PRESS RELEASE
JUNE 30, 2005

LUKOIL AND OIL INDUSTRY OF SERBIA INTEND TO CREATE A JOINT VENTURE

On June 29, 2005, in Belgrade, Dmitry Tarasov, First Vice-President of LUKOIL, and Zeljko Popovic, Director General of the Oil Industry of Serbia (NIS), signed Memorandum of Intentions for creation of a joint venture.

The joint venture is expected to be built on the 50/50 basis to carry out long term guaranteed supplies of oil in the amount of 1.5-4.5 million tons per year for processing at the NIS refineries.

In accordance with the Memorandum, after creation of the JV, LUKOIL will consider possibilities of joint projects with NIS for exploration and production of hydrocarbons both in Russia and in third countries.

Memorandum also provides for LUKOIL's assistance to NIS to attract a loan of US$500 million for the refineries' upgrade.

Forward-looking statements.

Forward-looking statements may contain projections or other statements about future development prospects or future economic performance of OAO LUKOIL. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. The Company is under no obligation to update or alter any forward-looking statements to bring them to conformity with actual outcomes.

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