PRESS RELEASE
AUGUST 01, 2002

LUKOIL ANNOUNCES APPLICATION FOR SECONDARY LISTING ON THE LONDON STOCK EXCHANGE

London – 1 August 2002 – OAO LUKOIL ("LUKOIL"), Russia's largest oil company, announces that it has made application for a secondary listing on the London Stock Exchange. The listing is expected to become effective on Tuesday, 6 August 2002. LUKOIL will be the first Russian company to obtain a full listing in the United Kingdom via admission to the Official List of the UK Listing Authority ("UKLA"). Morgan Stanley & Co. International Limited ("Morgan Stanley") is acting as sponsor in relation to this listing.

LUKOIL

LUKOIL is one of the world's largest oil and gas companies as measured by reserves. The company was created in 1991 and privatised during Russia's mass privatisation programme in the 1990s. LUKOIL is Russia's largest oil company by both reserves and production, with an average daily crude production of 1.6 million barrels. The company also has extensive refining and marketing operations in Russia. Internationally, LUKOIL has built a network of refineries and service stations in the United States, Ukraine, Bulgaria, Romania and Cyprus, as well as crude oil production in Kazakhstan, Azerbaijan and Egypt. Throughout the 1990s LUKOIL has been a leader both in the development of the Russian oil industry as well as in the international capital markets. LUKOIL completed the first major international offering of convertible bonds for a Russian company in 1995 and has been at the forefront of international development among its Russian peers.

LUKOIL has recently announced a major corporate restructuring designed to leverage the quality of its assets to increase efficiency and returns. Some of the measures undertaken in this restructuring process include strides toward greater transparency and higher standards of corporate governance; admission to the UKLA's official list will provide the framework for the implementation of these standards.

SECONDARY LISTING

LUKOIL is applying to the UK Financial Services Authority, in its capacity as UKLA, for LUKOIL's ordinary shares to be admitted to the UKLA's Official List. In addition, LUKOIL is applying to list its Level 1 American depositary receipts on the

Official List.

Although LUKOIL currently has listed securities, in the form of high yield and premium exchangeable bonds due 2003 and global depositary receipts, these securities were listed as specialist securities. As the first Russian company to receive a full secondary listing, LUKOIL will be subject to more onerous requirements than those which currently apply to its specialist securities.

In connection with the application for listing, LUKOIL has published listing particulars, copies of which are available for inspection from a Regulatory Information Service and the Document Viewing Facility of the UKLA, 25 North Colonnade, Canary Wharf, London E14 5HS, United Kingdom. In addition, listing particulars may be collected free of charge during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from 1 August 2002 up to and including 14 August 2002 from The Bank of New York, One Canada Square, London E14 5AL, United Kingdom.

Morgan Stanley is advising LUKOIL and no one else in relation to the secondary listing and will not be responsible for providing to any other person the protections afforded to clients of Morgan Stanley or for providing advice in relation to the secondary listing. Morgan Stanley can be contacted at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom.

This announcement has been prepared by, and is the sole responsibility of, LUKOIL and has been authorised by the UKLA without approval of its contents. This announcement is not for publication or distribution or release in the United States of America (including its territories and possessions, any State of the United States and the District of Columbia). This announcement does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities in the United States or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

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