PRESS RELEASE
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LUKOIL GENERAL STOCKHOLDERS' MEETING APPROVES THE WORK OF THE BOARD OF DIRECTORS

LUKOIL Annual General Stockholders' Meeting has taken place in Volgograd today where the annual report for 2000, financial statements and major guidelines for profit distribution were approved.

The stockholders approved the dividends, according to the Company's results in 2000: 59.16 roubles per preferred share and 8 roubles per common shares.

The AGM defined major guidelines for profit distribution: 45% - on investment, 1% - consumption fund, 21% - fund of other payments and expenses, 28% - dividends on shares, 5% - extraordinary expenses.

The stockholders elected the Board of Directors of the Company as follows:

Alekperov Vagit - President, OAO LUKOIL;

Berezhnoi Mikhail - General Director, Non-State Pension Fund LUKOIL-Garant;

Greifer Valery - General Director, OAO RITEK;

Kukura Sergei - First vice-president, OAO LUKOIL;

Kutafin Oleg - President advisor, OAO LUKOIL;

Maganov Ravil - First vice-president, OAO LUKOIL;

Malyukov Sergei - General Director, OAO Oil fund for industrial reconstruction and development;

Malin Vladimir - Chairman, Russian Fund of Federal Property;

Medvedev Yury - First Deputy Minister of Property of Russian Federation;

Sherkunov Igor - General Director, OOO LUKOIL-Reserv-Invest;

Tsvetkov Nikolai - President, Investment Banking Group NIKOIL.

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

The stockholders meeting decided to appoint Vagit Alekperov the President of OAO LUKOIL. ZAO KPMG was approved as the auditor of the Company. ZAO KPMG has been auditing the Company since 1995.

The AGM also approved the maximum number of the declared common shares - 94,000,000 shares to the amount of 2,350,000 roubles - of which 77,211,864 shares will be used for the swap of preferred shares into common shares and the rest - to be sold on equity market in accordance with the decision of the previous AGM.

Since the part of the additional common shares are supposed to be placed on the equity market at maximum possible market price by open subscription or in the form of derivative securities, the AGM, in accordance with the Joint Stock Company Law, decided to relinquish the preemptive right of the stockholders to acquire these shares.

The stockholders also adopted a number of amendments to the Charter of the Company. In particular, the Charter was amended to include the clause on swapping the preferred shares into common shares. The necessity of the swap is due to the serious infringement of the interests of the common shareholders, because, representing only 9% of the equity, preferred shareholders account for more than a half of dividends. The swap ratio is 1:1. The terms and conditions of the swap will be defined by the decision of the Board of Directors. The Company will buy out the preferred shares from the shareholders opposed to the swap, at the price of 302.86 roubles per preferred share. This price was ascertained by the independent appraisal company ZAO Agency Russpromotsenka.

The meeting of the Board of Directors held shortly after the AGM elected Valery Greifer the Chairman of the Board.

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Financial highlights	**1999**	**2000**
bn roubles, unless otherwise stated		
Net operating revenues	268,2	405,9
Operating profit	48,9	119,0
Income before taxation	40,3	112,6
Net income	30,8	96,4
Capital expenditures and investments	31,2	64,2

Assets, at year end	227,4	338,1
Dividends		
per common share, roubles	3,00	8,00
per preferred share, roubles	17,45	59,16
total amounts of dividends	3,6	10,6

Operating highlights	**1999**	**2000**
Oil production, mln tons	75,6	77,7
Gas production, bn cubic m	4,7	5,0
Refinery runs, mln tons	29,0	32,2
Oil products output, mln tons	27,6	30,6
Number of service stations, thousand	1,0	2,6
Petrochemical products output, mln tons	0,6	1,1
Number of wells, at year end, thousand	26,0	27,2
Including producing wells, %	81,5	84,0
Drilling, thousand km	1,1	1,9