PRESS RELEASE
NOVEMBER 15, 2002

LUKOIL SIGNS TERM SHEET TO SELL ITS INTEREST IN THE AZERI-CHIRAG-GUNASHLI PROJECT

Moscow and London (November 15, 2002) - Open Joint Stock Company “Oil company “LUKOIL" ("Lukoil” or the "Company") (LSE: LKOH) today announced that it has signed a non-binding term sheet with a major Japanese oil company to sell its entire interest in the Azeri-Chirag-Gunashli (ACG) project in the Azerbaijani sector of the Caspian Sea for an amount in excess of $1.25 billion in cash, subject to certain adjustments. Lukoil's interest consists of a 10% interest in the project’s production sharing agreement, an 11.11% interest under the related joint operating agreement and interests in other ancillary assets. Pursuant to the terms of existing agreements relating to the ACG project, the consent of the State Oil Company of the Azerbaijan Republic (SOCAR) and the current participants in the ACG consortium will be sought before completion. In addition, Lukoil’s right to sell its interest is subject to pre-emptive rights of a third party. The transaction is subject to definitive documentation and obtaining consents and approvals.

This transaction is part of the Company’s asset optimization program and represents another step towards the fulfillment of the Company's strategic restructuring program announced by V. Alekperov, President of LUKOIL, in April 2002. LUKOIL is considering the possibility of reducing its interest in projects in which it is not an operator, and investing capital into highly-efficient core asset acquisitions in Russia, including privatizations.

Nevertheless, LUKOIL continues to view the Azerbaijan Republic as one of its most strategically important operating areas and is contemplating applying substantial efforts to Yalama field development. Presently, geological and technical research is being carried out in the framework of first appraisal well drilling. As early as next year, LUKOIL, subject to drilling infrastructure availability, intends to commence such drilling.

LUKOIL is also actively investigating the possibility of increasing its investments in the Azerbaijan Republic.

This press release contains "forward-looking statements," as the phrase is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to the Company's intention to consummate the proposed transaction described above and are based on Management's best assessment of the

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Company's strategic and financial position and of future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of unforeseen developments from competition, governmental regulations, political and economic developments in Russia and other factors. As a result, there can be no assurance that the Company will be able to complete this proposed transaction. LUKOIL disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.