PRESS RELEASE
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LUKOIL, YUKOS, SIBNEFT AND TNK SIGN MEMORANDUM OF UNDERSTANDING ON MURMANSK PIPELINE

A Memorandum of Understanding on a project for the construction of a pipeline system to ship crude oil through a sea terminal near Murmansk was signed today in Moscow by the President of LUKOIL Vagit Alekperov, YUKOS' Chairman of the Executive Committee of the Board of Directors Mikhail Khodorkovsky, the President of Sibneft Evgeny Shvidler and the Executive Director of TNK German Khan. The Murmansk pipeline system project will be the first oil & gas transportation undertaking in the history of Russia to be jointly implemented by the largest Russian private oil companies.

The parties agreed to prepare in the shortest time possible a Declaration of Intent regarding the project (DIP). Subsequent to the execution of the Declaration of Intent the parties will then progress with design & engineering, select the optimum route of the pipeline, agree the specifications of the pipeline facilities and prepare a detailed project schedule. Also, the parties will work out the commercial aspects of the project, including the type and level of oil commitments, budget and scheme of financing, ownership structure, and access to the pipeline operation of third parties willing to ship their crude via the pipeline.

It is anticipated that the DIP will be completed in April 2003. The investment case, feasibility study and design drawings for pipeline construction will be prepared during 2003-2004. Construction is to start in 2004 and the pipeline is to be operational in 2007.

The Murmansk pipeline is expected to carry up to 80 million tons a year with most of the crude going to Western Europe and North America. The parties are currently considering two pipeline routes: Western Siberia-Ukhta-Murmansk (3,600 km) and Western Siberia-Usa-Murmansk via the White Sea (2,500 km).

By preliminary estimates the total cost of the project may vary from $3.4 billion to $4.5 billion depending on the route. The project will contribute to Russian federal and regional budgets during the life of the pipeline with overall tax revenues preliminarily estimated at $9.2 billion including $4 billion to the federal budget and $5.2 billion for regional budgets. It is estimated that up to 6,000 jobs will be created during construction and 2,000 new jobs during the operation of the pipeline system.

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Forward-looking statements.

Some of the information in this press release may contain projections or forward-looking statements regarding future events or the future financial performance of LUKOIL, YUKOS, Sibneft, and TNK. We caution you that these statements are not guarantees of future performance and involve risks, uncertainties and assumptions that we cannot predict with certainty. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. We do not intend to update these statements to make them conform with actual results