PRESS RELEASE
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LUKOIL IMPROVES SAFETY OF SEA AND RIVER TERMINALS

A meeting timed to the completion of river navigation was held at LUKOIL premises today. Issues connected with safe operation of sea and river terminals were discussed at the meeting.

As was noted at the meeting, an increased volume of shipped crude and petroleum products has been reported lately as transportation by sea and river remains one of the most cost-effective means of cargo haulage. As of November 15, 2004, LUKOIL has shipped 3.5 million tons of oil and 5.7 million tons of petroleum products including gas condensate and vacuum gas oil.

To respond to increased shipping volumes and the Company's ecological policy, LUKOIL remains focused on navigation safety in the area of its terminals, cargo carriage operations and also on prevention and liquidation of oil leakages.

In 2004 LUKOIL held eight leakage-fighting drills at terminals and oil-loading stations located in Kaliningrad, Leningrad, Volgograd, Perm and Nizhny Novgorod regions. Well-trained personnel and hi-tech equipment at the terminals allow to successfully liquidate oil leakages and significantly reduce potential environmental damage. Environmental safety measures taken during cargo carriage operations at the terminals, as well as annual drills, allowed the Company to prevent leakages at its facilities.

In 2004, the Management Committee of LUKOIL approved the Company Sea and River Terminals Safe Operation Concept. The Company is currently implementing the Program to Improve Safety Means and Facilities of the First Echelon to Eliminate Oil Spills. In compliance with this Program LUKOIL Group companies spent over 9 million rubles on safety equipment in 2004.

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