PRESS RELEASE
AUGUST 31, 2005

# OAO LUKOIL BOARD OF DIRECTORS SUMMARIZED THE COMPANY'S PRELIMINARY HALF YEAR RESULTS AND DISCUSSED 2005 INVESTMENT PROGRAM

An extended meeting of OAO LUKOIL Board of Directors was held in Moscow today to discuss the LUKOIL Group 2005 first half year preliminary results as well as budget performance and investment program progress.

Preliminary estimates of the financial period suggest that hydrocarbon reserves increased by over 60 mln. tons of fuel equivalent which practically corresponds to the figure for the first six months of 2004. The largest increment of oil reserves was gained in Timan-Pechora, Western Siberia and Perm region; Yamal peninsula accounted for the largest increment of gas reserves. LUKOIL Group's proven reserves are sufficient for 30 years production.

Overall investment expenditures for the LUKOIL Group for the first six months of 2005 are expected to total around 2 bln. USD which is 45% out of the annual schedule.

According to preliminary estimates, total investment volume in the Upstream business segment came to 1.4 bln. USD, or 48% of the annual investment program.

Total investment expenditures on oil refining came to 158.9 mln. USD, or 52% of the annual program.

Taxes in the consolidated revenue of the LUKOIL Group (excluding reselling transactions) exceeded 50% and reached 6.75 bln. USD. The amount of tax payments made by the Russian organizations of the LUKOIL Group over the financial period increased by 3.1 bln. USD compared to the corresponding period last year.

This press-release was prepared according to expected figures of 2005 first half year results based on preliminary operational information which had not been audited, therefore it might not correspond to the actual accounting figures and financial statement which is to be prepared in accordance with US GAAP for the period covering the first six months of 2005.

The factual results may differ significantly from planned and target figures,

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

expected results, estimates and intentions made in pro forma statements due to a number of essential factors.