumov; Charles Talbot, Chaparral's Chief Financial Officer; and a representative of Petrie Parkman & Co., the financial advisor to the Special Committee;

WHEREAS, on September 5, 2006, plaintiffs filed a Second Amended Consolidated Complaint that attached certain documents that were purported to relate to development plans for the Karakuduk oil field controlled by Chaparral (the "Field") and added NRL as a defendant;

WHEREAS, on or about September 6, 2006, Chaparral distributed an amended proxy statement to Chaparral's stockholders that attached the Second Amended Consolidated Complaint as an exhibit;

WHEREAS, following the filing of the Second Amended Consolidated Complaint and following the September 9, 2006 deposition of Oktay Movsumov, the Special Committee in a letter dated September 11, 2006 formally requested from Lukoil Overseas development plans and

various other categories of documents respecting the Field, including documents that the Plaintiffs had sought in discovery;

WHEREAS, on September 19, 2006, Chaparral issued a supplemental proxy disclosure that attached the Special Committee's letter of September 11, 2006 and stated that the Special Committee was not in a position to determine whether any of the additional information requested from Lukoil Overseas would be material or would cause the Special Committee to alter its recommendation that Chaparral stockholders vote in favor of the merger;

WHEREAS, on September 22, 2006, the Court of Chancery denied plaintiffs' motion for preliminary injunction, and the Merger closed on September 29, 2006;

WHEREAS, on November 1, 2006, plaintiffs filed a Third Amended Consolidated Complaint that added as a defendant OAO Lukoil, the corporate parent of Lukoil Overseas, and sought damages in an unspecified amount for breach of fiduciary duty against the respective defendants;

WHEREAS, OAO Lukoil moved to dismiss the claims against it, in part on the ground that OAO Lukoil is not subject to personal jurisdiction in the State of Delaware;

WHEREAS, all defendants other than OAO Lukoil answered the Third Amended Consolidated Complaint, denied all of Plaintiffs' claims, asserted various affirmative defenses, and sought an award of costs;

WHEREAS, Cede & Co., Inc. perfected appraisal rights on behalf of SISU as to 1,311,000 Chaparral shares beneficially owned by SISU, and on December 21, 2006, Petitioner filed an appraisal petition in the Court of Chancery as to such shares styled *Cede & Co., Inc. v. Chaparral Resources, Inc.*, C.A. No. 2633-VCL, and the Court ordered that such appraisal action (the "Appraisal Action") be coordinated with the Action for purposes of discovery and trial;

WHEREAS, following the Merger, Plaintiffs' counsel reviewed thousands of additional pages of documents from defendants and third parties, completed the depositions of Alan Berlin and Peter Dilling, and deposed the following fact witnesses: the lawyer who represented the Special Committee during the merger negotiations; a representative of McDaniel & Associates Consultants Ltd., the firm that estimated oil reserves at the Field as of year-end December 31, 2005; a representative of Miller and Lents, Ltd., the firm that audited the oil reserves at the Field for OAO Lukoil as of year-end December 31, 2005, and year-end December 31, 2006; a representative of Oil and Gas Exploration Company – Krakow, the firm that operated the sole drilling rig at the Field until January 2006; the President of Lukoil Overseas, Andrey Kuzyaev; the Chief Executive Officer of Chaparral, Boris Zilbermints; and a representative of Whittier Trust Company, a former institutional shareholder in Chaparral;

WHEREAS, on November 28, 2006, Plaintiffs filed a motion for class certification, pursuant to Rules 23(a), 23(b)(1) and 23(b)(2) of the Court of Chancery; notice was mailed to the Class on or about June 4, 2007; the Settling Defendants did not oppose the motion; and on August 2, 2007, the Court entered an order certifying a class defined as "all stockholders of Chaparral Resources, Inc. on March 13, 2006, and any and all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants" (the "Class"), and appointing Arc 1, Inc. and Rolf H. Henel as representatives of the Class;

WHEREAS, the Parties exchanged expert reports and deposed each other's expert witnesses;

WHEREAS, on October 15, 2007, the Parties filed a Pre-Trial Stipulation and Order that was approved by the Court and filed pre-trial briefs;

WHEREAS, trial of the Action and the Appraisal Action was held on October 22 through October 26, 2007;

WHEREAS, on December 6, 2007, Chancellor William B. Chandler, III, who had no prior involvement in the Action or the Appraisal Action, conducted a mediation conference that resulted in a signed memorandum of understanding, among the parties to the Action and the Appraisal Action, regarding an agreement-in-principle to settle both actions; and

WHEREAS, Plaintiffs, through Co-Lead Counsel, attest that Co-Lead Counsel have conducted an extensive investigation relating to Plaintiffs' claims and the underlying events and transactions alleged in the Third Amended Consolidated Complaint and, in connection therewith, litigated the Action through trial and conducted extensive discovery including, among other things, inspection, review and analysis of documents produced by the Settling Defendants and non-parties to this Action, depositions of certain of the Settling Defendants and non-parties, and depositions of the Plaintiffs' expert and the Settling Defendants' multiple experts, which in Co-Lead Counsel's judgment has provided an adequate and satisfactory basis for the negotiation and evaluation of the Settlement described herein.

WHEREAS, Co-Lead Counsel believe that the Settlement provides an excellent monetary recovery for the Class, based on the claims and defenses asserted at trial, the record developed by all Parties in discovery and at trial, and the damages that Plaintiffs sought to prove against the Settling Defendants in the Action. In negotiating and evaluating the terms of the Settlement Agreement, Co-Lead Counsel considered the uncertainties and the risks of any litigation, but especially in complex litigation such as this Action, the inherent problems of proof and the defenses of the Settling Defendants as to damages, and the difficulties and delays inherent in any such litigation. In that regard, Co-Lead Counsel recognized and acknowledged the expense and

length of continued proceedings necessary to prosecute the Action against the Settling Defendants, including a potential appeal and potential collection proceedings. Based upon their evaluation, Co-Lead Counsel have determined that the Settlement set forth in this Stipulation is fair, reasonable and adequate and in the best interests of the Class Members, and that it confers substantial benefits upon the Class Members.

WHEREAS, the Settling Defendants have denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs and/or Petitioner in the Action and the Appraisal Action, including any and all allegations that they have committed any act or omission that was wrongful or gave rise to any liability and/or any violation of law. The Settling Defendants further deny that Plaintiffs, the Class, Petitioner, and/or SISU have suffered any damages, and state that they are entering into this Settlement to eliminate the uncertainties, burden and expense of further protracted litigation. Nothing in this Stipulation is intended, nor should be construed, as an admission or concession of any claim or contention alleged by Plaintiffs and/or Petitioner in the Action or the Appraisal Action.

NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO AND AGREED, by Plaintiffs, for themselves and on behalf of the Class, Petitioner, for itself and on behalf of SISU, and the Settling Defendants that, subject to the approval of the Court and pursuant to Delaware Court of Chancery Rule 23 and the other conditions set forth herein, the Action and the Appraisal Action shall be settled, compromised and dismissed, on the merits and with prejudice (and without costs to any party), and that the Released Claims shall be finally and fully compromised, settled and dismissed as to the Released Parties, in the manner and upon the terms and conditions hereafter set forth.

A. Definitions

1. The following capitalized terms, used in this Stipulation, shall have the meanings specified below:

(a) "Action" means the action captioned *In re Chaparral Resources, Inc. Stockholders Litigation* pending in the Court of Chancery of the State of Delaware as Consolidated Civil Action No. 2001-VCL.

(b) "Appraisal Action" means the action captioned *Cede & Co., Inc. v. Chaparral Resources, Inc.*, C.A. No. 2633-VCL, pending in the Court of Chancery of the State of Delaware.

(c) "Authorized Claimants" are defined in paragraph F.12. below.

(d) "Class" means all stockholders of Chaparral Resources, Inc. on March 13, 2006, and any all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants.

(e) "Co-Lead Counsel" means the law firms of Bouchard Margules & Friedlander, P.A. and Coughlin Stoia Geller Rudman & Robbins LLP.

(f) "Class Member" means a member of the Class.

(g) "Court" means the Court of Chancery of the State of Delaware.

(h) "Court Approval" means the entry of the Judgment by the Court.

(i) "Effective Date" means the first business day following the date the Judgment becomes final and unappealable, whether by affirmance or exhaustion of any possible appeal or review, writ of certiorari, lapse of time or otherwise. The finality of the Judgment shall not be affected by any appeal or other proceeding regarding solely an application for attorneys' fees and expenses or a modification of or dispute concerning the Plan of Allocation.

(j) "Escrow Account" means the interest-bearing bank account at a bank designated by BMF, as Escrow Agent, into which the Settlement Fund shall be deposited.

(k) "Judgment" means the Final Orders and Judgments to be entered by the Court in the Action and the Appraisal Action.

(l) "Net Settlement Fund" means the Settlement Fund less any taxes, attorneys' fees, expert fees, notice and administration costs and any other expenses approved by the Court.

(m) "Parties" means Plaintiffs, the Class Members, Petitioner, for itself and on behalf of SISU, and the Settling Defendants.

(n) "Plan of Allocation" is defined in paragraph F.3. below.

(o) "Proxy Statement" means the proxy statement dated August 25, 2006 and mailed by Chaparral on or about August 30, 2006, pursuant to the Securities and Exchange Act of 1934, and all prior versions and pre and post-effective amendments thereto filed with the SEC.

(p) "Person" means any individual, corporation, partnership, association, affiliate, joint stock company, estate, legal representative, trust, unincorporated association, entity, government and any political subdivision or agency thereof, or any other type of business or legal entity.

(q) "Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, that any or all Plaintiffs, Class

Members, Petitioner, or SISU ever had, now have, or may have, whether direct, derivative, individual, representative, legal, equitable or of any other type, or in any other capacity, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common or other law, which, now or hereafter, are based upon, arise out of, relate to, concern, regard, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, contended, set forth, claimed, embraced, involved, or referred to in, or related to, directly or indirectly, the Action or the subject matter of the Action or the Appraisal Action or the subject matter of the Appraisal Action in any court, tribunal, forum or proceeding, including, without limitation, any and all claims which are based upon, arise out of, relate in any way to, concern, regard, or involve, directly or indirectly: (i) the Merger or the Proxy Statement; (ii) the consideration received by Plaintiffs, Class Members, Petitioner, and/or SISU in connection with the Merger; (iii) the fiduciary or other legal obligations of the Settling Defendants in connection with the Merger; (iv) the negotiations preceding the Merger; and (v) any disclosures, public filings, periodic reports, proxy statements or other statements, issued, published, made available, or filed, relating, directly or indirectly, to the Merger, including claims under the federal securities laws within the exclusive jurisdiction of the federal courts; provided, however, that the Released Claims shall not include the right to enforce or to seek relief for breach of any of the terms of this Stipulation.

(r) "Released Parties" means OAO Lukoil, Lukoil Overseas, NRL, Chaparral, Dmitry Timoshenko, Oktay Movsumov, Boris Zilbermints, Alan D. Berlin and Peter G. Dilling, and all of their respective past, present or future family members, spouses, heirs, trusts, trustees,

executors, estates, administrators, beneficiaries, distributees, transferees, foundations, agents, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, officers, directors, employees, shareholders, principals, managing directors, members, managing members, managing agents, successors, assigns, financial or investment advisors, advisors, consultants, investment bankers, underwriters, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, insurers, co-insurers, reinsurers, associates and agents of each of them, and any person or entity which is, was or will be related to or affiliated with any or all Settling Defendants or in which any or all Settling Defendants has, had or will have any interest and their respective past, present or future parents, subsidiaries, divisions, affiliates, associated entities, divisions, predecessors, successors, present and former employees, officers and directors, attorneys, accountants, insurers, co-insurers, reinsurers, associates, assigns, and agents of each of them, whether or not such persons or entities were named, served with process or appeared in the Action or the Appraisal Action.

(s) "Settlement" means the settlement of the Action and the Appraisal Action between and among Plaintiffs, on behalf of themselves and the Class, Petitioner, on behalf of itself and SISU, and the Settling Defendants, as set forth in this Stipulation.

(t) "Settlement Amount" means a total amount of $36,780,554.

(u) "Settlement Fund" means the fund consisting of the Settlement Amount deposited in the Escrow Account plus any interest or other income earned thereon beginning on January 22, 2008.

(v) "Settlement Hearing" means the final hearing to be held by the Court to determine whether Arc 1, Inc., Rolf H. Henel and Co-Lead Counsel have adequately represented

the Class, whether the proposed Settlement should be approved as fair, reasonable and adequate, whether all Released Claims should be dismissed with prejudice, whether an order and Judgment approving the Settlement should be entered, and whether and in what amount to award counsel fees and reimbursement of expenses to Co-Lead Counsel.

(w) "SISU Amount" means a total amount of $11,860,531, plus all accrued interest thereon beginning as of January 22, 2008. $7,612,891 of this amount will come from a Computershare Trust Company of New York account established by Chaparral for payment to shareholders after the Merger closed.

(x) "Unknown Claims" means any claim that any Plaintiff, Class Member, Petitioner, or SISU does not know or suspect exists in his, her or its favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into this Settlement. With respect to any of the Released Claims, the Parties stipulate and agree that upon the Effective Date, each Plaintiff and Petitioner shall expressly, and each of the Class Members and SISU shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished and released any and all provisions, rights and benefits conferred by or under any law of the United States or any state of the United States or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." By making such reference to Cal. Civ. Code § 1542, the Parties are not agreeing that the release of the Released Claims constitutes a general release. The Plaintiffs and Petitioner acknowledge, and the Class Members and SISU by operation of law shall be deemed to have

acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Plaintiffs and Petitioner, and by operation of law the Class Members and SISU, to completely, fully, finally and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs and Petitioner acknowledge, and the Class Members and SISU by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of "Released Claims" was separately bargained for and was a key element of the Settlement and was relied upon by each and all of the Settling Defendants in entering into this Settlement Agreement.

B. Settlement Consideration and Scope of the Settlement

1. In consideration for the full and final settlement and dismissal with prejudice of the Action and the Appraisal Action and the release of any and all Released Claims, Chaparral and/or one of its affiliates, or their designee or insurers, on behalf of the Settling Defendants, shall cause the Settlement Amount to be paid to the Escrow Account on or before January 22, 2008, and shall further cause the SISU Amount to be paid to an account designated by Grant & Eisenhofer, P.A. on or before January 22, 2008. No Settling Defendant shall have any obligation to pay any additional amounts to or for the benefit of Plaintiffs, Petitioner, any Class Members, or SISU, including but not limited to attorneys' fees and expenses for any counsel to Plaintiffs, Petitioner, any Class Members, or SISU, or any costs of notice or settlement administration or otherwise.

2. As of the Effective Date, the Released Claims shall be dismissed with prejudice and on the merits and without costs.

3. As of the Effective Date, Plaintiffs, all Class Members, Petitioner, and SISU, and their respective heirs, executors, administrators, successors and assigns, agree to release and forever discharge, and by operation of the Judgment shall release and forever discharge all Released Claims as against all Released Parties.

4. As of the Effective Date, the Released Parties shall be deemed to be released and forever discharged from all of the Released Claims.

5. As of the Effective Date, Plaintiffs, all Class Members, Petitioner, and SISU, and their respective heirs, executors, administrators, successors and assigns, will be forever barred and enjoined from commencing, instituting or prosecuting any Released Claims against any of the Released Parties.

C. Submission of the Settlement to Court for Approval

1. As soon as practicable after this Settlement Agreement has been executed, Plaintiffs, Petitioner, and the Settling Defendants shall jointly apply to the Court for entry of an Order in the form attached hereto as Exhibit A (the "Hearing Order"), providing for, among other things: (a) the mailing to the Class Members of the Notice of Proposed Settlement of Class Action, Settlement Hearing and Right to Appear (the "Notice"), substantially in the form attached hereto as Exhibit B; (b) the scheduling of a hearing (the "Settlement Hearing") for the Court to consider the adequacy of the representation of the Class, the proposed settlement, the joint request of the Parties that the Judgment be entered substantially in the form attached hereto as Exhibit C; and any objections to the foregoing, and (c) the injunction against the prosecution of any of the Released Claims pending further order of the Court. At the Settlement Hearing, the Parties shall jointly request that the Judgment be entered substantially in the form attached hereto as Exhibit C.

D. Conditions of Settlement

1. This Stipulation shall be subject to the following conditions and, except as provided in paragraph 11, shall be cancelled and terminated unless:

(a) the Settlement Amount has been paid by the deposit of funds into the Escrow Account;

(b) the Court enters the Hearing Order substantially in the form attached hereto as Exhibit A;

(c) the Court enters the Judgment substantially in the form attached hereto as Exhibit C; and

(d) an Effective Date shall have occurred.

2. Upon occurrence of all the events referenced in paragraph D.1 above, each Plaintiff, all Class Members, Petitioner, and SISU shall hereby be deemed to have, and by operation of the Judgment shall have, fully, finally and forever, released, settled and discharged the Released Parties from and with respect to the Released Claims.

3. Any award of attorneys' fees and expenses to Co-Lead Counsel shall be paid exclusively from the Settlement Fund. In no event shall the Settling Defendants be obligated to pay any of such attorneys' fees and expenses.

E. Effect of Disapproval, Cancellation or Termination

1. If either (a) the Court does not enter the Judgment in substantially the form of Exhibit C, or (b) the Court enters the Judgment but on appellate review the Judgment is modified or reversed in any material respect, or (c) any of the other conditions of paragraph D.1 are not satisfied, this Stipulation shall be canceled and terminated unless counsel for each of the Parties to this Stipulation, within ten business days from receipt of such ruling, agrees in writing with

counsel for the other Parties hereto to proceed with this Stipulation and Settlement, including only with such modifications, if any, as to which all other Parties in their sole judgment and discretion may agree. For purposes of this paragraph, an intent to proceed shall not be valid unless it is expressed in a signed writing. Neither a modification nor a reversal on appeal of the amount of fees, costs and expenses awarded by the Court to Co-Lead Counsel or the Plan of Allocation shall result in a cancellation or termination of this Stipulation and Settlement as set forth in paragraph D.1 above.

2. If either (a) the Effective Date does not occur, or (b) this Stipulation is canceled or terminated pursuant to its terms, or (c) the Settlement does not become final for any reason, then the Settlement Fund, including interest or other income actually earned thereon, less notice and administration costs actually incurred pursuant to this Stipulation or any further order of the Court, shall be refunded within ten (10) days of such cancellation or termination.

3. If the Effective Date does not occur, or if this Stipulation is disapproved, canceled or terminated pursuant to its terms, all the Parties to this Stipulation shall be deemed to have reverted to their respective status prior to the execution of this Stipulation, and they shall proceed in all respects as if this Stipulation had not been executed and the related orders had not been entered, and in that event all of their respective claims and defenses as to any issue in the Action shall be preserved without prejudice in any way.

F. Administration and Distribution of the Settlement Fund

1. Co-Lead Counsel shall retain a settlement administrator (the "Administrator"), which shall, subject to the supervision, direction and approval of the Court, oversee administration and distribution of the Settlement Fund.

2. The Settlement Fund shall be applied as follows:

(a) To pay all costs and expenses reasonably incurred in connection with providing notice to Class Members, locating Class Members, administering and distributing the Settlement Fund to the Class, escrow fees and costs.

(b) Subject to the approval and further order(s) of the Court, to pay to Co-Lead Counsel the amount awarded by the Court as attorneys' fees, and to pay to Co-Lead Counsel the amount awarded as costs and expenses, including fees of experts and consultants.

(c) To pay taxes and tax expenses owed by the Settlement Fund.

(d) Subject to the approval and further order(s) of the Court, to distribute the balance of the Net Settlement Fund as provided in the Plan of Allocation, or as otherwise ordered by the Court.

(e) The Settling Defendants shall bear no responsibility for making any of the foregoing payments or distributions, or for the costs, fees or expenses described in this paragraph.

3. The Net Settlement Fund shall be allocated among Class Members pursuant to the terms of this paragraph (the "Plan of Allocation"). The Net Settlement Fund shall be allocated to those Class Members who are Authorized Claimants (as defined below) and who submit a valid Proof of Claim (attached hereto as Exhibit D) and were beneficial owners of Chaparral common stock as of the effective date of the Merger, and were cashed out of those shares pursuant to the Merger, *pro rata* based on the number of shares of Chaparral common stock that were owned at the close of trading on September 29, 2006; provided, however, that none of the Net Settlement Fund shall be allocated to SISU or to Cede & Co., Inc. on account of any shares of Chaparral common stock beneficially owned by SISU as of the effective date of the Merger. Any modification of the Plan of Allocation by the Court shall not affect the enforceability of the Stipulation, provide any of the Parties with the right to terminate the Settlement, impose an

obligation on the Settling Defendants to increase the consideration paid in connection with the Settlement or affect or delay the effectiveness and finality of the Judgment and the release of the Released Claims. Finality of the Settlement shall not be conditioned on any ruling by the Court solely concerning the Plan of Allocation.

4. Prior to the distribution of the Net Settlement Fund, Co-Lead Counsel shall present for the approval of the Court a final accounting of the receipts to and disbursements from the Settlement Fund and the proposed distribution of the Net Settlement Fund. No such distribution shall be made in the absence of an order approving the accounting and the proposed distribution.

5. Payment from the Settlement Fund made pursuant to and in the manner set forth above shall be deemed conclusive of compliance with this Stipulation.

6. Within twenty (20) calendar days of the date of the execution of this Stipulation, Chaparral shall provide to the Administrator, to the extent available, (a) a list of the holders of record of Chaparral common stock as of the effective date of the Merger containing each such holder's name, address and the number of shares owned and (b) any similar lists or reports identifying the beneficial holders of Chaparral common stock as of the effective date of the Merger.

7. The Released Parties shall have no involvement in, responsibility for, or liability relating to (i) the administration of or distributions from the Settlement Fund or SISU Amount, or (ii) the determination, calculation or payment of the Net Settlement Fund to members of the Class or the SISU Amount to SISU.

8. No Class Member shall have any claim against any Plaintiff, Co-Lead Counsel, the Settling Defendants, the Released Parties, the Administrator, or any of their counsel, based on the distributions made substantially in accordance with this Stipulation and/or orders of the Court.

9. This is not a claims-made settlement. As of the Effective Date, the Settling Defendants shall not have any right to the return of the Settlement Fund or any portion thereof.

10. Co-Lead Counsel or the Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's valid Proof of Claim. Co-Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Administrator. Co-Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proof of Claim submitted in the interests of achieving substantial justice.

11. Any member of the Class who does not timely submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund. All members of the Class will be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment, and will be barred from bringing any action against the Released Parties concerning the Released Claims, whether or not they submit a Proof of Claim.

12. Co-Lead Counsel will apply to the Court for an order (the "Distribution Order") approving the Administrator's administrative determinations concerning the acceptance and rejection of the claims submitted herein and, after the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an "Authorized Claimant," the following conditions shall apply:

a. Class Members shall be required to submit a Proof of Claim, supported by such documents as are designated therein, including proof of the claimant's holdings, or such other documents or proof as Co-Lead Counsel in their discretion, may deem acceptable;

b. All Proofs of Claim must be submitted by the date specified in the Notice unless such period is extended by Order of the Court. Any Class Member who fails to submit a Proof of Claim by such date, shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by Order of the Court, a later submitted Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of this Stipulation, including the terms of the Judgment, and will be barred from bringing any action against the Released Persons concerning the Released Claims. Provided that it is received before the motion for the Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Administrator;

c. Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under supervision of Co-Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

d. Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Administrator shall use reasonable efforts to communicate with the claimant in order to remedy the curable deficiencies in the Proof of Claims submitted. The Administrator, under supervision of Co-Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons

therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below; and

e. If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Co-Lead Counsel shall thereafter present the request for review to the Court.

13. The administrative determinations of the Administrator accepting and rejecting claims shall be presented to the Court for approval by the Court in the Distribution Order.

14. Each claimant shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to the claimant's claim, and the claim will be subject to investigation and discovery under the applicable rules, provided that such investigation and discovery shall be limited to that claimant's status as a Class Member and the validity and amount of the claimant's claim. No discovery shall be allowed on the merits of the Action or the Stipulation or the Settlement in connection with processing of the Proofs of Claim.

15. Distribution and payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the

terms of the Judgment, and will be barred from bringing any action against the Released Parties concerning the Released Claims.

16. All proceedings with respect to the administration, processing, and determination of claims described in this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the exclusive jurisdiction of the Court.

17. The Net Settlement Fund shall be finally distributed to Authorized Claimants by the Administrator only after the Effective Date and after: (a) all Claims have been processed, and all claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (b) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (c) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired; and (d) all costs of administration have been paid.

G. <u>Attorneys' Fees and Expenses</u>

18. Plaintiffs in this Action and their counsel intend to petition the Court for an award not to exceed $12,250,000 for attorneys' fees, plus reimbursement of expenses not to exceed $1,200,000, incurred in connection with this Action, to be paid solely out of the Settlement Fund. Defendants agree not to take any position as to the petition for the award for attorneys' fees and expenses. Attorneys' fees and expenses awarded by the Court in this Action shall be transferred from the Settlement Fund to an account maintained by BMF on or before ten (10) business days after the Court enters the Judgment; provided however, that if there is an appeal from the Court's order on the Plaintiffs' petition for an award of attorneys' fees and expenses, BMF will within

twenty (20) business days of the filing of the notice of appeal post a bond for the full amount of the attorneys' fees and expenses awarded by the Court; and provided further, that if the Judgment is reversed on appeal, or if the fees and expenses awarded thereunder are reduced or revoked following appeal, then BMF shall within five (5) business days surrender the difference, if any, between the fees awarded in the Final Order and the fees as ultimately approved by any appellate court.

19. Any order or proceeding relating to the petition for attorneys' fees or expenses, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Stipulation, and shall not affect or delay the finality of the Judgment approving this Stipulation. In the event there is an objection to the petition for attorneys' fees and expenses, the parties hereto agree that the Court may enter a Judgment that reserves for subsequent determination, on a schedule to be set by the Court, the amount of the fee and/or expense award.

H. Miscellaneous Provisions

20. All of the Exhibits referred to herein shall be incorporated by reference as though fully set forth herein.

21. This Stipulation may be amended or modified only by a written instrument signed by counsel for all Parties hereto or their successors.

22. The Parties represent and agree that the amount paid and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

23. Neither this Stipulation, nor the fact or any terms of the Settlement, is an admission, evidence or concession by any Settling Defendant of any liability or wrongdoing or damages whatsoever. This Stipulation is not a finding or evidence of the validity or invalidity of any claims

or defenses in the Action or the Appraisal Action or any wrongdoing by any of the defendants named therein or any damages or injury to any Class Members. Neither this Stipulation, nor the fact or any terms of settlement, nor the settlement proceedings, nor the settlement negotiations, nor statements in connection therewith, nor any related documents shall be used or construed as an admission or other evidence of any fault, liability or wrongdoing by or damage to any person. Neither this Stipulation, nor the fact or any terms of settlement, nor the settlement proceedings, nor the settlement negotiations, nor any related documents shall be argued to be, or offered or received in evidence as, an admission, concession, presumption or inference against any party in any proceeding, other than such proceedings as may be necessary to consummate or enforce this Stipulation.

24. To the extent permitted by law, all agreements made and orders entered during the course of the Action relating to the confidentiality of documents or information shall survive this Stipulation.

25. The waiver by any Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of any provision of this Stipulation by any other Party.

26. This Stipulation and the exhibits constitute the entire agreement among the Parties, and no representations, warranties or inducements have been made to or relied upon by any Party concerning this Stipulation or its exhibits, other than the representations, warranties and covenants expressly set forth in such documents.

27. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, provided that counsel for the parties to this Stipulation shall exchange among themselves original signed

counterparts. No Party shall be bound by this Stipulation unless and until it has been executed and delivered by all of the undersigned Parties' counsel.

28. The parties hereto and their respective counsel of record agree that they will use their best efforts to obtain all necessary approvals of the Court required by this Stipulation.

29. Each counsel signing this Stipulation represents that such counsel has authority to sign this Stipulation on behalf of his clients.

30. This Stipulation shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, including any and all Released Parties and any corporation, partnership, or other entity into or with which any party hereto may merge, consolidate or reorganize.

31. Except for attorney notes of counsel for Plaintiffs or Petitioner, pleadings, other Court submissions and transcripts of depositions, Plaintiffs and Petitioner agree to destroy or to return to the Settling Defendants all discovery obtained from the Settling Defendants within thirty (30) days after the Effective Date.

32. This Stipulation and any and all disputes arising out of or relating to this Stipulation shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to choice of law principles. Any action based on this Stipulation or to enforce any of its terms shall be brought in the Court of Chancery of the State of Delaware, which shall retain jurisdiction over the Parties and all such disputes.

Dated: January 21, 2008

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Coughlin Stoia Geller Rudman
& Robbins, LLP
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/s/ Joel Friedlander
David J. Margules (#2254)
Joel Friedlander (#3163)
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Co-Lead Counsel for Plaintiffs

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Attorneys for Defendants Alan D. Berlin and Peter G. Dilling

EXHIBIT A

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: CHAPARRAL RESOURCES, INC.)	CONSOLIDATED
STOCKHOLDERS LITIGATION)	C.A. NO. 2001-VCL

ORDER FOR NOTICE OF HEARING ON APPROVAL OF CLASS ACTION SETTLEMENT

WHEREAS, the parties to the above-captioned action (the "Action") have entered into a Stipulation and Agreement of Compromise and Settlement, dated as of January 15, 2008 (the "Stipulation"), which, together with the exhibits thereto, sets forth the terms and conditions of the proposed settlement of the Action (the "Settlement") and provides for dismissal of the Action on the merits and with prejudice;

WHEREAS, on August 2, 2007, the Court entered an order certifying the Action as a class action pursuant to Rules 23(a), 23(b)(1) and 23(b)(2) of the Court of Chancery on behalf of a class defined as "all stockholders of Chaparral Resources, Inc. ("Chaparral") on March 13, 2006, and any and all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants" (the "Class"), and appointing Arc 1, Inc. and Rolf H. Henel as representatives of the Class (the "Representative Plaintiffs"); and

WHEREAS, the parties to the Action have applied pursuant to Court of Chancery Rule 23(e) for an Order approving the proposed settlement of the Action and determining certain matters in accordance with the Stipulation and for the dismissal of the Action upon the terms and conditions set forth in the Stipulation;

NOW, after review and consideration of the Stipulation filed with the Court and the exhibits annexed thereto and after due deliberation,

IT IS HEREBY ORDERED this ___ day of _____ 2008, that:

1. A hearing (the "Settlement Hearing") pursuant to Court of Chancery Rule 23(e) shall be held on _____, 2008, at __:__ _.m., in the Court of Chancery (the "Court") in the New Castle Courthouse, 500 North King Street, Wilmington, Delaware, 19801 to:

a. determine whether the Representative Plaintiffs and their counsel have adequately represented the interests of the Class in the Action;

b. determine whether the Order and Final Judgment (Exhibit C to the Stipulation) should be entered, *inter alia*, dismissing the Action with prejudice and on the merits, and extinguishing and releasing any and all Released Claims (as defined in the Stipulation) as against any and all Released Parties (as defined in the Stipulation);

c. consider the application of Representative Plaintiffs' counsel for an award of attorneys' fees and the reimbursement of expenses; and

d. rule on such other matters as the Court may deem appropriate.

2. The Court reserves the right to adjourn the Settlement Hearing, including consideration of the application for attorneys' fees and reimbursement of expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

3. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification as may be consented to by the parties to the Stipulation and without further notice to the Class.

4. At least forty-five (45) days before the Settlement Hearing, Representative Plaintiffs' counsel shall cause (i) a Notice of the Settlement Hearing in substantially the form

annexed as Exhibit A hereto and as Exhibit B to the Stipulation (the "Notice") and (ii) a Proof of Claim in substantially the form annexed as Exhibit B hereto and as Exhibit D to the Stipulation (the "Proof of Claim"), to be sent by first class mail, postage pre-paid, to each Class Member at his/her/its last known address appearing in the stock transfer records maintained by or on behalf of the Company. The date of such mailing is the "Notice Date." Representative Plaintiffs' counsel shall also give notice to such Class Members by (a) making additional copies of the Notice available to any record holder who, prior to the Settlement Hearing, requests additional copies for distribution to beneficial owners, and (b) distributing copies of the Notice to beneficial owners if provided with lists of such names and addresses by record owners. All costs of notice shall be paid as set forth in the Stipulation.

5. The Court approves, in form and content, the Notice and Proof of Claim and finds that the giving of notice as specified herein meets the requirements of the Court of Chancery Rules and due process, is the best notice practicable and shall constitute due and sufficient notice of the Settlement Hearing and all other matters referred to in the Notice to all persons entitled to receive notice of the Settlement Hearing. Representative Plaintiffs' counsel shall, no later than ten (10) days before the Settlement Hearing directed herein, file an appropriate affidavit of proof of mailing with respect to the Notice and Proof of Claim.

6. Any Class Member who objects to the Stipulation, the Settlement, the class action determination, the Order and Final Judgment proposed to be entered in the Action, the representation of the Class by the Representative Plaintiffs and their counsel, and/or the application for attorneys' fees and reimbursement of expenses, or who otherwise wishes to be heard, may appear in person or by counsel at the Settlement Hearing and present evidence or argument that may be proper or relevant; provided, however, that no person other than counsel for the Class and counsel for the defendants in the Action shall be heard and no papers, briefs,

pleadings or other documents submitted by any person shall be considered, except by Court order for good cause shown, unless not later than ten (10) days prior to the Settlement Hearing such person files with the Court and serves upon counsel listed below:

a. a written notice of intention to appear;

b. a detailed statement of such person's specific objections to any matters before the Court;

c. evidence of such person's membership in the Class; and

d. the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider.

Such filings shall be served by overnight mail or hand delivery upon each of the following counsel and filed with the Register in Chancery, Court of Chancery, 500 North King Street, Wilmington, DE 19801:

Joel Friedlander
Bouchard Margules & Friedlander, P.A.
222 Delaware Avenue, Suite 1400
Wilmington, De 19801

Raymond J. DiCamillo
Richards, Layton & Finger, P.A.
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Donald J. Wolfe, Jr.
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Wilmington, DE 19899

Kenneth J. Nachbar
Morris Nichols Arsht & Tunnell L.L.P.
1201 N. Market Street
Wilmington, DE 19801

7. Unless this Court otherwise directs, no Class Member or other person shall be entitled to object to the approval of the Settlement, the Order and Final Judgment entered herein, the adequacy of the representation of the Class by the Representative Plaintiffs and their counsel, any award of attorneys' fees or reimbursement of expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed in ¶6 herein. Any person who fails to object in the manner described above shall be deemed to have waived the right to object, including any right of appeal, and shall be forever barred from raising such objection in this or any other action or proceeding and shall be bound by all the terms and provisions of the Stipulation and by all proceedings, orders and judgments in the Action.

8. All papers in support of the Settlement, and any application by Representative Plaintiffs' counsel for attorneys' fees and reimbursement of expenses shall be filed and served seven (7) calendar days prior to the Settlement Hearing.

9. At or after the Settlement Hearing, the Court shall determine whether any application for attorneys' fees or reimbursement of expenses shall be approved.

10. Unless the Court orders otherwise, all Proof of Claim forms must be submitted no later than seventy-five (75) days from the Notice Date. Any Class member who does not timely submit a Proof of Claim within the time provided for, shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise ordered by the Court, but shall nevertheless be bound by any Order and Final Judgment entered by the Court.

11. All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Representative Plaintiffs nor any of their counsel shall have any obligation to repay any amounts incurred for notice or administration of the Settlement.

12. All Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Class.

13. If the Settlement, including any amendment made in accordance with the Stipulation, is not approved by the Court or shall not become effective for any reason whatsoever, the Settlement (including any modification thereof made with the consent of the parties as provided for in the Stipulation), any class certification herein and any actions taken or to be taken in connection therewith (including this Order and any judgment entered herein) shall be terminated and shall become void and of no further force and effect, except for Chaparral's obligation to pay for any expenses incurred in connection with the notice provided for by the Stipulation. In that event, neither the Stipulation nor any provision contained therein except as stated herein, nor any action undertaken pursuant thereto, nor the negotiation thereof by any party, shall be deemed an admission offered or received as evidence at any proceeding in this Action or any other action or proceeding.

14. All proceedings in the Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Pending final determination of whether the Stipulation and the Settlement should be approved, Representative Plaintiffs, and all Class Members, are barred and enjoined from commencing or prosecuting any action asserting any claims that are, or relate in any way to, the Released Claims as defined in this Stipulation.

15. Neither the Stipulation nor any provision contained in the Stipulation, nor any negotiations, statements or proceedings in connection therewith, shall be construed as, or deemed to be evidence of, an admission or concession on the part of any of the Representative Plaintiffs, the defendants, any Class Member, or any other person of any liability or wrongdoing by them,

or any of them, and shall not be offered or received in evidence in any action or proceeding, or be used in any way as an admission, concession or evidence of any liability or wrongdoing of any nature, and shall not be construed as, or deemed to be evidence of, an admission or concession that the Representative Plaintiffs, any Class Member, or any other person, has or has not suffered any damage.

Vice Chancellor

A

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE CHAPARRAL RESOURCES, INC.	)	CONSOLIDATED
STOCKHOLDERS LITIGATION	)	C.A. NO. 2001-VCL

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF COMMON STOCK OF CHAPARRAL RESOURCES, INC. ("CHAPARRAL" OR THE "COMPANY") AT ANY TIME FROM AND INCLUDING MARCH 13, 2006, THROUGH AND INCLUDING SEPTEMBER 29, 2006, AND ANY AND ALL LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS IN INTEREST, TRANSFEREES AND ASSIGNS OF ALL SUCH FOREGOING HOLDERS OR PERSONS, BUT EXCLUDING DEFENDANTS AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS IN INTEREST, TRANSFERREES AND ASSIGNS OF DEFENDANTS.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE RELEASED CLAIMS (AS DEFINED BELOW).

IF YOU ARE A NOMINEE WHO HELD COMMON STOCK OF CHAPARRAL FOR THE BENEFIT OF ANOTHER, READ SECTION X BELOW.

I. PURPOSE OF NOTICE

A. The purpose of this Notice is to inform you of this lawsuit, a proposed settlement of the lawsuit, and a hearing to be held by the Court of Chancery of the State of Delaware in and for New Castle County (the "Court"). The hearing will be held on _____, 2008 at __:__ _.m, before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 (the "Settlement Hearing") to (1) determine whether a Stipulation and Agreement of Compromise and Settlement dated as of January 15, 2008 (the "Stipulation" or the "Settlement Agreement") and the terms and conditions of the Settlement (as defined below) proposed in the Stipulation are fair, reasonable, adequate and in the best interests of Class Members (as defined below) and should be approved by the Court; (2) determine whether representative plaintiffs Arc 1, Inc. and Rolf Henel (the "Plaintiffs") and their counsel have adequately represented the interests of the Class in the Action; (3) rule on the application of counsel for the Plaintiffs for attorney's fees and reimbursement of expenses; and (4) rule on such other matters as the Court may deem appropriate.

B. The Court previously determined that the Action shall be maintained as a class action under Delaware Court of Chancery Rules 23(b)(1) and (b)(2) on behalf of a class (the "Class") consisting of all stockholders of Chaparral on March 13, 2006, and any and all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants) (the "Class Members").

C. The settlement proposed herein (the "Settlement") contemplates that Chaparral and/or one of its affiliates, or their designees or insurers, will create a $36,780,554 settlement fund, plus all accrued interest thereon beginning as of January 22, 2008 (the "Settlement Fund"), on behalf of defendants Open Joint Stock Company "Oil Company "LUKOIL" ("OAO Lukoil"),

Lukoil Overseas Holding Ltd. ("Lukoil Overseas"), NRL Acquisition Corp. ("NRL"), Chaparral Resources, Inc. ("Chaparral"), Dmitry Timoshenko, Oktay Movsumov, Boris Zilbermints, Alan D. Berlin and Peter G. Dilling (collectively, the "Settling Defendants"), and that the Representative Plaintiffs will dismiss the Action and release all claims that were or could have been brought in the Action, as set forth more fully herein. Additionally, under the proposed Settlement, Plaintiffs' attorneys will apply to the Court for an award of attorneys' fees and expenses, which amounts will be paid from the Settlement Fund.

D. This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

E. If the Court approves the Settlement, the parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing the Action with prejudice on the merits.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE LAWSUIT

A. The present lawsuit (the "Action") was initiated when three purported class actions were filed on March 14, 2006, March 15, 2006, and March 17, 2006, each on behalf of a putative class of stockholders of Chaparral and challenging a proposed transaction announced on March 13, 2006, whereby Chaparral's majority stockholder, NRL, an indirect subsidiary of Lukoil Overseas, would merge with Chaparral and acquire the publicly owned shares of Chaparral common stock for a cash price of $5.80 per share (the "Merger").

B. Other than the shares owned by NRL, there were 15,283,801 publicly owned shares of Chaparral common stock outstanding as of the date of the announcement of the Merger.

C. On March 31, 2006, the Court of Chancery entered an Order consolidating the three putative class actions into this Action (the "Order of Consolidation").

D. On April 28, 2006, Arc 1, Inc., Rolf Henel and certain other shareholders of Chaparral filed a motion to intervene as plaintiffs, amend the Order of Consolidation and seek the appointment of their counsel, Bouchard Margules & Friedlander, P.A. ("BMF"), as new lead counsel (the "Motion to Intervene"), and a representative of Allen & Company Incorporated, which, together with its affiliates, owned 3,035,594 shares of Chaparral common stock, submitted an affidavit in support of the Motion to Intervene.

E. Following argument on the Motion to Intervene, the Court of Chancery entered an Order on May 19, 2006, permitting the intervention, and on June 2, 2006, the Court of Chancery entered an Order designating BMF and Lerach Coughlin Stoia Geller Rudman & Robbins LLP (now known as Coughlin Stoia Geller Rudman & Robbins LLP ("CSGR&R") as Co-Lead Counsel and designating BMF as Delaware Liaison Counsel.

F. On July 3, 2006, Plaintiffs filed a First Amended Consolidated Complaint against Lukoil Overseas, Chaparral, and the individual members of Chaparral's Board of Directors (the "Board"), which consisted of special committee members Alan Berlin and Peter Dilling (the "Special Committee") and Lukoil Overseas designees Oktay Movsumov, Boris Zilbermints and Dmitry Timoshenko.

G. On August 7, 2006, Chaparral attached the First Amended Consolidated Complaint as an exhibit to its publicly filed preliminary proxy statement, and on or about August 25, 2006, Chaparral distributed a proxy statement to Chaparral's stockholders that attached the First Amended Consolidated Complaint as an exhibit.

H. On August 30, 2006, Plaintiffs filed a motion for preliminary injunction that asked the Court of Chancery to enjoin defendants preliminarily from taking a vote on the Merger until additional supplemental disclosures were provided to Chaparral's stockholders.

I. During the pendency of the Merger, Co-Lead Counsel obtained tens of thousands of pages of documents from defendants and deposed the following individuals: Alan Berlin; Peter Dilling; Oktay Movsumov; Charles Talbot, Chaparral's Chief Financial Officer; and a representative of Petrie Parkman & Co., the financial advisor to the Special Committee.

J. On September 5, 2006, Plaintiffs filed a Second Amended Consolidated Complaint that attached certain documents that were purported to relate to development plans for the Karakuduk oil field controlled by Chaparral (the "Field") and added NRL as a defendant.

K. On or about September 6, 2006, Chaparral distributed an amended proxy statement to Chaparral's stockholders that attached the Second Amended Consolidated Complaint as an exhibit.

L. Following the filing of the Second Amended Consolidated Complaint and following the September 9, 2006 deposition of Oktay Movsumov, the Special Committee in a letter dated September 11, 2006 formally requested from Lukoil Overseas development plans and various other categories of documents respecting the Field, including documents that the Plaintiffs had sought in discovery.

M. On September 19, 2006, Chaparral issued a supplemental proxy disclosure that attached the Special Committee's letter of September 11, 2006 and stated that the Special Committee was not in a position to determine whether any of the additional information requested from Lukoil Overseas would be material or would cause the Special Committee to alter its recommendation that Chaparral stockholders vote in favor of the merger.

N. On September 22, 2006, the Court of Chancery denied Plaintiffs' motion for preliminary injunction, and the Merger closed on September 29, 2006.

O. On November 1, 2006, Plaintiffs filed a Third Amended Consolidated Complaint that added as a defendant OAO Lukoil, the corporate parent of Lukoil Overseas, and sought damages in an unspecified amount for breach of fiduciary duty against the respective defendants.

P. OAO Lukoil moved to dismiss the claims against it, in part on the ground that OAO Lukoil is not subject to personal jurisdiction in the State of Delaware.

Q. All defendants other than OAO Lukoil answered the Third Amended Consolidated Complaint, denied all of Plaintiffs' claims, asserted various affirmative defenses, and sought an award of costs.

R. Cede & Co., Inc. ("Petitioner") perfected appraisal rights on behalf of The SISU Capital Fund, L.P., The SISU Capital Fund Limited II, Ltd., The SISU Capital Fund Limited, and the AVRO Master Fund, Ltd. (collectively, "SISU") as to 1,311,000 Chaparral shares beneficially owned by SISU, and on December 21, 2006, Petitioner filed an appraisal petition in the Court of Chancery as to such shares styled *Cede & Co., Inc. v. Chaparral Resources, Inc.*, C.A. No. 2633-VCL, and the Court ordered that such appraisal action (the "Appraisal Action") be coordinated with the Action for purposes of discovery and trial.

S. Following the Merger, Plaintiffs' counsel reviewed thousands of additional pages of documents from defendants and third parties, completed the depositions of Alan Berlin and Peter Dilling, and deposed the following fact witnesses: the lawyer who represented the Special Committee during the merger negotiations; a representative of McDaniel & Associates Consultants Ltd., the firm that estimated oil reserves at the Field as of year-end December 31, 2005; a representative of Miller and Lents, Ltd., the firm that audited the oil reserves at the Field for OAO Lukoil as of year-end December 31, 2005, and year-end December 31, 2006; a

representative of Oil and Gas Exploration Company – Krakow, the firm that operated the sole drilling rig at the Field until January 2006; the President of Lukoil Overseas, Andrey Kuzyaev; the Chief Executive Officer of Chaparral, Boris Zilbermints; and a representative of Whittier Trust Company, a former institutional shareholder in Chaparral.

T. On November 28, 2006, Plaintiffs filed a motion for class certification, pursuant to Rules 23(a), 23(b)(1) and 23(b)(2) of the Court of Chancery; notice was mailed to the Class on or about June 4, 2007; the Settling Defendants did not oppose the motion; and on August 2, 2007, the Court entered an order certifying a class defined as "all stockholders of Chaparral Resources, Inc. on March 13, 2006, and any and all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants" (the "Class"), and appointing Arc 1, Inc. and Rolf H. Henel as representatives of the Class.

U. The parties exchanged expert reports and deposed each other's expert witnesses.

V. On October 15, 2007, the parties filed a Pre-Trial Stipulation and Order that was approved by the Court and filed pre-trial briefs.

W. Trial of the Action and the Appraisal Action was held on October 22 through October 26, 2007.

X. On December 6, 2007, Chancellor William B. Chandler, III, who had no prior involvement in the Action or the Appraisal Action, conducted a mediation conference that resulted in a signed memorandum of understanding, among the parties to the Action and the Appraisal Action, regarding an agreement-in-principle to settle both actions. As part of the settlement of the Appraisal Action, it was agreed that SISU will receive a total amount of $11,851,440, plus all accrued interest thereon beginning as of January 15, 2008, on account of the 1,311,000 shares for which SISU perfected appraisal rights, and that SISU will not participate in the settlement of the Action. That agreement was subsequently modified so that SISU will receive $11,860,531 on January 22, 2008.

Y. Plaintiffs, through Co-Lead Counsel, attest that Co-Lead Counsel have conducted an extensive investigation relating to Plaintiffs' claims and the underlying events and transactions alleged in the Third Amended Consolidated Complaint and, in connection therewith, litigated the Action through trial and conducted extensive discovery including, among other things, inspection, review and analysis of documents produced by the Settling Defendants and non-parties to this Action, depositions of certain of the Settling Defendants and non-parties, and depositions of the Plaintiffs' expert and the Settling Defendants' multiple experts, which in Co-Lead Counsel's judgment has provided an adequate and satisfactory basis for the negotiation and evaluation of the Settlement described herein.

Z. Co-Lead Counsel believe that the Settlement provides an excellent monetary recovery for the Class, based on the claims and defenses asserted at trial, the record developed by all Parties in discovery and at trial, and the damages that Plaintiffs sought to prove against the Settling Defendants in the Action. In negotiating and evaluating the terms of the Settlement Agreement, Co-Lead Counsel considered the uncertainties and the risks of any litigation, but especially in complex litigation such as this Action, the inherent problems of proof and the defenses of the Settling Defendants as to damages, and the difficulties and delays inherent in any such litigation. In that regard, Co-Lead Counsel recognized and acknowledged the expense and length of continued proceedings necessary to prosecute the Action against the Settling Defendants, including a potential appeal and potential collection proceedings. Based upon their evaluation, Co-Lead Counsel have determined that the Settlement set forth in this Stipulation is fair, reasonable and adequate and in the best interests of the Class Members, and that it confers substantial benefits upon the Class Members.

AA. The Settling Defendants have denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs and/or Petitioner in the Action and the Appraisal Action, including any and all allegations that they have committed any act or omission that was wrongful or gave rise to any liability and/or any violation of law. The Settling Defendants further deny that Plaintiffs, the Class, Petitioner, and/or SISU have suffered any damages, and state that they are entering into this Settlement to eliminate the uncertainties, burden and expense of further protracted litigation. Nothing in the Settlement or this Notice is intended, nor should be construed, as an admission or concession of any claim or contention alleged by Plaintiffs and/or Petitioner in the Action or the Appraisal Action.

III. THE SETTLEMENT AND PARTICIPATION IN THE SETTLEMENT

A. If the Settlement is approved by the Court, then in consideration for the full settlement and release of all Settled Claims (as defined below), the Settlement Fund shall be distributed as follows:

1. To pay all costs and expenses reasonably incurred in connection with providing notice to Class Members, locating Class Members, administering and distributing the Settlement Fund to the Class, escrow fees and costs.

2. Subject to the approval and further order(s) of the Court, to pay to Co-Lead Counsel the amount awarded by the Court as attorneys' fees, and to pay to Co-Lead Counsel the amount awarded as costs and expenses, including fees of experts and consultants.

3. To pay applicable taxes and tax expenses owed by the Settlement Fund.

4. Subject to the approval and further order(s) of the Court, the balance of the Settlement Fund less any taxes, attorneys' fees, expert fees, notice and administrative costs and any other expenses approved by the Court, shall be distributed to those Class Members who are authorized claimants and who submit a valid proof of claim and were beneficially owners of Chaparral common stock as of the effective date of the Merger, and were cashed out of those shares pursuant to the Merger, *pro rata* based on the number of shares of Chaparral common stock that were owned at the close of trading on September 29, 2006; provided, however, that none of the Settlement Fund shall be allocated to SISU or to Cede & Co., Inc. on account of any shares of Chaparral common stock beneficially owned by SISU as of the effective date of the Merger.

B. Class Members must submit claim forms in order to recover. Co-Lead Counsel or the settlement administrator shall determine each authorized claimant's pro rata share of the net Settlement Fund based upon each authorized claimant's valid proof of claim. Co-Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the net Settlement Fund by the settlement administrator. Co-Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any proof of claim submitted in the interests of achieving substantial justice. Any member of the Class who does not timely submit a valid proof of claim will not be entitled to receive any of the proceeds from the net Settlement Fund.

C. If you are a Class Member, you will be bound by any judgment entered in the litigation whether or not you actually receive this Notice. You may not opt out of the Class.

IV. RELEASE

A. The Stipulation provides that, subject to Court approval of the Settlement, and in consideration for the benefits provided by the Settlement, the Action shall be completely discharged and dismissed with prejudice on the merits. The Plaintiffs, individually and on behalf of the Class, have agreed to fully, finally, and forever release, discharge, settle, relinquish, and dismiss with prejudice on the merits any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including unknown claims, that any or all Plaintiffs or any or all Class Members ever had, now have, or may have, whether direct, derivative, individual, representative,

legal, equitable or of any other type, or in any other capacity, against any of OAO Lukoil, Lukoil Overseas, NRL, Chaparral, Dmitry Timoshenko, Oktay Movsumov, Boris Zilbermints, Alan D. Berlin and Peter G. Dilling, and all of their respective past, present or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, officers, directors, employees, shareholders, principals, managing directors, members, managing members, managing agents, successors, assigns, financial or investment advisors, advisors, consultants, investment bankers, underwriters, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, insurers, co-insurers, reinsurers, associates and agents of each of them, and any person or entity which is, was or will be related to or affiliated with any or all Settling Defendants or in which any or all Settling Defendants has, had or will have a controlling interest and their respective past, present or future parents, subsidiaries, divisions, affiliates, associated entities, divisions, predecessors, successors, present and former employees, officers and directors, attorneys, accountants, insurers, co-insurers, reinsurers, associates, assigns, and agents of each of them, whether or not such persons or entities were named, served with process or appeared in the Action (collectively, the "Released Parties"), whether based on state, local, foreign, federal, statutory, regulatory, common or other law, which, now or hereafter, are based upon, arise out of, concern, relate to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, contentions, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, directly or indirectly, the Action or the subject matter of the Action in any court, tribunal, forum or

proceeding, including, without limitation, any and all claims which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the Merger or the Proxy Statement, (ii) the consideration received by Class Members in connection with the Merger, (iii) the fiduciary obligations of the Settling Defendants in connection with the Merger, (iv) the negotiations preceding the Merger, and (v) any disclosures, public filings, periodic reports, proxy statements or other statements, issued, published, made available, or filed, relating, directly or indirectly, to the Merger, including claims under the federal securities laws within the exclusive jurisdiction of the federal courts; provided, however, that the Released Claims shall not include the right to enforce or to seek relief for breach of any of the terms of the Stipulation.

The Settling Defendants, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, and each of them, also will release Plaintiffs and Co-Lead Counsel from any and all claims arising out of or relating to their filing and prosecution of the Action.

V. REASONS FOR THE SETTLEMENT

A. Plaintiffs, through their attorneys, have conducted a thorough investigation of the claims and allegations asserted in the Action, as well as the underlying events and transactions relevant to the Action. Plaintiffs litigated the Action through trial, after substantial factual discovery and expert discovery. Co-Lead Counsel carefully reviewed tens of thousands of pages of documents produced in the Action and documents obtained through publicly available sources, and conducted factual and legal research concerning the validity of Representative Plaintiffs' claims.

B. Further, in evaluating the Settlement, Plaintiffs and their counsel have considered: (1) the immediate substantial benefits to the Class Members from the Settlement; (2) the facts

developed at trial; (3) the attendant risks of continued litigation, including potential appellate proceedings and collection proceedings; and (4) the probability of success on the merits and allegations contained in the Action, including the uncertainty relating to the proof of damages.

C. The Settling Defendants have denied, and continue to deny, all allegations of wrongdoing, fault, liability, or damage to Plaintiffs, the Class, and Petitioner, but wish to settle the litigation on the terms and conditions stated in the Stipulation and summarized herein in order to eliminate the burden and expense of further litigation and to put the claims to be released hereby to rest finally and forever.

VI. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

At or before the Settlement Hearing, counsel for the Representative Plaintiffs will apply to the Court for an award of attorneys' fees and expenses to be paid from the Settlement Fund that will not exceed $12,250,000 for attorneys' fees and $1,200,000 for expenses. The Settling Defendants have agreed not to oppose such an application. The Court may consider and rule upon the fairness, reasonableness and adequacy of the Settlement independently of any award of attorneys' fees and expenses.

VII. SETTLEMENT HEARING

A. The Court has scheduled a Settlement Hearing that will be held in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801, on _____, 2008 at __:____ .m., to determine whether: (1) to approve the Settlement as fair, reasonable and adequate and in the best interests of the Class; (2) to dismiss the Action and discharge, dismiss, and release the Settled Claims such that no Representative Plaintiff or Class Member could sue on the Settled Claims again; (3) Plaintiffs and counsel for Plaintiffs have adequately represented the interests of the Class; and (4) the Court should grant the request of counsel for the Plaintiffs for attorneys' fees and expenses.

B. The Court has reserved the right to adjourn the Settlement Hearing from time to time by oral announcement at such Settlement Hearing or at any adjournment thereof, without further notice of any kind. The Court has also reserved the right to approve the Settlement with or without modification, to enter an Order and Final Judgment, and to order the payment of attorneys' fees and expenses without further notice of any kind.

VIII. RIGHT TO APPEAR AND OBJECT

A. Any member of the Class who (1) objects to the: (a) Settlement, (b) adequacy of representation by Plaintiffs and their counsel, (c) dismissal of the Action, (d) judgment to be entered with respect thereto, and/or (e) the request for fees and reimbursement of costs and expenses in the Action by counsel for the Representative Plaintiffs; or (2) otherwise wishes to be heard, may appear in person or by his or her attorney at the Settlement Hearing. If you want to do so, however, you must, not later than ten (10) calendar days prior to the Settlement Hearing (unless the Court in its discretion shall otherwise direct for good cause shown), file with the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801: (a) a written notice of intention to appear, (b) proof of membership in the Class, (c) a statement of your objections to any matters before the Court, and (d) the grounds thereof or the reasons for your desiring to appear and be heard, as well as documents or writings you desire the Court to consider. Also, on or before the date you file such papers, you must serve them by hand or overnight courier upon each of the following attorneys of record:

Joel Friedlander
Bouchard Margules & Friedlander, P.A.
222 Delaware Avenue, Suite 1400
Wilmington, DE 19801
Co-Lead Counsel for Plaintiffs

Raymond J. DiCamillo
Richards, Layton & Finger, P.A.
One Rodney Square, P.O. Box 551
Wilmington, DE 19899
Attorneys for Defendants Open Joint Stock Company "Oil Company "LUKOIL," Lukoil Overseas Holding Ltd., NRL Acquisition Corp., Dmitry Timoshenko, Oktay Movsumov, and Boris Zilbermints

Donald J. Wolfe, Jr. (#285)
Potter Anderson & Corroon, LLP
1313 North Market Street
P.O. Box 951
Wilmington, Delaware 19899
(302) 984-6000
Attorneys for Chaparral Resources, Inc.

Kenneth Nachbar
Morris, Nichols, Arsht & Tunnell, LLP
1201 North Market Street, 16th Floor
Wilmington, Delaware 19801
(302) 658-9200
Attorneys for Defendants Alan D. Berlin and Peter G. Dilling

Any Class Member who does not object to the Settlement, the Class action determination, the request by counsel for the Plaintiffs for an award of attorneys' fees or expenses, or any of the other matters discussed above need not do anything at this time.

B. Unless the Court otherwise directs, no person will be entitled to object to the approval of the Settlement or the judgment to be entered in the Action, or otherwise to be heard, except by serving and filing written objections as described above.

C. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including the right to appeal) and will be forever barred from raising such objection in this or any other action or proceeding.

IX. ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class, the parties will ask the Court to enter an Order and Final Judgment, which will, among other things:

1. approve the Settlement and adjudge the terms thereof to be fair, reasonable, adequate and in the best interests of the Class, pursuant to Court of Chancery Rule 23(e);

2. authorize and direct the performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement provided herein;

3. determine that the requirements of the Delaware Court of Chancery Rules and due process have been satisfied in connection with Notice to the Class; and

4. dismiss the Action with prejudice on the merits and release Defendants, and each of them, and all the Released Persons, from the Released Claims.

X. NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

A. Brokerage firms, banks and/or other persons or entities who held shares of Chaparral common stock, CUSIP #159429297, for the benefit of others, at any time from and including March 13, 2006, through and including September 29, 2006, are directed promptly to either (1) provide the settlement administrator identified below (the "Settlement Administrator") with the names and last-known addresses of such persons and/or entities, preferably in an MS Excel data table, setting forth: (a) title/registration, (b) street address, (c) city/state/zip; or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels; or (2) send this Notice to all of their respective beneficial owners by first-class mail and provide the Settlement Administrator with written confirmation of having done so. Additional copies of the Notice may be obtained by contacting:

Chaparral Resources Stockholders Litigation
c/o Berdon Claims Administrators LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: (800) 766-3330
Facsimile: (516) 931-0810
www.berdonclaims.com

B. You are entitled to the reimbursement of any reasonable expenses actually incurred in connection with identifying Class Members and *either* providing mailing records to the Settlement Administrator or mailing this Notice to your beneficial owners after submission to the Settlement Administrator of a written request for same.

XI. SCOPE OF THE NOTICE

This notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, claims which have been asserted by the parties and the terms and conditions of the Settlement, including a complete copy of the Stipulation, Class Members are referred to the Court files in the Action. You or your attorney may examine the Court files during regular business hours of each business day at the office of the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801. Questions or comments may be directed to Co-Lead Counsel: Joel Friedlander, Bouchard Margules & Friedlander, P.A., 222 Delaware Avenue, Suite 1400, Wilmington, Delaware 19801.

DO NOT WRITE OR TELEPHONE THE COURT

Dated: January___, 2008

BY ORDER OF THE COURT

_____
Register in Chancery

B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: CHAPARRAL RESOURCES, INC. STOCKHHOLDERS LITIGATION	))	CONSOLIDATED C.A. No. 2001-VCL

PROOF OF CLAIM

I. GENERAL INSTRUCTIONS

A. This Proof of Claim should be completed only by those stockholders of Chaparral Resources, Inc. ("Chaparral") who beneficially owned their shares at the close of trading on September 29, 2006 and were cashed out of those shares pursuant to the merger of Chaparral with and into NRL Acquisition Corp. (the "Merger").

B. To recover as a Member of the Class based on your claims in the action entitled *In re Chaparral Resources, Inc. Stockholders Litigation*, Cons. C.A. No. 2001-VCL (the "Action"), you must complete and, on page ___ hereof, sign this Proof of Claim. If you fail to file a properly addressed Proof of Claim (as set forth in paragraph 4 below), your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed settlement of the Action.

C. Submission of this Proof of Claim does not assure that you will share in the proceeds of settlement in the Action. Only Class Members who held shares of Chaparral common stock at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger may share in the proceeds of settlement in the Action. The Stipulation and Agreement of Compromise and Settlement (the "Stipulation") in this Action, which is described in the Notice of Pendency of Class Action, Proposed Settlement of Class Action and Settlement Hearing (the "Notice"), sets forth those Members of the Class who are entitled to share in the proceeds of settlement.

D. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM *POSTMARKED ON OR BEFORE* _____, *2008*, ADDRESSED TO THE SETTLEMENT ADMINISTRATOR AS FOLLOWS:**

Chaparral Resources Stockholders Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

E. All members of the Class are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

F. Capitalized terms are defined in the Notice.

G. If you held Chaparral common stock at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger, and held the certificate(s) in your name, you are the beneficial owner as well as the record owner. If, however, you held such Chaparral common stock and the certificate(s) were registered in the name of another person, such as a nominee or brokerage firm, you are the beneficial owner and such other person is the record owner.

H. Use Section II of this form entitled "Claimant Identification" to identify each record owner, if that record owner is different from the beneficial owner of Chaparral common stock that forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER, OR THE LEGAL REPRESENTATIVE OF SUCH BENEFICIAL OWNER OF THE CHAPARRAL COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

I. All joint beneficial owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim

and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

J. Use Section III of this form entitled "Schedule of Shares of Chaparral Common Stock" to provide the number of shares of Chaparral common stock that you held at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger.

K. Broker confirmations or other documentation that you held Chaparral common stock at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

COURT OF CHANCERY OF THE STATE OF DELAWARE
In re Chaparral Resources, Inc. Stockholders Litigation

CHAPARRAL

PROOF OF CLAIM

Must be received by Settlement Administrator postmarked no later than _____, 2008

II. CLAIMANT IDENTIFICATION

Please Type or Print

_____
Beneficial Owner's Name *(as it appears on your brokerage statement)*

_____
Joint Beneficial Owner's Name *(as it appears on your brokerage statement)*

_____
Street Address

_____ _____ _____
City State Zip Code

_____ _____
Foreign Province Foreign Country

_____ **or** _____
Social Security Number Taxpayer Identification Number

Specify one of the following:

□ Individual(s) □ Corporation □ UGMA Custodian □ IRA
□ Partnership □ Estate □ Trust □ Other:

_____

_____ _____ (Day) _____ _____(Evening)
Area Code Telephone Number Area Code Telephone Number

_____ _____
Facsimile Number E-Mail Address

_____
Record Owner's Name and Address *(if different from beneficial owner listed above)*

_____

III. SCHEDULE OF HOLDINGS OF CHAPARRAL COMMON STOCK

State the total number of shares of Chaparral common stock held at the close of trading on September 29, 2006 that were cashed out pursuant to the Merger *(must be documented)* _____

IV. SUBMISSION TO JURISDICTION OF COURT AND CERTIFICATION

UNDER THE PENALTY OF PERJURY, I/WE CERTIFY THAT:

1. I/We submit this Proof of Claim under the terms of the Stipulation described in the Notice. I/We also submit to the jurisdiction of the Court of Chancery of the State of Delaware with respect to my/our claim as a Class Member.

2. I/We have not submitted any other claim in this Action covering the same holdings of Chaparral common stock and know of no other person having done so on my/our behalf.

3. I/We hereby warrant and represent that I/we have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, except pursuant to the Merger, any shares of Chaparral common stock that form the basis of this Proof of Claim.

4. I/We hereby warrant and represent that I/we have included information about all of my/our holdings in Chaparral common stock requested in this claim form. I/We agree to furnish additional information to the Claims Administrator to support this claim if required to do so.

5. a. The number shown on this form is my/our correct Social Security or Taxpayer Identification Number; and

b. I/We certify that I am/we are NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

6. I/We declare under penalty of perjury under the laws of the United States of America that the foregoing information furnished by the undersigned and the supporting documents attached hereto are true, correct and complete to the best of my/our knowledge, information and belief, and that this Proof of Claim form was executed this _____ day of _____, 2008 in _____ (city), _____ (state/country).

_____
Signature of Claimant

_____
(Print your name here)

_____
Signature of Joint Claimant, if any

_____

(Print your name here)

_____

Signature of person signing on behalf of Claimant

_____

(Print your name here)

_____

Capacity of person signing on behalf of Claimant, if other than an individual, (e.g., Executor, President, Custodian, etc.)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above declaration.

2. Remember to attach only copies of supporting documentation.

3. Do not send original stock certificates.

4. Keep a copy of your completed claim form and documentation for your records.

5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent. **You will bear all risks of delay or non-delivery of your claim.**

6. If your address changes in the future, or if these documents were sent to an old or incorrect address, please send us **written** notification of your new address.

7. If you have any questions or concerns regarding your claim, please contact the Settlement Administrator at: Chaparral Resources Stockholders Litigation, c/o Berdon Claims Administration, P.O. Box 9014, Jericho, NY 11753-8914; Telephone: (800) 766-3330; Fax: (516) 931-0810; Website: www.berdonclaims.com.

EXHIBIT B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE CHAPARRAL RESOURCES, INC.	)	CONSOLIDATED
STOCKHOLDERS LITIGATION	)	C.A. NO. 2001-VCL

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF COMMON STOCK OF CHAPARRAL RESOURCES, INC. ("CHAPARRAL" OR THE "COMPANY") AT ANY TIME FROM AND INCLUDING MARCH 13, 2006, THROUGH AND INCLUDING SEPTEMBER 29, 2006, AND ANY AND ALL LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS IN INTEREST, TRANSFEREES AND ASSIGNS OF ALL SUCH FOREGOING HOLDERS OR PERSONS, BUT EXCLUDING DEFENDANTS AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS IN INTEREST, TRANSFERREES AND ASSIGNS OF DEFENDANTS.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE RELEASED CLAIMS (AS DEFINED BELOW).

IF YOU ARE A NOMINEE WHO HELD COMMON STOCK OF CHAPARRAL FOR THE BENEFIT OF ANOTHER, READ SECTION X BELOW.

I. PURPOSE OF NOTICE

A. The purpose of this Notice is to inform you of this lawsuit, a proposed settlement of the lawsuit, and a hearing to be held by the Court of Chancery of the State of Delaware in and for New Castle County (the "Court"). The hearing will be held on _____, 2008 at __:__ _.m, before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 (the "Settlement Hearing") to (1) determine whether a Stipulation and Agreement of Compromise and Settlement dated as of January 15, 2008 (the "Stipulation" or the "Settlement Agreement") and the terms and conditions of the Settlement (as defined below) proposed in the Stipulation are fair, reasonable, adequate and in the best interests of Class Members (as defined below) and should be approved by the Court; (2) determine whether representative plaintiffs Arc 1, Inc. and Rolf Henel (the "Plaintiffs") and their counsel have adequately represented the interests of the Class in the Action; (3) rule on the application of counsel for the Plaintiffs for attorney's fees and reimbursement of expenses; and (4) rule on such other matters as the Court may deem appropriate.

B. The Court previously determined that the Action shall be maintained as a class action under Delaware Court of Chancery Rules 23(b)(1) and (b)(2) on behalf of a class (the "Class") consisting of all stockholders of Chaparral on March 13, 2006, and any and all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants) (the "Class Members").

C. The settlement proposed herein (the "Settlement") contemplates that Chaparral and/or one of its affiliates, or their designees or insurers, will create a $36,780,554 settlement fund, plus all accrued interest thereon beginning as of January 22, 2008 (the "Settlement Fund"), on behalf of defendants Open Joint Stock Company "Oil Company "LUKOIL" ("OAO Lukoil"),

Lukoil Overseas Holding Ltd. ("Lukoil Overseas"), NRL Acquisition Corp. ("NRL"), Chaparral Resources, Inc. ("Chaparral"), Dmitry Timoshenko, Oktay Movsumov, Boris Zilbermints, Alan D. Berlin and Peter G. Dilling (collectively, the "Settling Defendants"), and that the Representative Plaintiffs will dismiss the Action and release all claims that were or could have been brought in the Action, as set forth more fully herein. Additionally, under the proposed Settlement, Plaintiffs' attorneys will apply to the Court for an award of attorneys' fees and expenses, which amounts will be paid from the Settlement Fund.

D. This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

E. If the Court approves the Settlement, the parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing the Action with prejudice on the merits.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE LAWSUIT

A. The present lawsuit (the "Action") was initiated when three purported class actions were filed on March 14, 2006, March 15, 2006, and March 17, 2006, each on behalf of a putative class of stockholders of Chaparral and challenging a proposed transaction announced on March 13, 2006, whereby Chaparral's majority stockholder, NRL, an indirect subsidiary of Lukoil Overseas, would merge with Chaparral and acquire the publicly owned shares of Chaparral common stock for a cash price of $5.80 per share (the "Merger").

B. Other than the shares owned by NRL, there were 15,283,801 publicly owned shares of Chaparral common stock outstanding as of the date of the announcement of the Merger.

C. On March 31, 2006, the Court of Chancery entered an Order consolidating the three putative class actions into this Action (the "Order of Consolidation").

D. On April 28, 2006, Arc 1, Inc., Rolf Henel and certain other shareholders of Chaparral filed a motion to intervene as plaintiffs, amend the Order of Consolidation and seek the appointment of their counsel, Bouchard Margules & Friedlander, P.A. ("BMF"), as new lead counsel (the "Motion to Intervene"), and a representative of Allen & Company Incorporated, which, together with its affiliates, owned 3,035,594 shares of Chaparral common stock, submitted an affidavit in support of the Motion to Intervene.

E. Following argument on the Motion to Intervene, the Court of Chancery entered an Order on May 19, 2006, permitting the intervention, and on June 2, 2006, the Court of Chancery entered an Order designating BMF and Lerach Coughlin Stoia Geller Rudman & Robbins LLP (now known as Coughlin Stoia Geller Rudman & Robbins LLP ("CSGR&R") as Co-Lead Counsel and designating BMF as Delaware Liaison Counsel.

F. On July 3, 2006, Plaintiffs filed a First Amended Consolidated Complaint against Lukoil Overseas, Chaparral, and the individual members of Chaparral's Board of Directors (the "Board"), which consisted of special committee members Alan Berlin and Peter Dilling (the "Special Committee") and Lukoil Overseas designees Oktay Movsumov, Boris Zilbermints and Dmitry Timoshenko.

G. On August 7, 2006, Chaparral attached the First Amended Consolidated Complaint as an exhibit to its publicly filed preliminary proxy statement, and on or about August 25, 2006, Chaparral distributed a proxy statement to Chaparral's stockholders that attached the First Amended Consolidated Complaint as an exhibit.

H. On August 30, 2006, Plaintiffs filed a motion for preliminary injunction that asked the Court of Chancery to enjoin defendants preliminarily from taking a vote on the Merger until additional supplemental disclosures were provided to Chaparral's stockholders.

I. During the pendency of the Merger, Co-Lead Counsel obtained tens of thousands of pages of documents from defendants and deposed the following individuals: Alan Berlin; Peter Dilling; Oktay Movsumov; Charles Talbot, Chaparral's Chief Financial Officer; and a representative of Petrie Parkman & Co., the financial advisor to the Special Committee.

J. On September 5, 2006, Plaintiffs filed a Second Amended Consolidated Complaint that attached certain documents that were purported to relate to development plans for the Karakuduk oil field controlled by Chaparral (the "Field") and added NRL as a defendant.

K. On or about September 6, 2006, Chaparral distributed an amended proxy statement to Chaparral's stockholders that attached the Second Amended Consolidated Complaint as an exhibit.

L. Following the filing of the Second Amended Consolidated Complaint and following the September 9, 2006 deposition of Oktay Movsumov, the Special Committee in a letter dated September 11, 2006 formally requested from Lukoil Overseas development plans and various other categories of documents respecting the Field, including documents that the Plaintiffs had sought in discovery.

M. On September 19, 2006, Chaparral issued a supplemental proxy disclosure that attached the Special Committee's letter of September 11, 2006 and stated that the Special Committee was not in a position to determine whether any of the additional information requested from Lukoil Overseas would be material or would cause the Special Committee to alter its recommendation that Chaparral stockholders vote in favor of the merger.

N. On September 22, 2006, the Court of Chancery denied Plaintiffs' motion for preliminary injunction, and the Merger closed on September 29, 2006.

O. On November 1, 2006, Plaintiffs filed a Third Amended Consolidated Complaint that added as a defendant OAO Lukoil, the corporate parent of Lukoil Overseas, and sought damages in an unspecified amount for breach of fiduciary duty against the respective defendants.

P. OAO Lukoil moved to dismiss the claims against it, in part on the ground that OAO Lukoil is not subject to personal jurisdiction in the State of Delaware.

Q. All defendants other than OAO Lukoil answered the Third Amended Consolidated Complaint, denied all of Plaintiffs' claims, asserted various affirmative defenses, and sought an award of costs.

R. Cede & Co., Inc. ("Petitioner") perfected appraisal rights on behalf of The SISU Capital Fund, L.P., The SISU Capital Fund Limited II, Ltd., The SISU Capital Fund Limited, and the AVRO Master Fund, Ltd. (collectively, "SISU") as to 1,311,000 Chaparral shares beneficially owned by SISU, and on December 21, 2006, Petitioner filed an appraisal petition in the Court of Chancery as to such shares styled *Cede & Co., Inc. v. Chaparral Resources, Inc.*, C.A. No. 2633-VCL, and the Court ordered that such appraisal action (the "Appraisal Action") be coordinated with the Action for purposes of discovery and trial.

S. Following the Merger, Plaintiffs' counsel reviewed thousands of additional pages of documents from defendants and third parties, completed the depositions of Alan Berlin and Peter Dilling, and deposed the following fact witnesses: the lawyer who represented the Special Committee during the merger negotiations; a representative of McDaniel & Associates Consultants Ltd., the firm that estimated oil reserves at the Field as of year-end December 31, 2005; a representative of Miller and Lents, Ltd., the firm that audited the oil reserves at the Field for OAO Lukoil as of year-end December 31, 2005, and year-end December 31, 2006; a

representative of Oil and Gas Exploration Company – Krakow, the firm that operated the sole drilling rig at the Field until January 2006; the President of Lukoil Overseas, Andrey Kuzyaev; the Chief Executive Officer of Chaparral, Boris Zilbermints; and a representative of Whittier Trust Company, a former institutional shareholder in Chaparral.

T. On November 28, 2006, Plaintiffs filed a motion for class certification, pursuant to Rules 23(a), 23(b)(1) and 23(b)(2) of the Court of Chancery; notice was mailed to the Class on or about June 4, 2007; the Settling Defendants did not oppose the motion; and on August 2, 2007, the Court entered an order certifying a class defined as "all stockholders of Chaparral Resources, Inc. on March 13, 2006, and any and all legal representatives, heirs, successors in interest, transferees and assigns of all such foregoing holders or persons, except defendants and any persons, firms, trusts, corporations or other entities affiliated with any of the defendants" (the "Class"), and appointing Arc 1, Inc. and Rolf H. Henel as representatives of the Class.

U. The parties exchanged expert reports and deposed each other's expert witnesses.

V. On October 15, 2007, the parties filed a Pre-Trial Stipulation and Order that was approved by the Court and filed pre-trial briefs.

W. Trial of the Action and the Appraisal Action was held on October 22 through October 26, 2007.

X. On December 6, 2007, Chancellor William B. Chandler, III, who had no prior involvement in the Action or the Appraisal Action, conducted a mediation conference that resulted in a signed memorandum of understanding, among the parties to the Action and the Appraisal Action, regarding an agreement-in-principle to settle both actions. As part of the settlement of the Appraisal Action, it was agreed that SISU will receive a total amount of $11,851,440, plus all accrued interest thereon beginning as of January 15, 2008, on account of the 1,311,000 shares for which SISU perfected appraisal rights, and that SISU will not participate in the settlement of the Action. That agreement was subsequently modified so that SISU will receive $11,860,531 on January 22, 2008.

Y. Plaintiffs, through Co-Lead Counsel, attest that Co-Lead Counsel have conducted an extensive investigation relating to Plaintiffs' claims and the underlying events and transactions alleged in the Third Amended Consolidated Complaint and, in connection therewith, litigated the Action through trial and conducted extensive discovery including, among other things, inspection, review and analysis of documents produced by the Settling Defendants and non-parties to this Action, depositions of certain of the Settling Defendants and non-parties, and depositions of the Plaintiffs' expert and the Settling Defendants' multiple experts, which in Co-Lead Counsel's judgment has provided an adequate and satisfactory basis for the negotiation and evaluation of the Settlement described herein.

Z. Co-Lead Counsel believe that the Settlement provides an excellent monetary recovery for the Class, based on the claims and defenses asserted at trial, the record developed by all Parties in discovery and at trial, and the damages that Plaintiffs sought to prove against the Settling Defendants in the Action. In negotiating and evaluating the terms of the Settlement Agreement, Co-Lead Counsel considered the uncertainties and the risks of any litigation, but especially in complex litigation such as this Action, the inherent problems of proof and the defenses of the Settling Defendants as to damages, and the difficulties and delays inherent in any such litigation. In that regard, Co-Lead Counsel recognized and acknowledged the expense and length of continued proceedings necessary to prosecute the Action against the Settling Defendants, including a potential appeal and potential collection proceedings. Based upon their evaluation, Co-Lead Counsel have determined that the Settlement set forth in this Stipulation is fair, reasonable and adequate and in the best interests of the Class Members, and that it confers substantial benefits upon the Class Members.

AA. The Settling Defendants have denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs and/or Petitioner in the Action and the Appraisal Action, including any and all allegations that they have committed any act or omission that was wrongful or gave rise to any liability and/or any violation of law. The Settling Defendants further deny that Plaintiffs, the Class, Petitioner, and/or SISU have suffered any damages, and state that they are entering into this Settlement to eliminate the uncertainties, burden and expense of further protracted litigation. Nothing in the Settlement or this Notice is intended, nor should be construed, as an admission or concession of any claim or contention alleged by Plaintiffs and/or Petitioner in the Action or the Appraisal Action.

III. THE SETTLEMENT AND PARTICIPATION IN THE SETTLEMENT

A. If the Settlement is approved by the Court, then in consideration for the full settlement and release of all Settled Claims (as defined below), the Settlement Fund shall be distributed as follows:

1. To pay all costs and expenses reasonably incurred in connection with providing notice to Class Members, locating Class Members, administering and distributing the Settlement Fund to the Class, escrow fees and costs.

2. Subject to the approval and further order(s) of the Court, to pay to Co-Lead Counsel the amount awarded by the Court as attorneys' fees, and to pay to Co-Lead Counsel the amount awarded as costs and expenses, including fees of experts and consultants.

3. To pay applicable taxes and tax expenses owed by the Settlement Fund.

4. Subject to the approval and further order(s) of the Court, the balance of the Settlement Fund less any taxes, attorneys' fees, expert fees, notice and administrative costs and any other expenses approved by the Court, shall be distributed to those Class Members who are authorized claimants and who submit a valid proof of claim and were beneficially owners of Chaparral common stock as of the effective date of the Merger, and were cashed out of those shares pursuant to the Merger, *pro rata* based on the number of shares of Chaparral common stock that were owned at the close of trading on September 29, 2006; provided, however, that none of the Settlement Fund shall be allocated to SISU or to Cede & Co., Inc. on account of any shares of Chaparral common stock beneficially owned by SISU as of the effective date of the Merger.

B. Class Members must submit claim forms in order to recover. Co-Lead Counsel or the settlement administrator shall determine each authorized claimant's pro rata share of the net Settlement Fund based upon each authorized claimant's valid proof of claim. Co-Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the net Settlement Fund by the settlement administrator. Co-Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any proof of claim submitted in the interests of achieving substantial justice. Any member of the Class who does not timely submit a valid proof of claim will not be entitled to receive any of the proceeds from the net Settlement Fund.

C. If you are a Class Member, you will be bound by any judgment entered in the litigation whether or not you actually receive this Notice. You may not opt out of the Class.

IV. RELEASE

A. The Stipulation provides that, subject to Court approval of the Settlement, and in consideration for the benefits provided by the Settlement, the Action shall be completely discharged and dismissed with prejudice on the merits. The Plaintiffs, individually and on behalf of the Class, have agreed to fully, finally, and forever release, discharge, settle, relinquish, and dismiss with prejudice on the merits any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including unknown claims, that any or all Plaintiffs or any or all Class Members ever had, now have, or may have, whether direct, derivative, individual, representative,

legal, equitable or of any other type, or in any other capacity, against any of OAO Lukoil, Lukoil Overseas, NRL, Chaparral, Dmitry Timoshenko, Oktay Movsumov, Boris Zilbermints, Alan D. Berlin and Peter G. Dilling, and all of their respective past, present or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, officers, directors, employees, shareholders, principals, managing directors, members, managing members, managing agents, successors, assigns, financial or investment advisors, advisors, consultants, investment bankers, underwriters, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, insurers, co-insurers, reinsurers, associates and agents of each of them, and any person or entity which is, was or will be related to or affiliated with any or all Settling Defendants or in which any or all Settling Defendants has, had or will have a controlling interest and their respective past, present or future parents, subsidiaries, divisions, affiliates, associated entities, divisions, predecessors, successors, present and former employees, officers and directors, attorneys, accountants, insurers, co-insurers, reinsurers, associates, assigns, and agents of each of them, whether or not such persons or entities were named, served with process or appeared in the Action (collectively, the "Released Parties"), whether based on state, local, foreign, federal, statutory, regulatory, common or other law, which, now or hereafter, are based upon, arise out of, concern, relate to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, contentions, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, directly or indirectly, the Action or the subject matter of the Action in any court, tribunal, forum or

proceeding, including, without limitation, any and all claims which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the Merger or the Proxy Statement, (ii) the consideration received by Class Members in connection with the Merger, (iii) the fiduciary obligations of the Settling Defendants in connection with the Merger, (iv) the negotiations preceding the Merger, and (v) any disclosures, public filings, periodic reports, proxy statements or other statements, issued, published, made available, or filed, relating, directly or indirectly, to the Merger, including claims under the federal securities laws within the exclusive jurisdiction of the federal courts; provided, however, that the Released Claims shall not include the right to enforce or to seek relief for breach of any of the terms of the Stipulation.

The Settling Defendants, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, and each of them, also will release Plaintiffs and Co-Lead Counsel from any and all claims arising out of or relating to their filing and prosecution of the Action.

V. REASONS FOR THE SETTLEMENT

A. Plaintiffs, through their attorneys, have conducted a thorough investigation of the claims and allegations asserted in the Action, as well as the underlying events and transactions relevant to the Action. Plaintiffs litigated the Action through trial, after substantial factual discovery and expert discovery. Co-Lead Counsel carefully reviewed tens of thousands of pages of documents produced in the Action and documents obtained through publicly available sources, and conducted factual and legal research concerning the validity of Representative Plaintiffs' claims.

B. Further, in evaluating the Settlement, Plaintiffs and their counsel have considered: (1) the immediate substantial benefits to the Class Members from the Settlement; (2) the facts

developed at trial; (3) the attendant risks of continued litigation, including potential appellate proceedings and collection proceedings; and (4) the probability of success on the merits and allegations contained in the Action, including the uncertainty relating to the proof of damages.

C. The Settling Defendants have denied, and continue to deny, all allegations of wrongdoing, fault, liability, or damage to Plaintiffs, the Class, and Petitioner, but wish to settle the litigation on the terms and conditions stated in the Stipulation and summarized herein in order to eliminate the burden and expense of further litigation and to put the claims to be released hereby to rest finally and forever.

VI. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

At or before the Settlement Hearing, counsel for the Representative Plaintiffs will apply to the Court for an award of attorneys' fees and expenses to be paid from the Settlement Fund that will not exceed $12,250,000 for attorneys' fees and $1,200,000 for expenses. The Settling Defendants have agreed not to oppose such an application. The Court may consider and rule upon the fairness, reasonableness and adequacy of the Settlement independently of any award of attorneys' fees and expenses.

VII. SETTLEMENT HEARING

A. The Court has scheduled a Settlement Hearing that will be held in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801, on _____, 2008 at __:____ .m., to determine whether: (1) to approve the Settlement as fair, reasonable and adequate and in the best interests of the Class; (2) to dismiss the Action and discharge, dismiss, and release the Settled Claims such that no Representative Plaintiff or Class Member could sue on the Settled Claims again; (3) Plaintiffs and counsel for Plaintiffs have adequately represented the interests of the Class; and (4) the Court should grant the request of counsel for the Plaintiffs for attorneys' fees and expenses.

B. The Court has reserved the right to adjourn the Settlement Hearing from time to time by oral announcement at such Settlement Hearing or at any adjournment thereof, without further notice of any kind. The Court has also reserved the right to approve the Settlement with or without modification, to enter an Order and Final Judgment, and to order the payment of attorneys' fees and expenses without further notice of any kind.

VIII. RIGHT TO APPEAR AND OBJECT

A. Any member of the Class who (1) objects to the: (a) Settlement, (b) adequacy of representation by Plaintiffs and their counsel, (c) dismissal of the Action, (d) judgment to be entered with respect thereto, and/or (e) the request for fees and reimbursement of costs and expenses in the Action by counsel for the Representative Plaintiffs; or (2) otherwise wishes to be heard, may appear in person or by his or her attorney at the Settlement Hearing. If you want to do so, however, you must, not later than ten (10) calendar days prior to the Settlement Hearing (unless the Court in its discretion shall otherwise direct for good cause shown), file with the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801: (a) a written notice of intention to appear, (b) proof of membership in the Class, (c) a statement of your objections to any matters before the Court, and (d) the grounds thereof or the reasons for your desiring to appear and be heard, as well as documents or writings you desire the Court to consider. Also, on or before the date you file such papers, you must serve them by hand or overnight courier upon each of the following attorneys of record:

Joel Friedlander
Bouchard Margules & Friedlander, P.A.
222 Delaware Avenue, Suite 1400
Wilmington, DE 19801
Co-Lead Counsel for Plaintiffs

Raymond J. DiCamillo
Richards, Layton & Finger, P.A.
One Rodney Square, P.O. Box 551
Wilmington, DE 19899
Attorneys for Defendants Open Joint Stock Company "Oil Company "LUKOIL," Lukoil Overseas Holding Ltd., NRL Acquisition Corp., Dmitry Timoshenko, Oktay Movsumov, and Boris Zilbermints

Donald J. Wolfe, Jr. (#285)
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Wilmington, Delaware 19899
(302) 984-6000
Attorneys for Chaparral Resources, Inc.

Kenneth Nachbar
Morris, Nichols, Arsht & Tunnell, LLP
1201 North Market Street, 16th Floor
Wilmington, Delaware 19801
(302) 658-9200
Attorneys for Defendants Alan D. Berlin and Peter G. Dilling

Any Class Member who does not object to the Settlement, the Class action determination, the request by counsel for the Plaintiffs for an award of attorneys' fees or expenses, or any of the other matters discussed above need not do anything at this time.

B. Unless the Court otherwise directs, no person will be entitled to object to the approval of the Settlement or the judgment to be entered in the Action, or otherwise to be heard, except by serving and filing written objections as described above.

C. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including the right to appeal) and will be forever barred from raising such objection in this or any other action or proceeding.

IX. ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class, the parties will ask the Court to enter an Order and Final Judgment, which will, among other things:

1. approve the Settlement and adjudge the terms thereof to be fair, reasonable, adequate and in the best interests of the Class, pursuant to Court of Chancery Rule 23(e);

2. authorize and direct the performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement provided herein;

3. determine that the requirements of the Delaware Court of Chancery Rules and due process have been satisfied in connection with Notice to the Class; and

4. dismiss the Action with prejudice on the merits and release Defendants, and each of them, and all the Released Persons, from the Released Claims.

X. NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

A. Brokerage firms, banks and/or other persons or entities who held shares of Chaparral common stock, CUSIP #159429297, for the benefit of others, at any time from and including March 13, 2006, through and including September 29, 2006, are directed promptly to either (1) provide the settlement administrator identified below (the "Settlement Administrator") with the names and last-known addresses of such persons and/or entities, preferably in an MS Excel data table, setting forth: (a) title/registration, (b) street address, (c) city/state/zip; or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels; or (2) send this Notice to all of their respective beneficial owners by first-class mail and provide the Settlement Administrator with written confirmation of having done so. Additional copies of the Notice may be obtained by contacting:

Chaparral Resources Stockholders Litigation
c/o Berdon Claims Administrators LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: (800) 766-3330
Facsimile: (516) 931-0810
www.berdonclaims.com

B. You are entitled to the reimbursement of any reasonable expenses actually incurred in connection with identifying Class Members and *either* providing mailing records to the Settlement Administrator or mailing this Notice to your beneficial owners after submission to the Settlement Administrator of a written request for same.

XI. SCOPE OF THE NOTICE

This notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, claims which have been asserted by the parties and the terms and conditions of the Settlement, including a complete copy of the Stipulation, Class Members are referred to the Court files in the Action. You or your attorney may examine the Court files during regular business hours of each business day at the office of the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801. Questions or comments may be directed to Co-Lead Counsel: Joel Friedlander, Bouchard Margules & Friedlander, P.A., 222 Delaware Avenue, Suite 1400, Wilmington, Delaware 19801.

DO NOT WRITE OR TELEPHONE THE COURT

Dated: January___, 2008

BY ORDER OF THE COURT

_____
Register in Chancery

EXHIBIT C

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: CHAPARRAL RESOURCES, INC. STOCKHOLDERS LITIGATION	)	CONSOLIDATED C.A. No. 2001-VCL
CEDE & CO., INC., Petitioner,	)	
v.	)	C.A. No. 2633-VCL
CHAPARRAL RESOURCES, INC., Respondent.	)	

ORDER AND FINAL JUDGMENT

On this ___ day of _____, 2008, a hearing having been held before this Court to determine whether the terms and conditions of the Stipulation and Agreement of Compromise and Settlement, dated January 15, 2008 (the "Stipulation"), which is incorporated herein by reference, and the terms and conditions of the settlement proposed in the Stipulation (the "Settlement") are fair, reasonable and adequate for the settlement of all claims asserted herein; and whether an order and final judgment should be entered in the above-captioned consolidated class action and appraisal action (the "Actions"); and the Court having considered all matters submitted to it at the hearing and otherwise;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Notice of Pendency of Class Action, Proposed Settlement of Class Action and Settlement Hearing (the "Notice") has been provided to the Class (as defined in the Stipulation) pursuant to and in the manner directed by the Scheduling Order, proof of the mailing of the Notice to the Class was filed with the Court and a full opportunity to be heard has been offered to all parties, the Class and persons in interest. The form and manner of the Notice is

hereby determined to have been the best notice practicable under the circumstances and to have been given in full compliance with each of the requirements of Court of Chancery Rule 23 and due process, and it is further determined that all members of the Class are bound by the Order and Final Judgment herein.

2. The Court hereby finds that plaintiffs Arc 1, Inc. and Rolf Henel and Co-Lead Counsel (as defined in the Stipulation) adequately represented the interests of the Class.

3. The Settlement and the terms and conditions thereof are found to be fair, reasonable and adequate and in the best interests of the Class and are hereby approved pursuant to Court of Chancery Rule 23(e).

4. The parties to the Stipulation are hereby authorized and directed to comply with the Stipulation and to consummate the Settlement in accordance with its terms and provisions; and the Register in Chancery is directed to enter and docket this Order and Final Judgment in the Action.

5. This Order and Final Judgment shall not constitute any evidence or admission by any party herein that any acts of wrongdoing have been committed by any of the parties to the Actions and should not be deemed to create any inference that there is any liability therefore.

6. The Actions are hereby dismissed with prejudice as to all defendants on the merits and without costs to any party except as set forth in ¶ 9 herein.

7. Any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or

contingent, including Unknown Claims (as defined in the Stipulation), that any or all Plaintiffs, Class Members, Cede & Co. Inc. ("Petitioner"), for itself or on behalf of The SISU Capital Fund, L.P., The SISU Capital Fund Limited II, Ltd., The SISU Capital Limited, or the AVRO Master Fund Ltd. (collectively, "SISU"), or SISU ever had, now have, or may have, whether direct, derivative, individual, representative, legal, equitable or of any other type, or in any other capacity, against any other party in the Actions, all of their respective past, present or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, officers, directors, employees, shareholders, principals, managing directors, members, managing members, managing agents, successors, assigns, financial or investment advisors, advisors, consultants, investment bankers, underwriters, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, insurers, co-insurers, reinsurers, associates and agents of each of them, and any person or entity which is, was or will be related to or affiliated with any or all Settling Defendants (as defined in the Stipulation) or in which any or all Settling Defendants has, had or will have a controlling interest and their respective past, present or future parents, subsidiaries, divisions, affiliates, associated entities, divisions, predecessors, successors, present and former employees, officers and directors, attorneys, accountants, insurers, co-insurers, reinsurers, associates, assigns, and agents of each of them, whether or not such persons or entities were named, served with process or appeared in the Actions (collectively, the "Released Parties"), whether based on state, local, foreign, federal, statutory, regulatory, common or other law, which, now or hereafter, are based upon, arise out of, concern, relate to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters,

things or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, directly or indirectly, the Actions or the subject matter of the Actions in any court, tribunal, forum or proceeding, including, without limitation, any and all claims which are based upon, arise out of, concern, relate in any way to, or involve, directly or indirectly, (i) the Merger (as defined in the Stipulation) or the Proxy Statement (as defined in the Stipulation), (ii) the consideration received by Class Members in connection with the Merger, (iii) the fiduciary obligations of the Settling Defendants in connection with the Merger, (iv) the negotiations preceding the Merger, and (v) any disclosures, public filings, periodic reports, proxy statements or other statements, issued, published, made available, or filed, relating, directly or indirectly, to the Merger, including claims under the federal securities laws within the exclusive jurisdiction of the federal courts (collectively, the "Released Claims") are hereby fully, finally, and forever released, relinquished, and discharged; provided, however, that the Released Claims shall not include the right to enforce or to seek relief for breach of any of the terms of the Stipulation.

8. Defendants and the Released Parties hereby fully, finally, and forever release, relinquish and discharge the Representative Plaintiffs, Class Members, and Co-Lead Counsel from all claims based upon or arising out of the institution, prosecution, assertion, settlement or resolution of the Actions or the Released Claims.

9. The Court hereby awards Co-Lead Counsel attorneys' fees of $_____ and reimbursement of expenses of $_____. The awarded fees and expenses shall be paid in accordance with Section F.2. of the Stipulation, subject to the terms and conditions of that paragraph, which terms are incorporated herein. The remainder of the Net Settlement Fund (as defined in the Stipulation) shall be distributed in accordance with Section F.3. of the Stipulation.

Vice Chancellor

EXHIBIT D

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: CHAPARRAL RESOURCES, INC. STOCKHHOLDERS LITIGATION	))	CONSOLIDATED C.A. No. 2001-VCL

PROOF OF CLAIM

I. GENERAL INSTRUCTIONS

A. This Proof of Claim should be completed only by those stockholders of Chaparral Resources, Inc. ("Chaparral") who beneficially owned their shares at the close of trading on September 29, 2006 and were cashed out of those shares pursuant to the merger of Chaparral with and into NRL Acquisition Corp. (the "Merger").

B. To recover as a Member of the Class based on your claims in the action entitled *In re Chaparral Resources, Inc. Stockholders Litigation*, Cons. C.A. No. 2001-VCL (the "Action"), you must complete and, on page ___ hereof, sign this Proof of Claim. If you fail to file a properly addressed Proof of Claim (as set forth in paragraph 4 below), your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed settlement of the Action.

C. Submission of this Proof of Claim does not assure that you will share in the proceeds of settlement in the Action. Only Class Members who held shares of Chaparral common stock at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger may share in the proceeds of settlement in the Action. The Stipulation and Agreement of Compromise and Settlement (the "Stipulation") in this Action, which is described in the Notice of Pendency of Class

Action, Proposed Settlement of Class Action and Settlement Hearing (the "Notice"), sets forth those Members of the Class who are entitled to share in the proceeds of settlement.

D. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM *POSTMARKED ON OR BEFORE _____, 2008,* ADDRESSED TO THE SETTLEMENT ADMINISTRATOR AS FOLLOWS**:

Chaparral Resources Stockholders Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

E. All members of the Class are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

F. Capitalized terms are defined in the Notice.

G. If you held Chaparral common stock at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger, and held the certificate(s) in your name, you are the beneficial owner as well as the record owner. If, however, you held such Chaparral common stock and the certificate(s) were registered in the name of another person, such as a nominee or brokerage firm, you are the beneficial owner and such other person is the record owner.

H. Use Section II of this form entitled "Claimant Identification" to identify each record owner, if that record owner is different from the beneficial owner of Chaparral common stock that forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER, OR THE LEGAL REPRESENTATIVE OF SUCH BENEFICIAL OWNER OF THE CHAPARRAL COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

I. All joint beneficial owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

J. Use Section III of this form entitled "Schedule of Shares of Chaparral Common Stock" to provide the number of shares of Chaparral common stock that you held at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger.

K. Broker confirmations or other documentation that you held Chaparral common stock at the close of trading on September 29, 2006, and were cashed out of those shares pursuant to the Merger should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

COURT OF CHANCERY OF THE STATE OF DELAWARE
In re Chaparral Resources, Inc. Stockholders Litigation

CHAPARRAL

PROOF OF CLAIM

Must be received by Settlement Administrator postmarked no later than _____, 2008

II. CLAIMANT IDENTIFICATION

Please Type or Print

_____
Beneficial Owner's Name *(as it appears on your brokerage statement)*

_____
Joint Beneficial Owner's Name *(as it appears on your brokerage statement)*

_____
Street Address

_____ _____ _____
City State Zip Code

_____ _____
Foreign Province Foreign Country

_____ **or** _____
Social Security Number Taxpayer Identification Number

Specify one of the following:

□ Individual(s) □ Corporation □ UGMA Custodian □ IRA
□ Partnership □ Estate □ Trust □ Other:
_____

_____ _____ (Day) _____ _____(Evening)
Area Code Telephone Number Area Code Telephone Number

_____ _____
Facsimile Number E-Mail Address

_____
Record Owner's Name and Address *(if different from beneficial owner listed above)*

_____

III. SCHEDULE OF HOLDINGS OF CHAPARRAL COMMON STOCK

State the total number of shares of Chaparral common stock held at the close of trading on September 29, 2006 that were cashed out pursuant to the Merger *(must be documented)* _____

IV. SUBMISSION TO JURISDICTION OF COURT AND CERTIFICATION

UNDER THE PENALTY OF PERJURY, I/WE CERTIFY THAT:

1. I/We submit this Proof of Claim under the terms of the Stipulation described in the Notice. I/We also submit to the jurisdiction of the Court of Chancery of the State of Delaware with respect to my/our claim as a Class Member.

2. I/We have not submitted any other claim in this Action covering the same holdings of Chaparral common stock and know of no other person having done so on my/our behalf.

3. I/We hereby warrant and represent that I/we have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, except pursuant to the Merger, any shares of Chaparral common stock that form the basis of this Proof of Claim.

4. I/We hereby warrant and represent that I/we have included information about all of my/our holdings in Chaparral common stock requested in this claim form. I/We agree to furnish additional information to the Claims Administrator to support this claim if required to do so.

5. a. The number shown on this form is my/our correct Social Security or Taxpayer Identification Number; and

b. I/We certify that I am/we are NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

6. I/We declare under penalty of perjury under the laws of the United States of America that the foregoing information furnished by the undersigned and the supporting documents attached hereto are true, correct and complete to the best of my/our knowledge, information and belief, and that this Proof of Claim form was executed this _____ day of _____, 2008 in _____ (city), _____ (state/country).

_____
Signature of Claimant

_____
(Print your name here)

_____
Signature of Joint Claimant, if any

_____

(Print your name here)

_____
Signature of person signing on behalf of Claimant

_____
(Print your name here)

_____
Capacity of person signing on behalf of Claimant, if other than an individual, (e.g., Executor, President, Custodian, etc.)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above declaration.

2. Remember to attach only copies of supporting documentation.

3. Do not send original stock certificates.

4. Keep a copy of your completed claim form and documentation for your records.

5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent. **You will bear all risks of delay or non-delivery of your claim.**

6. If your address changes in the future, or if these documents were sent to an old or incorrect address, please send us **written** notification of your new address.

7. If you have any questions or concerns regarding your claim, please contact the Settlement Administrator at: Chaparral Resources Stockholders Litigation, c/o Berdon Claims Administration, P.O. Box 9014, Jericho, NY 11753-8914; Telephone: (800) 766-3330; Fax: (516) 931-0810; Website: www.berdonclaims.com.

CERTIFICATE OF SERVICE

I hereby certify that on January 21, 2008, a copy of the **Stipulation and Agreement of Compromise and Settlement** was served on the counsel of record in the manner indicated below:

By Lexis-Nexis File and Serve

Raymond J. DiCamillo, Esquire
Richards Layton & Finger
One Rodney Square
Wilmington, DE 19801

Kenneth J. Nachbar, Esquire
Morris Nichols Arsht & Tunnell
1201 N. Market Street
Wilmington, DE 19801

Brian Ralston, Esquire
Potter Anderson & Corroon
1313 N. Market Street
Wilmington, DE 19801

Geoffrey C. Jarvis, Esquire
Sharan Nirmul, Esquire
Grant & Eisenhofer, P.A.
1201 N. Market Street
Wilmington, DE 19801

/s/ Joel Friedlander
Joel Friedlander (#3163)