PRESS RELEASE
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OAO LUKOIL'S PROVED RESERVES EXCEED 20 BILLION BARRELS OF OIL EQUIVALENT

OAO LUKOIL has completed an evaluation and independent audit of its oil and gas reserves as at January 1, 2006. In terms of proved oil and gas reserves the Company continues to hold leading positions in the world: it is ranked first among Russian oil companies and second among private international oil and gas majors.

According to the data audited by Miller and Lents (USA), LUKOIL's proved reserves as at January 1, 2006 are estimated at 20.331 billion barrels of oil equivalent (boe), including 16.115 billion barrels of oil and 25.298 trillion cubic feet of gas.

For six years on end the Company has completely compensated the hydrocarbons production with the reserves additions. LUKOIL had 4.8% growth of the proved reserves in 2005 taking into account the hydrocarbons production. Discounting the production, the annual Company's proved reserves growth was 1.3%.

OAO LUKOIL Oil and Gas Reserves

As of January 1, 2006	**Oil**	**Gas**	**Oil + gas***
	Million barrels	Billion cubic feet	Million boe
Proved reserves	**16,115**	**25,298**	**20,331**
Including:			
Developed	10,583	6,089	11,598
Undeveloped	5,532	19,209	8,733
Probable reserves	**8,869**	**20,587**	**12,300**
Possible reserves	**4,336**	**10,240**	**6,043**

***1 barrel of oil equivalent = 6,000 cubic feet of natural gas**

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Estimates of Future Cash Flows from Proved Reserves Development

As of January 1, 2006	**Million USD**
Future cash flows from sales of oil and gas	408,598
Future production and development cost	214,272
Future undiscounted cash flows (before income tax)	194,326
Effect of discounting (10% p.a.)	120,187
Future discounted net cash flows (before income tax)	74,139

The evaluation of the reserves of OAO LUKOIL was performed in compliance with the US Society of Petroleum Engineers (SPE) requirements. The proved reserves included those volumes which are recoverable up to and past license expiry dates.

The Company's total reserves in all categories constitute 100% net reserves owned by the consolidated subsidiaries and net share in appropriate reserves of affiliates.

The main factors behind the growth of the reserves are:

- Additions to reserves as a result of exploration activity carried out in the regions where the Company traditionally operates;

- Acquisition of Nelson Resources Limited;

- Increase of the share in ZAO SeverTEK up to 100%;

- Acquisition of 66% stock of OOO Geoilbent;

- Revision of the previous estimates using renewed or updated geological and development information.

In 2005, the Company added considerably the probable and possible reserves thus increasing the eventual compensation of the proved reserves. Consolidated growth in the specified reserves was 30% in 2005. Major additions were due to the opening of Filanovsky field and acquisition of OAO Primorieneftegaz.

Exploration remains a top priority in the Company's development. In 2005, the Company compensated completely the hydrocarbons production due to the exploration. The approved Strategic development program of LUKOIL Group for 2005-2014 provides for complete compensation of the hydrocarbons production

with the reserves additions at the competitive cost level.