PRESS RELEASE
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LUKOIL OVERSEAS HOLDING LTD BUYS THE RUSSIAN ASSETS OF SOCO INTERNATIONAL PLC

The company "LUKOIL Overseas Holding Limited" (a 100% subsidiary of Open Joint Stock Company "LUKOIL") and the company SOCO International PLC have reached an agreement according to which LUKOIL Overseas shall buy from SOCO its share (50 %) in Limited Liability Company "Permtex". This deal enables Open Joint Stock Company "LUKOIL" to establish full control over this enterprise, since Closed Joint Stock Company "LUKOIL-PERM", part of "LUKOIL Overseas", already holds 50 % of the shares of Permtex.

The acquisition price is 50 million US dollars. LUKOIL Overseas shall also act as a guarantor in respect of the obligations of Limited Liability Company "Permtex" to the European Bank of Reconstruction and Development (EBRD) in the amount of about 11 million US dollars.

Permtex possesses licences to develop a series of fields in Perm Oblast: Ozernoye, Tarkhovskoye, Mysinskoye, Borovitskoye, Magovskoye and Logovskoye. The total volume of ABC1+C2 reserves in these areas is estimated as being 17.7 million tons. Oil production in 2000 was 257.1 thousand tons, and will reach 330 thousand tons in the current year.

The largest field with respect to oil reserves is the Ozernoye field. Recoverable ABC1+C2 reserves are 9.4 million tons. At the present time all the necessary conditions for bringing it into commercial operation have been put in place. At the beginning of 2001 construction of an oil pipeline 32 kilometres in length was completed here. Construction of pump stations and other infrastructure facilities is continuing.

The largest volume of oil production shall presently be achieved in the Logovskoye field where 30 wells are functioning. The volume of recoverable reserves in the field is 2.9 million tons.

In connection with this transaction the first Vice President of Open Joint Stock Company "LUKOIL", the Chairman of the Board of Directors of Closed Joint Stock Company "Lukoil-Perm" Ravil Maganov stated: "The new acquisition means further consolidation of the oil assets of LUKOIL for the purpose of increasing volumes of oil production. This is the realisation of the earlier asserted strategy of

LUKOIL to bring the Company's share in joint ventures to 100 %". R. Maganov went on to say: "The establishment of full control over former joint ventures means the securing of LUKOIL's position in the Ural region, and the acquisition of assets producing a quick return. In addition, the Permtex project was given a high evaluation by the EBRD, which expressed its readiness to continue financing the project on former terms".

In his turn, the President of the Company "LUKOIL Overseas Holding Limited"and General Director of Closed Joint Stock Company "LUKOIL-Perm" Andrei Kuzyaev noted that the deal was intended to implement decisions taken previously relating to improvement of the management structure of joint ventures of Open Joint Stock Company LUKOIL. "Limited Liability Company Permtex is one of our most successful projects in Russia. Over the course of the next 3 years we plan to increase the enterprise's volumes of oil production by two and a half. Having established full control over Permtex, Closed Joint Stock Company Lukoil-Perm completed a programme of consolidation of all assets in joint ventures in Perm oblast territory. Previously LUKOIL's share in the companies "Kama-Neft" and RTK had been increased to 100 %", - emphasised A. Kuzyaev.

LUKOIL Overseas is responsible for the implementation of all international projects of Open Joint Stock Company LUKOIL in respect of hydrocarbon production, and in particular in Kazakhstan, Azerbaijan, Iraq and Egypt, and also for the management of joint projects in Russian territory within the context of a joint venture management structure reorganisation programme. LUKOIL Overseas includes Closed Joint Stock Company LUKOIL-Perm, comprising a series of LUKOIL joint projects: Kama-Neft, Parma-Oil, Permtex, Permtotineft , RTK, Vatoil and Volgodeminoil.

SOCO is an international company engaged in oil and gas exploration and production, the headquarters of which is located in London. The company conducts exploration and surveying operations in Vietnam, Mongolia, Yemen, Thailand and North Korea, and is engaged in production in Yemen, Tunisia and Mongolia.