PRESS RELEASE
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LUKOIL BOD AUDIT COMMITTEE MEETS

The first meeting of the LUKOIL BoD Audit Committee was held in Moscow on November 17, 2003. The meeting discussed aspects of financial and tax accounting, and legal issues, which arose during annual internal audit of the Company's business and finances. Issues concerning conduct of independent external audit of the Company were also discussed.

The meeting noted that preparation of LUKOIL consolidated accounts under US GAAP is proceeding in full accordance with requirements of the London Stock Exchange.

However, it was suggested that the Company should prepare in advance for possible changes of the LSE listing procedure, particularly:

- shorter time allowed for preparation of accounts;

- increase of responsibility of directors;

- tougher requirements on information disclosure regarding transactions with major share stakes and derivative securities;

- increase of the volume of information provided to shareholders, who have the right to vote in absentia;

- preparation of an issue prospectus, to be renewed annually.

The Audit Committee has developed recommendations on ways to optimize co-operation between the LUKOIL BoD and Company sub-divisions with responsibility for preparing financial accounts, and between the BoD and the external auditor.

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