PRESS RELEASE
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SUMMARISED FINANCIAL INFORMATION FOR 1999 AND 1998 DRAWN FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF OAO LUKOIL FOR 1999 AND 1998, PREPARED IN ACCORDANCE WITH UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (US GAAP)

The Board of Directors of OAO LUKOIL has adopted the 1999 and 1998 consolidated financial statements of over 380 subsidiaries and affiliates prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP). The international audit firm KPMG audited the 1999 and 1998 consolidated financial statements and issued an unqualified audit opinion for these reporting periods.

1999 AND 1998 COMPARATIVE ANALYSIS

million USD

Information in respect of the Consolidated Statements of Income	**1999**	**1998**
Sales of oil	4,801	3,262
Sales of oil products	1,808	2,627
Other sales	679	750
Total sales	7,288	6,639
Income (loss) from operations	1,692	(510)
Exchange-rate gain (loss)	(34)	1,289
Income before income taxes	1,249	877
Net income	1,062	729
Earnings per share (in USD)	1.69	1.15

The increase in operating activities resulted largely from the improved situation on world energy markets and the rising demand and prices for oil and oil products. The significant improvement of the economic situation in Russia and the stable macroeconomic growth in 1999 have also significantly influenced the increase in income from the main lines of business.

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Information in respect of Consolidated Balance Sheets	**31 December 1999**	**31 December 1998**
Current assets	3,082	1,928
Non-current assets	9,421	7,715
Total assets	12,503	9,643
Short-term liabilities	2,886	2,184
Long-term liabilities	2,544	1,874
Total liabilities	5,430	4,058
Stockholders equity	7,073	5,585
Total liabilities and stockholders equity	12,503	9,643
Information in respect of the Consolidated Statements of Cash Flows	**1999**	**1998**
Net cash provided by operating activities	1,300	442
Net cash used for investing activities	(875)	(779)
Net cash provided by financing activities	52	147
Effect of exchange-rate changes on cash and cash equivalents	(33)	(37)
Net increase (decrease) in cash and cash equivalents	444	(227)
Cash and cash equivalents at beginning of the year	93	320
Cash and cash equivalents at end of the year	537	93

The acquisition in 1999 of the oil company KomiTEK and the Bulgarian refinery Neftokhim with assets valued by an independent international appraiser at approximately USD 1.8 billion had a material impact on all items of the Balance Sheet of the Group in 1999. KomiTEK was acquired through an exchange of shares.

The financial position of the Group at 31 December 1999 is characterised by a significant improvement for all figures over 1998. Settlements in non-cash form were reduced from 40% of proceeds in 1998 to 10% in 1999.