PRESS RELEASE
JUNE 28, 2006

GENERAL ANNUAL SHAREHOLDERS MEETING OF OAO LUKOIL HELD IN MOSCOW

OAO LUKOIL ("LUKOIL" or "the Company") held an Annual General Shareholders Meeting ("AGSM") inMoscow today to approve its 2005 Annual report and Financial statements based on the result of the financial year.

Shareholders approved the payment of dividends based on the Company's performance in 2005 in the amount of 33 rubles per ordinary share (28 rubles in 2004). The AGSM also adopted changes and amendments to the Company Charter, the Regulations on the Board of Directors and the Audit Commission of OAO LUKOIL, aiming to improve corporate governance.

The shareholders also adopted amount of remuneration and compensation of expenses to the members of the Board of Directors and Audit Commission of OAO LUKOIL.

ZAO KPMG was approved as LUKOIL`s independent auditor.

The AGSM also elected the Audit Commission and approved the interested/related party transactions.

Vagit Yu. Alekperov was elected President of OAO LUKOIL for a term of five years.

The shareholders elected the following Board of Directors:

1. Vagit Yu. Alekperov, President of OAO LUKOIL;

2. Mikhail P. Berezhnoi, Director General of the Non-State Pension Fund LUKOIL-Garant;

3. Valery I. Grayfer, Director General of OAO RITEK;

4. Oleg E. Kutafin, Rector (President) of the Moscow State Academy of Law;

5. Ravil U. Maganov, First Vice President of OAO LUKOIL;

6. Richard Matzke, Former Vice Chairman of Chevron Corporation;

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7. Kevin Meyers, President of Russia/Caspian Region, ConocoPhillips;

8. Sergei A. Mikhailov, Director General of OOO Management Consulting;

9. Nikolai A. Tsvetkov, Chairman of the Management Committee of OAO URALSIB;

10.Igor V. Sherkunov, Chairman of the Board of Directors of ZAO Investment Group Capital;

11.Aleksander N. Shokhin, President of the Russian Union of Industrialists and Entrepreneurs (Employers);

Valery Graifer, OAO RITEK Director General, was re-elected Chairman of the newly elected Board of Directors at the Board of Directors Meeting held after the AGSM of OAO LUKOIL.

President of LUKOIL Vagit Alekperov and Chairman of the Board of Directors Valery Graifer, speaking before the shareholders, noted, namely, that LUKOIL emerged as the undisputed leader among Russian private oil & gas companies in recent years. Since its creation, LUKOIL has gone from a local vertically integrated oil company to transnational corporation, working successfully on all major international hydrocarbon markets and on a level with the global market leaders in main business segments. Beyond question, 2005 was the best year in LUKOIL`s history.

LUKOIL achieved its main goal, which is to increase considerably shareholder value of the Company. LUKOIL`s shares occupied leading positions on the Russian markets in 2005, their price grew by 95,7%. Net profit of LUKOIL Group in 2005 was $6443 million, which is 51,7% more than for 2004. Return on average capital employed rose from 19,3% to 23,3%. The Company is steadily increasing the absolute size of dividends. Dividends for 2005 reached 33 rubles ($1.20) per share, offering 1.3% dividend yield and representing over 15% of 2005 net profit. Overall shareholders return last year was 99%.

Conditions on the world hydrocarbon market were particularly favorable in 2005. However, high export duties and mineral extraction tax enforced under Russian law took away most extra export revenue, obtained due to oil prices above $25 per barrel. The Company`s tax charge was $18.7 billion, representing an 78.2% increase from last year. Thus major growth of company value and improvement of its financial results were mainly achieved thanks to increased efficiency of LUKOIL in all aspects of its business.

The Company`s efforts in the Exploration & Production segment were focused on increase of production volumes, as well as on ensuring consistent, long-term growth of production through increase of the resource base. Oil production in 2005 totaled 90.16 million tonnes and gas production was 7.57 billion cubic meters. Average daily production of hydrocarbons was 1.94 million barrels of oil equivalent, which is 5.4% more than in 2004.

The Company successfully increased its resource potential last year through both geological exploration and acquisitions. LUKOIL discovered a new high-quality oil field in the Northern Caspian. The field is the largest oil discovery of the last decade in Russia . As part of energetic expansion of its international Exploration & Production segment, LUKOIL acquired Nelson Resources Limited, which owns significant reserves in Kazakhstan . This acquisition increased the share of international projects in overall LUKOIL hydrocarbon production from 5.2% to 6.8%, which fully coincides with the Company's development strategy. LUKOIL also significantly strengthened its competitive positions in Kazakhstan , advancing from ninth to fourth biggest hydrocarbon producer in that country.

The Company continued consolidation of its Exploration & Production assets in 2005, buying the remaining half of SeverTEK, which has licenses to develop fields in the Nenets Autonomous District and the Republic of Komi, and consolidating another company, Tursunt. LUKOIL also acquired a 66% interest in Geoilbent. LUKOIL continued its strategy of transformation from an oil company into an oil & gas company. The Board of Directors approved a long-term program for development of Company gas business, targeting rapid increase in natural gas production. The share of gas in overall production of hydrocarbons by the Company will increase to 33%. The main aim of the program is to increase value of the Company by commercializing gas reserves. In 2005 the Company commissioned the Nakhodkinskoye gas field, which is one of the fields in the Bolshekhetskaya Depression. Development of fields in this region is integral to LUKOIL's gas business strategy.

In the Refining & Marketing segment the Company prioritized improvement of product quality, as well as modernization of production facilities and development of the marketing network. The program of modernization of LUKOIL`s refineries is intended to improve their technical and economic parameters and to enable output of high-quality petroleum products of high quality, matching Euro-3 and Euro-4 standards, as well as reducing environmental impact. LUKOIL is the first Russian oil company to begin large-scale production of Euro-4 diesel fuel with improved environmental characteristics and to launch mass sales of the new fuel. According to the plan for development of LUKOIL's Russian refineries, annual production of diesel fuel to Euro-4 standards will exceed 10 million tonnes by 2010.

LUKOIL significantly extended its marketing network in 2005, enabling the Company to bring its products to the end-user worldwide. LUKOIL bought the Finnish companies Oy Teboil Ab and Suomen Petrooli Oy, giving the Group access to the Finnish petroleum market. The Company also took steps to expand its presence on the East European retail market, particularly in Hungary and Macedonia.

Cooperation between LUKOIL and ConocoPhillips was continued in 2005. The joint venture, Naryanmarneftegaz, was set up as part of the strategic partnership. This company develops hydrocarbon reserves in the promising Timan-Pechora oil & gas province in northern European Russia. ConocoPhillips increased its stake in LUKOIL share capital to 16.1% by the end of 2005. According to conditions of the shareholder agreement, the ConocoPhillips stake in LUKOIL can go as high as 20%.

In the year 2005 LUKOIL achieved major operating successes and success in increasing shareholder value. The competitive advantages of the Company are its high-quality assets, strong financial and operating indicators, resource base, cutting-edge technologies and talented people.