PRESS RELEASE
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OAO LUKOIL BOARD OF DIRECTORS PRELIMINARILY APPROVED 2001 ANNUAL REPORT

Today in Moscow the Board of Directors of LUKOIL preliminarily approved the Company annual report in accordance with the Law on Joint-Stock Companies and the Company Charter. The report will be submitted for further approval by AGM on June 27, 2002.

LUKOIL Group total production in 2001 reached 78.3 million tons (compared to 77.7 million tons in 2000). Oil production through use of enhanced oil recovery techniques increased by 14%.

The Company's own refineries' throughput amounted to 38 million tons of oil (compared to 32.2 million tons in 2000), of those, 29 million tons were processed at the Company's Russian refineries (including 7 million tons at NORSI) and 9 million tons - at the refineries outside Russia.

LUKOIL's petrochemical plants produced over 1.5 million tons of products (compared to 1.1 million tons in 2000).

Generally, LUKOIL Group increased its operating and marketing potential over the last year. This allowed the Company to achieve satisfactory financial results despite volatile price environment.

KEY FINANCIAL INDICATORS OF THE CONSOLIDATED GROUP

(under Russian Accounting Standards)

RUR million

	2000	2001
Revenues	422,591	434,392
Operating profit	127,269	127,258
Income before taxation	120,464	111,986
Net income	96,434	87,521
Capital expenditures and Investments	64,227	93,5
Tax accrued	130,026	168,381
Assets (year end)	338,139	477,984

Note: RAS data is fundamentally different from U.S. GAAP data

To achieve the objectives related to maximization of profitability and shareholder value LUKOIL approved and started implementing its Restructuring Program for the years 2002-2010. Among the primary measures aimed at increasing the Company's current profitability are: growth of export sales of oil products, faster development of new fields, expanded application of enhanced oil recovery techniques, strict cost control, increase of investment efficiency, spin-off of non-core and non-competitive assets.

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In the long-term perspective the Program envisages structural shifts in oil production towards highly-productive fields, creation of a powerful gas production business, upgrade and acquisition of refineries and oil product marketing network.

The Board of Directors also considered an issue related to LUKOIL's operating efficiency increase. Over 2002 a complex of measures will be taken to reduce operating costs and capex of each affiliated company of the Group.

Operating efficiency increase will be mainly achieved through increasing net incomes of affiliates at the rates, envisaged in the annual plan, through strict saving and cost control regime, shutting down inefficient or non-core businesses.

Based upon the 2001 performance, the Board suggests RUB 15 per share dividends for approval by AGM. The total dividend payout will amount to RUB12.7 billion (compared to RUB10.6 billion in 2000).