PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS DISCUSSED COMPANY PERFORMANCE IN 2000

The Board of Directors of OAO LUKOIL convened in Moscow today to discuss operating, financial and business performance of the Company in 2000 and outline objectives for its performance in 2001.

It was mentioned at the meeting that 2000 was one of the most successful years in the history of LUKOIL. Favorable situation on the international and domestic oil and oil product markets contributed to accomplishing main operating, financial and economic targets, receiving additional revenues and significant expansion of operating, investment and financial opportunities.

An increase in the Company's profitability allowed to significantly enhance investments which are expected to reach RUB60bn.

In 2000 oil production by LUKOIL subsidiaries and affiliates increased 2.8% y-o-y and amounted to 77.8 million tons. The Company's share in the total Russian crude oil output reached 23%. Due to application of up-to-date oil recovery techniques the Company additionally produced 12.5 million tons of oil.

In 2000 gas production by LUKOIL subsidiaries and affiliates increased 5% y-o-y and amounted to 5 billion m3, including oil gas production of 3.8 billion m3.

During the year the Company conducted over 4,000 well workover operations, 45% more compared to 1999.

In 2000 drilling within the territory of the Company's operations amounted to 1.9 million meters, including 1.5 million meters in development drilling. Drilling increased 71% y-o-y, development drilling increased 81%. 683 new oil wells were put into service (compared to 446 wells in 1999).

In 2000 the Company added 66.1 million tons of oil equivalent in reserves, including 48 million tons of oil and gas condensate and 18.1 billion m3, the record high level in the history of the Company. Over half of these reserves are located in the new regions of LUKOIL operations - in the Russian zone of the Caspian Sea and in European North of Russia. During the year 12 fields and 8 new hydrocarbon deposits were discovered.

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Crude oil exports in 2000 amounted to 29.7 million tons (compared to 30.5 million tons in 1999).

Refining throughput at the Company's refineries reached 32 million tons (compared to 29 million tons in 1999), including 8.8 million tons at the Company's overseas refineries. LUKOIL's share in the Russian total refining throughput rose to 14.4% versus 12.2% in 1999. Refining depth was 76.3% what is higher than the industry's average.

The Company increased output of basic refined products within Russia. Motor gasoline output increased by 7.8% (3.31 million tons), diesel fuel by 10.1% (6.33 million tons), it was produced over 890,000 tons of lubricants and bases (114% y-o-y), including 70,000 tons of canned oils (152% y-o-y).

LUKOIL total oil product supplies to the domestic market amounted to 26.5 million tons, 46% more compared to 1999. Oil product exports increased from 5.7 million tons in 1999 to 7.8 million tons in 2000.

The Board of Directors outlined main objectives for the Company's 2001 performance. Among the Company's main objectives are an increase of stock price and market capitalization of the Company, enhancement of transparency, improvement of profit sharing and dividend payout mechanisms, strict compliance to international standards of financial reporting, development of relations with Russian and foreign shareholders, investors and customers.

The Board of Directors of LUKOIL named Anatoly A. Novikov Vice President of the Company and Head of Main Department of Geology and Exploration.

Anatoly Novikov was born on July 7, 1939. After graduation from the Grozny Oil Institute in 1961 he worked as a geologist at oil fields and held managerial positions including some at the Ministry for Oil Industry of the USSR. Since 1990 he was Director General of Nizhnevolzhskneft oil production association. In 1994 he was entitled "Honored Geologist of the Russian Federation". He was involved in discoveries of a number of fields. He authored a number of inventions and scientific works in the sphere of oil prospecting. For his valuable contribution to the development and strengthening of mineral resource base of the Lower Volga region Anatoly Novikov was decorated with orders of the USSR and the Russian Federation.