PRESS RELEASE
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LUKOIL RETAINS LEADERSHIP IN HSE

OAO LUKOIL Management Committee has reviewed the annual report titled 'Health, Safety and Environment in OAO LUKOIL'.

Among other things, the document states that in 2007 the Company's investments into industrial and health safety, emergency prevention and response came to around RUR 4.9 billion. Over RUR 2.2 billion of this amount were allocated on emergency prevention. Due to such measures in 2007 there were no fires or accidents categorized as emergency situations.

In 2007 LUKOIL Group spent RUR 15.3 billion on environmental safety measures. 46.4 % or RUR 7.09 billion of this amount were allocated to open air protection of LUKOIL enterprises.

In 2007 a number of Company's refineries and petrochemical plants commissioned treatment facilities with the total capacity of 7.4 thousand cubic meters per day, which resulted in decreased sewage discharge level by 1 million cubic meters (by 7.2% as compared to 2006). The Company's refineries utilized about 83 thousand tons of oil waste, completed technical and biological recultivation of 6.1 hectares of land.

LUKOIL production enterprises recultivated 2,171 hectares of impaired and 97 hectares of oil contaminated land and performed trouble-shooting, total overhaul and inhibitory protection of 598 kilometers of pipelines.

2007 results suggest that specific air emission indices released by the Company's production and processing enterprises remained twice as low as the industry average level.

LUKOIL is one of the best companies in the Russian oil and gas industry and nearly comparable to five major international companies, i.e., ConocoPhillips, ChevronTexaco, Total, ENI and Petrobras in terms of the basic indicators related to industrial and health safety.

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