PRESS RELEASE
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LUKOIL SELLS FIVE SEA-RIVER TANKERS IN THE FRAMEWORK OF ITS RESTRUCTURING PROGRAM

OAO LUKOIL-Arctic Tanker, a subsidiary of OAO LUKOIL, sold 5 river-sea class tankers to IP Shipping Company (Malta) for $52 million.

The river-sea tankers, with a deadweight of 6.5 thousand tons each, were built at the Volgograd shipyard at the Company's order. The vessels are designed to carry crude and all sorts of petroleum products. The vessel's dimensions are: length – 130 meters, width – 16.5 meters, hull height – 6.8 meters. The cruising radius is 4,000 miles and the rate of sailing – 11.5 knots.

"This deal was made under the LUKOIL's program of non-core assets restructuring. This is definitely a good bargain as we spent less than $9 million to build each of the tankers. The vessels have accomplished the task of oil and oil products shipment. As the number of companies offering shipment services grew significantly, we find it more cost-effective and feasible to freight outsourced vessels" said Leonid Fedun, vice president of LUKOIL.

However, LUKOIL-Arctic Tanker continues to operate 10 enforced ice-class tankers which are designed to carry four different types of cargo simultaneously, including crude oil and gas condensate. Double-hulled ice-class tankers with a deadweight of more than 20,000 tons are equipped with power generating systems. This makes it possible to operate the vessels in the Arctic throughout the year. These vessels are used by the Company to ship crude from the fields of Timano-Pechora petroliferous province and also to transport petroleum products from the terminals in the Baltic sea.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com