PRESS RELEASE
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LUKOIL IS A WINNER OF ALL-RUSSIAN AWARD "BEST RUSSIAN COMPANIES OF 2000"

OAO LUKOIL was nominated the best Russian company for efficient environmental policy. That was decided by the jury of the All-Russian contest "Best Russian Companies of 2000" which is held annually by the Union of Industrialists and Entrepreneurs, Chamber of Commerce and Industry of the Russian Federation and Expert magazine.

The Institute for Economics of Environmental Management report prepared for the jury of the contest states, in particular, that LUKOIL subsidiaries have one of the best environmental management systems in the Russian Federation, and the Company's environmental, health and safety performance adequately reflects the scope and the character of its impact upon the environment.

LUKOIL Safety, Health and Environmental policy in the 21st century is the main document the Company abides by in its performance. This document is closely linked to the state's safety and environmental strategy and rational management of natural resources. The Program for Environmental Safety of the Company in 2000-2003 and the environmental safety programs of LUKOIL subsidiaries and affiliates are the basic instruments for implementing the company environmental policy.

"Implementation of the Policy allows LUKOIL to be a leader among Russian companies in establishing the process of environmental management and achieving practical results in environmental protection," says the report of a jury expert, ZAO Beaurau Veritas Rus.

Thus, over three years (1997-1999) LUKOIL subsidiaries and affiliates reduced atmospheric discharge by 11.3%, water consumption - by 25% and stored wastes by 24%. 500,000 tons of toxic waste were utilized and decontaminated, 1,295 ha of contaminated soils were reclaimed. Utilization of associated gas reached 81.4% in 1999.

The Company successfully implements the Program of Environmental Rehabilitation of Contaminated Soils and Accidental Oil Spills Prevention in the Republic of Komi. Accomplishment of the program will allow to liquidate consequences of oil spills that took place in the region since 1982, including the one at the pipeline Vozei - Hedworks (1994) which received an international coverage.

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At present, development of the Program for Environmental Safety of LUKOIL companies in Timan Pechora province is under way.

LUKOIL applies most state-of-the-art reliable techniques while developing the Russian zone of the Caspian sea where two large fields were discovered at the Khvalynskaya structure and the structure named after Yuri Korchagin (former Shirotnaya structure). The Company provides financing for reproduction of valuable fish species in this region and is a founder of the Caspian Regional Environmental Center.

At present, the Company and its subsidiaries undergo preparation for certification to conform to the international standards, ISO 14001 (Environmental Management System), ISO 9001 (Quality Management System) and OHSAS 18001 (Occupational Health and Safety Management System).

In 1999 an international auditing company, Dames & Moore, conducted an audit of environmental, health and safety performance of the Company. In its statement the auditor underlines that LUKOIL is far ahead of other Russian industrial companies, including oil companies, in the area of environmental management.

LUKOIL is very well aware of its responsibility for environmental protection and rational use of natural resources before the society, and the Company hopes that the society will appreciate those complicated tasks faced by the Company in this sphere.