PRESS RELEASE
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LUKOIL PUTS A CATALYTIC REFORMER INTO OPERATION

Today in Kstovo (Nizhegorodskaya region) at OAO "LUKOIL-Nizhegorodnefteorgsintez" the LF-35/21-1000 permanent catalyst regeneration catalytic reformer was officially put into operation.

The catalytic reformer with the capacity of one million tons of feedstock per annum is the one of the fourth generation reformers and currently is the only one in Russia.

Total costs of building a new production facility exceeded 3 billion rubles.

The new reformer will allow LUKOIL to increase production by roughly 400 thousand tons of high-octane gasoline per annum and that will be equal to 90% of the total refinery production.

Building the reformer was resumed after merging the refinery into the LUKOIL Group in 2001, the reformer complex includes: LF-35/21-1000 catalytic reformer, feedstock treatment unit, gasoline afterfractioning unit, an up to date engineering service centre, dozens of kilometers of process pipelines and energy and communication lines, new independent power supply systems, as well as flare gas gathering and disposal system.

The reformer was designed by the specialists of Russian institutes "Lengiproneftehim" and "Nizhegorodniinefteproekt", as well as by a number of foreign engineering companies.

Building the reformer at OAO "LUKOIL-Nizhegorodnefteorgsintez" is one of the core projects of OAO "LUKOIL" program to improve the quality of automobile gasolines, which will allow the refinery to produce large volumes of automobile gasolines in accordance with the Euro 3 requirements.

Also today in Nizhniy Novgorod a meeting was held between the President of OAO "LUKOIL" and Mr. Sergei Kiriyenko, the plenipotentiary of the President of RF in Privolzhskiy federal district. The meeting was also attended by the general managers of all the LUKOIL Group companies located at Privolzhskiy federal district. Representatives of the Company reported on the performance of local LUKOIL companies in 2003 and presented their programs of business development

in this region.