PRESS RELEASE
DECEMBER 15, 2005

LUKOIL SUMMARIZED RESULTS OF 2005 MARINE AND RIVER NAVIGATION

Over the first 10 months of 2005 3.2 mln tons of oil and 9.4 mln tons of petroleum products (3.5 mln tons of oil and 5.7 mln tons of petroleum products in the corresponding period in 2004) were transported by water traffic through marine and river oil terminals of the LUKOIL Group organizations.

Particular focus is given to security during freight operations, avoidance and elimination of emergency oil spills in marine and river zones.

Before the river navigation, the Company checked if the oil terminals were ready for freight operations and elimination of emergency oil spills. During the year, 5 oil spill response exercises (OSR), alert level 1 were held at marine and river oil terminals of the LUKOIL Group. In June 2005 OSR exercises, alert level 2 were held in the Gulf of Finland under supervision of the State Maritime Administration of the Ministry of Transport of the Russian Federation with participation of OAO Transneft, Baltic Marine Emergency Rescue Administration, OAO RPK-Vysotsk LUKOIL-P and other organizations. During the exercises a system of interaction between the Company and state agencies responsible for elimination of the presupposed 1600 ton oil spill in Primorsk port water zone as a result of tanker 'accident' was developed.

In 2005 LUKOIL implemented the Program aimed at improving and developing resources, alert level 1 eliminating emergency oil and petroleum product spills in marine and river zones. In accordance with this program all the Company's oil terminals are fully equipped with the technical means for elimination of emergency oil spills in water zones.

A system of security management for RPK-Vysotsk LUKOIL-P oil terminal has been developed and prepared for implementation. The Company's specialists visited similar sites in Sweden and Finland to study foreign experience. In 2005 230 employees of the Company underwent additional training with OSR programs.

In 2005 none of the LUKOIL Group oil terminals spilled oil on accident through the Company's fault. However, in July 2005 ship owner employees were responsible for an oil fuel spill at the petroleum product loading station Nizhniye Mully (the Kama river). Employees of the oil loading station were able to localize and

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eliminate the spill timely, without letting it flow into the river thanks to their experience, professionalism and best technical equipment.