PRESS RELEASE
MARCH 22, 2004

LUKOIL BOARD OF DIRECTORS RESOLVES TO ISSUE BONDS

The Board of Directors of OAO LUKOIL resolved to issue 6 million non-convertible interest-bearing documentary bonds to bearer with a par value of 1,000 rubles each and a five-year maturity.

The bonds will be placed through an open subscription on the Moscow Interbank Currency Exchange. The bonds shall be placed at their par value. The coupon period is six months. The interest rate, the same for all the coupons, will be determined through a tender to be held on the bonds offering commencement date.

The bond issue envisages a three-year offer. The bond offering price is to be determined by LUKOIL no later than seven days prior to the bonds offering commencement date. The exclusive arrangers and leading managers responsible for the preparation and placement of bonds are Investitsionnaya Kompaniya Kapital, Renaissance Capital Investment Group and Alpinex Austria. Federal Fund Corporation will act as a financial advisor, while NP Natsionalniy Depozitarniy Tsentr will assume the functions of the depositary and paying agent.

The placement of bonds will begin not earlier than two weeks after the official notification on the state registration of the securities issue and on access to the information contained in the Prospectus.

The placement of bonds will be timed to the most favorable market environment.

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