PRESS RELEASE
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LUKOIL BOD SUMMARIZES 2004 PRELIMINARY RESULTS

The Board of Directors of OAO LUKOIL convened in Moscow today to summarize the Company's preliminary results for 2004.

As was noted at the meeting, in 2004 the Company enjoyed a favorable pricing situation in the world oil market. However, almost all of the export earnings increment (originating from a rise of Urals prices exceeding US$25 per barrel) was paid to the budget as a result of a change in taxation rates.

In 2004 the Company showed a growth of capitalization and increased profit which was achieved through better efficiency in all spheres of the Company's activities.

According to preliminary estimates, net profit after taxes of LUKOIL Group companies is expected to reach $4 billion, 60% higher compared with 2003 (not including the sale of the Company's share in Azeri-Chirag-Guneshli project).

The Company's stock prices rose 30% in 2004.

Geological prospecting helped to generate a hydrocarbon reserve increment of about 120 million tons of oil equivalent, including 71 million tons of oil and gas condensate and 49 billion cubic meters of gas. The increment in reserves is 1.3 times the amount of oil and gas extracted.

The aggregate LUKOIL Group production including equity companies and international projects totaled 86.3 million tons including 82.8 million tons in the Russian Federation and 3.5 million tons internationally.

The average daily well production rate has increased to 10.7 tons with an average annual water production stabilized at 76.5%.

Gas production went up 8.9% and exceeded 6.2 billion cubic meters.

Throughput at gas processing plants reached around 2.2 billion cubic meters of associated gas. Production volume showed a 5.7% growth and hit 2.4 million tons.

According to preliminary estimates, throughput at LUKOIL's own refineries was 43.8 million tons of oil stock showing an increase of almost 1.5 million tons

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compared against 2003.

The Company's Russian-based refineries yielded over 35.3 million tons, an increase of 3.0% while its international facilities processed over 8.4 million tons, an increase of 6.2%.

Refining depth at the Russian refineries was increased from 73.5% to 75.3%. Refining depth at the international refineries was increased from 66.6% to 69.8%.

The Company's petrochemical plants produced 1.86 million tons, 4.9% more compared with 2003.

Retail sales through LUKOIL's filling stations went up 17% and totaled 2.8 million tons. The average daily retail sales at LUKOIL stations went up 16.7% and amounted to 6.3 tons.

Investment spending of the LUKOIL Group totaled $4.1 billion (in accordance with unaudited data, collected in compliance with the corporate methodology for investment control).

According to the preliminary estimates the aggregate amount of taxes and levies paid to the Russian budget totaled around 261.6 billion rubles or US$9 billion which is more than two times the expected net profit of the LUKOIL Group. For each ton of crude produced in Russia, 3,140 rubles or US$109 were paid in taxes or levies. The amount of taxes and levies paid to the Russian budget increased by 50% compared with 2003.

The above information is based on preliminary operating data for 2004. A detailed estimate of taxes is not yet available. The information may be corrected or adjusted during the preparation of the LUKOIL Group financial statements for 2004. Accordingly, the above information may differ from the operating data which will be published along with the financial statements.