PRESS RELEASE
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OAO LUKOIL and shareholders of the Urals Group have reached an agreement in principle regarding sale to LUKOIL Group companies of oil assets of the Urals Group in the Republic of Komi.

Such assets include, in particular, a 50.8% stake in OAO Tebukneft, a 59.8% stake in OAO Ukhtaneft and a 58.3% stake in ZAO RKM Oil.

Thus, as a result of this transaction and other arrangements with other shareholders, OAO LUKOIL together with its affiliates will control over 85% of the shares of OAO Tebukneft, over 85% of the shares of OAO Ukhtaneft and about 90% of the shares of ZAO RKM Oil.

According to a geological and economic evaluation of the oil and gas reserves of the above companies performed by Miller and Lents, gross reserves (proven and probable) amount to 48.1 mln. tons of oil and 4.1 bln. cu. m. of gas; possible reserves amount to 13.7 mln. tons of oil and 0.7 bln. cu. m. of gas. In 2002 OAO Tebukneft produced 1,047.6 thousand tons of oil, OAO Ukhtaneft – 285.6 thousand tons, and ZAO RKM Oil – 100.7 thousand tons.

This transaction requires approval by governmental regulatory authorities. Terms of the deal will be disclosed upon receipt of all required approvals.

As has been already announced, on March 21, 2003 the annual general shareholders meeting of OAO Tebukneft was held which elected 9 members – representatives of OAO LUKOIL – to the board of directors. The meeting also resolved to pay dividends on preferred shares.

On April 2 at 5 p.m. a conference for investment analysts on the Company's projects in the Republic of Komi will be held in LUKOIL's offices.

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