PRESS RELEASE
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VAGIT ALEKPEROV, PRESIDENT OF LUKOIL, IS AWARDED FOR ACHIEVEMENTS IN CORPORATE CITIZENSHIP

Vagit Alekperov, President of LUKOIL, received the Woodrow Wilson Award for Corporate Citizenship Yesterday in Washington.

The Board of Trustees of the Woodrow Wilson International Center for Scholars gives this prestigious award to those executives of the state governance and businesses who aim at improvement of the life standards both in their home country and abroad.

The Board of Trustees also highly estimated Vagit Alekperov's contribution in the development of the relations between Russia and the USA in the energy sector and his efforts to make LUKOIL a major international oil company that has become the first Russia's company to acquire an American joint stock company.

Speaking at the award ceremony, Vagit Alekperov specifically said: "I view this award more as a recognition of corporate rather than personal public service. When LUKOIL was formed fourteen years ago, we had an ambitious goal: to prove that it was possible to build a successful, but also a socially responsible business in Russia. Today, I can proudly state that this goal has been achieved.

A modern business is far more than merely resources, finances, and technology. First and foremost, it is people: shareholders and investors, employees, consumers, and ordinary citizens. No company can achieve real success while ignoring their interests. It applies to Russia more than to anyone else.

First, business culture is still forming in Russia. There are still problems with unlawful practices, work safety, and the quality of customer service. In this environment, the corporate sector has to take on a huge responsibility. Opting for Corporate Citizenship as its philosophy, the Russian business contributes to the economic growth in the country.

Second, the social environment in Russia is still far from stable. Ten years ago, the corporate sector had to partially take on government responsibilities to avoid a social explosion. Today, the corporate sector does it for a different reason -- to expedite the formation of the middle class.

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Third, today, the Russian companies feel the increasing effect of global competition. While they have ample material and human resources, they still do not match their competitors in efficiency and innovation.

The Corporate Citizenship concept helps to bridge this gap by a more effective use of human capital. Eighteen Russian companies have already joined the United Nations Global Compact, which seeks to bring companies and society closer together. LUKOIL plans to release its accountability report according to GRI and AA1000 standards in 2005.

The same processes are taking place in Russia as in the rest of the world: strengthening of democratic institutions, a developing "new" economy, and a growing social responsibility on the part of businesses. Today our task is to fully realize social responsibilities of business. I have no doubt that Russian companies will not only accomplish this task, but will become world leaders in social investment. While going forward, we are, in fact, going back to our roots, back to our tradition, which is deeply engrained in Russian history and culture -- this tradition is to treat the efforts of improving our world as a common cause," said Vagit Alekperov, President of LUKOIL.