PRESS RELEASE
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LUKOIL PUBLISHED ITS SECOND SOCIAL REPORT

LUKOIL has published its Sustainability Report for 2005-2006.

The document contains comprehensive information on key areas and operating indicators of the Company's performance, social and environmental activities in the regions of its presence: Kaliningrad region, Western Siberia, Perm, Volgograd, Astrakhan and Nizhniy Novgorod regions, Komi Republic and Nenets Autonomous District.

International documents such as the AA1000 Framework, Guidance on Sustainable Development Reports of the Global Reporting Initiative, v. 3.0, were observed in the course of preparation of the report.

The same method was used in the preparation of the Company's first Report, published both in Russian and English in September 2005.

At present it is the only report in the Russian oil and gas industry to be included in the GRI database. It is also included in the National Register of Corporate Non-Financial Reports, administered by the Russian Union of Industrialists and Entrepreneurs and is mentioned both in Russian and international surveys and ratings.

The accuracy of information contained in the report was verified by Bureau Veritas Certification Rus, whose audit opinion is part of the document. Consultative support in the preparation of the report was provided by the Agency of Social Information.

Once more interested parties were involved in the talks during the preparation of the second report which was aimed to identify their wishes relating to improvements in the Company's sustainable development strategy and corporate responsibility. The talks were held in Kaliningrad – the location of a successful implementation of LUKOIL's innovation project for offshore oil production in the Baltic Sea, which has received a lot of publicity.

Being a global energy company, LUKOIL is focusing on environmental issues, effective use of natural resources and energy, production safety and occupational health issues. The Company's major facilities whose construction and operation

involves application of the most rigid cutting-edge technologies aimed to ensure environmental and production safety were commissioned and brought to their designed production capacity in 2005-2006.

LUKOIL is implementing an active social policy to ensure more efficient performance and social protection of employees. In 2006 particularly, the average income per employee grew by more than 17% compared to 2005.

LUKOIL is internationally acknowledged as the leader in terms of trade union involvement in Russia.

The Company's Report also discusses interregional programs for social investments and sponsorship of culture, sports and medicine.

"Preparation and publication of the second Report on the Company's sustainable development activities is an important landmark on the way to a new quality level of corporate management. Now we have every right to state that this work has become systemic", said Vagit Alekperov, President of OAO LUKOIL.