PRESS RELEASE
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LUKOIL COMPLETED PREPARATION OF ITS COMPUTER SYSTEMS FOR THE YEAR 2000

The y2k compliance procedures at all subsidiaries and affiliates of LUKOIL are complete. Preparation of risk and contingency plans and personnel training for mitigating contingent failures and disruptions beyond the turn of the year 2000 and assuring continued operation of subsidiaries are also complete.

In November 1999 a working group of the Ministry for Fuel and Energy of the Russian Federation conducted a complex review of the measures taken by the Volgograd and Perm refineries to achieve y2k readiness.

Attention was focused on these refineries due to the fact that oil refineries are relatively large enterprises with continuous and highly automated business processes. Besides, failure of computer or business control systems may lead to damage to safety and property or trigger a significant financial loss for the Company in general.

The review confirmed that the project work (including planning and financial provision) at LUKOIL's subsidiaries is y2k compliant. The Company established a communication with equipment suppliers and designers of applied systems to complete upgrading and testing of these systems. The subsidiaries' management inform the government entities and public about the efforts taken for resolving the y2k problem.

The Board of the Ministry for Fuel and Energy of the Russian Federation reviewed the energy sector y2k compliance and qualified LUKOIL's efforts to achieve the y2k readiness as satisfactory.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com