PRESS RELEASE
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LUKOIL CREDIT ACCLAIMED AS BEST DEAL OF 2003

International Finance Review (IFR) acclaimed a $765 mln syndicated financing facility ("Facility"), taken by OAO LUKOIL ("LUKOIL" or "the Company"), as the Best Emerging Markets Deal of 2003.

IFR is an authoritative British publication, covering international financial markets. Awards by IFR mark successful deals, reflecting opinions of main participants of financial markets. The awards are made at the end of each year.

IFR judged that LUKOIL succeeded in making full use of improving market conditions, and set a new benchmark in terms of deal size, maturity, and price conditions, as well as innovative deal structure. IFR notes that LUKOIL's decision to aim for unprecedented maturity length is in accordance with the Company's well-considered financial strategy.

Referring to improving conditions for borrowing by Russian companies, the British publication also points out that it was very important to avoid a situation where conditions, which appeared attractive yesterday, will become prohibitively expensive tomorrow. IFR emphasizes that LUKOIL was the first Russian borrower, which not only obtained attractive price conditions at the time of signing the credit agreement, but also negotiated possible further lowering of the margin in case the Company secures an investment-grade rating or higher. This was also the first deal, where the borrower has the right to fix the interest rate at any time during the life of the credit agreement.

IFR quoted ABN AMRO director in syndicated debt, Michael Emery, who said: «The quality of LUKOIL credit, together with the innovative and robust nature of the transaction, resulted in an extremely successful syndication. Importantly, this transaction has seen several major syndicated investors return to the Russian market for the first time since the Russian financial crisis of 1998».

As it was announced earlier, LUKOIL signed the Facility with a group of foreign banks in October 2003. The Facility consists of two tranches: a USD 465 million 5-year tranche (LIBOR+2%) and a USD 300 million 7-year tranche (LIBOR+2,5%). The Facility is secured on export receivables.

The Facility will be used to finance export-related operations, to refinance short-

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term indebtedness, to fund the Company's investment program and for general corporate purposes.