PRESS RELEASE
NOVEMBER 17, 2003

LUKOIL REPORTS ON THE USE OF SYNDICATED FINANCING FACILITY

Vagit Alekperov, President of OAO LUKOIL ("LUKOIL" or "the Company"), held a meeting with the representatives of banks which arranged a syndicated financing facility.

The first tranche worth USD 500 million was disbursed by the Company in October 2003. The remaining amount of USD 265 million will be used by the end of this month.

As it was announced earlier, LUKOIL signed a USD 750 million Crude Oil Pre-Export Financing Facility ("Facility") with a group of foreign banks in October 2003. As a result of further negotiations this amount was increased by USD 15 million. The Facility was provided by 27 international banks.

The Facility consists of a USD 465 million 5-year tranche (LIBOR+2%) and a USD 300 million 7-year tranche (LIBOR+2,5%). The Facility is secured on export receivables.

The Facility will be used to finance export-related operations, to refinance short-term indebtedness, to fund the Company's investment program and for general corporate purposes.

This syndicated facility, the biggest ever borrowed by a Russian oil company, has the longest period of maturity since the economic crisis of 1998. It is for the first time on the Russian market that the credit interest rate may be reduced, should the borrower's rating be upgraded. Moreover, it is for the first time that the Facility securitization suggests no binding long-term contracts for crude oil deliveries with end buyers. This will allow the Company to more flexibly select buyers and logistics.

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