PRESS RELEASE
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BOARD OF DIRECTORS OF LUKOIL APPROVES THE COMPANY'S PLANS IN TIMAN-PECHORA REGION AND GAS SECTOR LONG-TERM DEVELOPMENT PROGRAM

The Board of Directors of LUKOIL had an out session today in Usinsk (Komi republic).

The session was participated by Ilya Klebanov, Plenipotentiary representative of the President of Russian Federation in the North-West federal region, Vladimir Torlopov, Komi republic Head, and Nikolay Kiselev, Archangelsk region administration head.

The agenda of the session had the following issues:

1. About the Company's activity in Timan-Pechora region.

2. About the principals of the drafts of the plan, budget and investment program of LUKOIL Group for 2006 and the Group medium-term development plan for 2006-2008.

3. About the LUKOIL gas sector long-term development program.

It was stated at the session that 5 new fields were opened, 13 fields were put into operation and 8 fields were prepared to be put into commercial development in Timan-Pechora region from 1999 to 2004. An oil loading terminal was put into commercial operation at Varandey, Barents sea. A joint venture was closed with ConocoPhillips to develop the fields in the North-East part of the province.

As per the results of the geological economic evaluation by independent Miller & Lents under international standards, the proven reserves of the Company's oil in Timan-Pechora province by January 1, 2005, were 3,892 mln barrels.

The oil production nearly doubled during the period from 2000 to 2004 to reach 11.7 mln tons. The Company expects to produce 12.3 mln tons of oil in that region in 2005.

31 new fields are scheduled to be put into development by the Company in Timan-Pechora province by 2015.

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The Board of Directors specified as priorities of its activity in Timan-Pechora region the recovery of the commercial oil reserves which should increase by at least 120 mln tons of oil within the period from 2005 to 2010 as well as raise of the oil production output to the level of 22-23 mln tons per year by 2015. Total investments in Timan-Pechora province by 2015 may reach 197 bln rubles.

The Company also decided to develop a project on increasing the capacity of the Varandey oil terminal up to 12 mln tons per year to be commissioned in 2007.

The Board of Directors discussed the principals of the drafts of the budget, the investment program of LUKOIL Group for 2006, and the medium-term development plan of the Group for 2006-2008.

The drafts of the plans provide for activities aiming at further implementation of the main objectives specified by the Program of LUKOIL Group strategic development in 2005-2014.

The hydrocarbons reserves addition is expected to be 1.3 times higher than the production to ensure stable development of the Company in the forward-looking period.

Activities are envisaged for development of new oil and gas regions such as Timan-Pechora oil and gas province, Yamal, Caspian sea. In particular, the major oil production increase is expected to be in Yuzhno-Hylchuiuskoye field in Timan-Pechora region which is being developed jointly with ConocoPhillips.

Accelerating production of gas is also intended, mainly in Yamal. With that, the part of gas in the total production of hydrocarbons by the Company will rise more than twice.

Upgrades of the Company's refineries in Russia and abroad are scheduled to ensure a significant growth of the high-octane petrol production and provide quality parameters of the engine fuels at the background of rising requirements in the European market. Further development of the retail petrol service stations network is planned mainly in the central region of Russia, Bulgaria and Ukraine.

The budget and investment programs drafts provide for a wide application of innovation technologies and engineering tools as well as activities aiming at realization of the Company's social responsibility policy.

Required investment amounts are planned from both the own and attracted funds in order to ensure implementation of the scheduled projects. At the same time LUKOIL Group keeps the high financial stability.

High results that are scheduled for 2006-2008 allow to anticipate further increment of the shareholding dividends compared to the 2004-2005 level.

The Program of LUKOIL Group strategic development in 2005-2014 provides for increase of the part of gas in the total production of hydrocarbons by the Company up to 33%. In this connection the Board of Directors approved a LUKOIL Group gas sector long-term development program integrated into the Program of LUKOIL Group strategic development in 2005-2014. The main objective of the Program is a rise of the Company price due to the gas reserves commercialization. The core elements of the Program are identification of the gas sales optimum strategy, integrated approach to implementation of new gas projects, participation in the whole chain of cost-building: production, transport, refinery, sales.

The Company's experts have also developed a sales strategy for the gas projects of LUKOIL Group including gas supplies to the power system companies. The Caspian gas chemical complex was evaluated for investment purposes and its optimum configuration was identified.

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.