PRESS RELEASE
JANUARY 17, 2002

LUKOIL'S SHAREHOLDERS PROPOSED A NOMINATION TO A COMPANY'S BOARD OF DIRECTORS

Press service reports that a number of LUKOIL's shareholders proposed a nomination of Richard Matzke and Mark Mobius to a Company's Board of Directors.

Richard Matzke is vice chairman of the board of directors for ChevronTexaco Corp. He holds positions of a vice president of Chevron Corporation and president of Chevron Overseas Petroleum Inc., responsible for supervising Chevron Corporation's oil exploration and production activities outside North America.

Richard Matzke is well known in the world oil community. He is a member of the Board of Directors of the Business Council for International Understanding, Advisory Board of the Center for Strategic and International Studies (CSIS), and Chairman of the Board of Directors of the United States-Kazakhstan Council. He is also a member of the American Institute of Professional Geologists, American Association of Petroleum Geologists, World Trade Club, and other international organizations.

Dr. Mark Mobius manages the operations of the Templeton funds in Hong Kong, Singapore, Japan, Vietnam, Brazil, India, South Africa, Argentina, Poland and Russia. The group of funds managed by Mark Mobius is one of the largest players on the emerging markets with a total capitalization of $6.5 billion. The group holds significant investments in Russia exceeding quarter billion dollars.

In 1992, Dr. Mobius was named "Investment Trust Manager of the Year" by The Sunday Telegraph weekly in the United Kingdom. Morning Star in the U.S. awarded Mark Mobius the "Closed-End Fund Manager of the Year" for 1993. CNBC named him "1994 First in Business Money Manager of the Year". For two years in a row (1997-1998) Dr. Mobius was named the number one global emerging market fund manager in the Reuters Survey. Dr. Mobius is the author of the books The Investors's Guide to Emerging Markets, Passport to Profits and Mobius on Emerging Markets.

LUKOIL's Board of Directors believes that if the Company's shareholders support the nominees it would undoubtedly help to further improve corporate governance and increase investment appeal of the Company.

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

The Board of Directors already has an independent member: Ph.D, professor, Oleg Kutafin, a university principal of the Moscow State Law Academy, was appointed by the AGM in 2001.

The Board of Directors believes that the presence of new well known independent directors along with the development of corporate code and regular presentation of US GAAP financials would lead to dramatic improvement in corporate governance.