PRESS RELEASE
JULY 07, 1999

LUKOIL OBTAINS A NEW TANKER

A ceremony of delivering a new ice-breaking tanker named «Maikop» to LUKOIL was held at the MTF Schiffwerft GmbH shipyards in Wismar (Germany) today.

After the USSR collapse all ice-breaking vessels based on the Baltic sea were retreated by Latvia and were out of Russia's disposal. Today Russia is in need of at least 15 ice-breaking tankers.

LUKOIL is the only Russian oil company which builds a tanker fleet of its own within the framework of its involvement in the Renaissance of the Russian Fleet Program.

The Company has 3 ice-breaking tankers: the «Perm», the «Volgograd» and the «St. Petersburg». In September 1999, the German ship builders are expected to deliver one more tanker of the same class.

The ice-breaking vessels, easy to navigate and reliable in service, obtain all necessary characteristics for operating in rigorous Arctic climate. They are reinforced and equipped with up-to-date navigation facilities. The tankers have seven double-hulled cargo tanks. They are 145 meters long and 22.5 meters wide, and their weight-carrying capacity is 15,000 tons. Vessels of this kind can develop a speed of 14.4 knots (about 26 km/h). The tankers can overpass through an ice coat 0.4 meter thick. The crew consists of 19 people.

LUKOIL contracted to build ice-breaking tankers at the Admiralty shipyards in St. Petersburg. Until the end of 2000, 5 ice-breaking tankers will be delivered by the shipyards.

During this Arctic navigation all the 4 tankers under operation will be involved in supplying petroleum products to the remote areas of the Far North and other Arctic regions via the North Sea Route. LUKOIL's tanker fleet controls up to 60% of the total supplies.

Today the overall carrying capacity of LUKOIL's tanker fleet is 190,000 tons.

Speaking at the ceremony LUKOIL's Vice President Anatoly Barkov pointed out that in future LUKOIL plans to give up chartering and ensure all crude oil and

petroleum products supplies by means of its own tanker fleet.