PRESS RELEASE
OCTOBER 20, 2004

LUKOIL SIGNS MEMORANDUM OF UNDERSTANDING WITH BULGARIAN INVESTMENT AGENCY

Vagit Alekperov, President of OAO LUKOIL, and Pavel Yezekiyev, Executive Director of Bulgarian Investment Agency, signed a Memorandum of Understanding ("MoU") in Burgas (Bulgaria) today.

Among other things, the parties agreed to continue to attract investments in the Bulgarian economy.

The MoU qualifies LUKOIL as the leading foreign investor, recognizing its significant contribution to the development of Bulgarian economic and social spheres.

LUKOIL purchased a 58% share in "Neftokhim Burgas" refinery for $101 million in October, 1999. In the course of five years the Company invested over $250 million to upgrade the refinery and over $100 million to set up a retail network uniting over 120 filling stations under LUKOIL brand. Besides, LUKOIL has introduced its corporate retirement benefit plan tailored for the Company's workforce in Bulgaria numbering approximately nine thousand employees.

"We view our activities in Bulgaria as a Company's most successful international project which will certainly contribute to further strengthening of good-neighborly relations between our countries,"- Vagit Alekperov, President of OAO LUKOIL, said.

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