PRESS RELEASE
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# LUKOIL PRESENTS ENVIRONMENTAL SAFETY PROGRAM FOR 2004-2008

OAO LUKOIL ("LUKOIL" or "the Company") will give presentations of its Environmental Safety Program for 2004-2008 in Syktivkar, Perm and Volgograd on 17th , 18th and 24th December 2003.

Representatives of government, social organizations and mass media will take part in the presentations.

LUKOIL's Environmental Safety Program for 2004-2008 ("the Program") consists of 400 measures with overall cost of 34.5 billion rubles.

These planned measures are structured in eight sub-programs: Clean Air; Clean Water; Waste; Reclamation; Accident Suppression and Avoidance; Research and Experimental Activities; Ecological Management; and Ecological Monitoring.

The Program has been designed to comply with the National Security Concept of the Russian Federation, which emphasizes the importance for Russian national interests of sustainable economic development, and environmental protection and improvement. The Concept also calls for observance of the Ecological Doctrine of the Russian Federation, which prioritizes sustainable use of renewable resources and rational use of non-renewable resources.

A priority target of the LUKOIL Program is improvement of waste management, including disposal of waste accumulated at Company facilities over decades, and significant reduction of the build-up of new waste.

The Company has set up an efficient ecological management system, which successfully qualified for ISO 14001 certification in 2001.

The Company is currently preparing its subsidiaries for ISO 14001 certification, and major subsidiaries will complete this work by 2007. Ecological management systems at OOO LUKOIL-Permneft, OOO LUKOIL-Permnefteorgsintez, OAO LUKOIL-Nizhegorodnefteorgsintez, OAO LUKOIL-Odessa Refinery and AO LUKOIL-Neftokhim Burgas received certification in 2003.

OOO LUKOIL-Permnefteorgsintez and OOO LUKOIL-Ukhtaneftepererabotka were first among Russian refineries to receive ISO 9001 compliance certificates, and two

Company refineries outside Russia, OAO LUKOIL-Odessa Refinery and AO LUKOIL-Neftokhim Burgas, have also received ISO 9001.

Addtional LUKOIL environmental commitments are contained in the Company's Strategic Development Plan up to 2005 and Assessment up to 2010, and in the document on OAO LUKOIL Industrial/Occupational/Environmental Safety Policy in the 21st Century.

Implementation of the LUKOIL Environmental Safety Program for 2000-2003 is nearing completion at Company facilities, and the Company's subsidiary, OAO Komineft, is implementing a 2000-2005 program, aimed at rehabilitating polluted land and preventing oil spillages. Finally, LUKOIL subsidiaries in the Timano-Pechora oil and gas province are carrying out an ecological safety program for 2001-2005.

Achievements in the framework of these programs are as follows:

· 3700 kilometers of pipeline have been repaired;

· 2.2 million tons of accumulated and recently-formed harmful waste has been utilized;

· Since 2001 use of new technology and equipment has made it possible to utilize old waste more quickly than new waste is created, so that the amount of waste at temporary storage facilities has decreased by more than 440,000 tons;

· Over 11,800 hectares of land formerly used for production operations and more than 1200 hectares of oil-polluted land have been reclaimed

· 1382 sludge tanks have been eliminated

Prevention of pollution by means of low-waste, environment-friendly technologies is the only way to achieve further significant improvement of the environmental impact of LUKOIL activities. This requires implementation of a clean production strategy, and such a strategy is now the basis of LUKOIL's environmental policy.

The Management of LUKOIL takes it as axiomatic that improved ecological and industrial safety and reduction of environmental impact of Company activities are indispensable conditions for raising efficiency.