PRESS RELEASE
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NATIONAL ECOLOGICAL CERTIFICATE AWARDED TO LUKOIL

OOO LUKOIL-Kaliningradmorneft, a 100% subsidiary of OAO LUKOIL, has been named the winner in one of the three main nominations of "National Ecological Awards 2004". The project named "Environmental Safety Measures Implemented at Kravtsovskoye (D-6) Oil Field in the Baltic Sea" was recognized the best among 149 projects presented at the contest.

The contest was organized by the Non-governmental Ecological Fund named after Vladimir Vernadskiy and Environmental Committee of the State Duma.

Another 6 projects submitted by the companies of the LUKOIL Group received diplomas as contributing to improved ecological safety and sustainable development of Russian Investor Awards DinnerRussia. These are:

• "Development and Implementation of Socially-responsible Ecosystem Exploitation Technologies Used at the Far North Oil Fields";

• "Geological Exploration and Hydrocarbon Field Development in the Northern Caspian" (OOO LUKOIL-Nizhnevolzhskneft);

• "Mitigation of Ecological Disaster in Usinskiy Region, Komi Republic" (OOO LUKOIL-Komi);

• "Bioremediation of Polluted Soil" (LUKOIL-Neftochim Bourgas);

• "Health, Safety and Environment Integrated System" (OOO LUKOIL-Perm);

• "Basic Technologies and Methodology of Ecosystem Exploitation and Environmental Protection Used in the Construction of Oil and Gas Wells" (OOO LUKOIL-VolgogradNIPImorneft).

In July 2004, the Management Board of LUKOIL adopted "Environmental Safety Program of LUKOIL's Organizations for 2004-2008". The Program suggests about 400 actions worth 34.5 billion rubles. These actions are split into groups to form eight subprograms, namely "Fresh Air", "Clear Water", "Wastes", "Recultivation", "Contingency Plan", "Scientific-Research and Experimental Development", "Ecological Management" and "Ecological Monitoring".

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The Program is designed to comply with the Russian Federation National Security Concept which places sustainable economic development, environmental preservation and improvement as well as compliance with the Russian Federation Ecological Doctrine (which, in turn, advocates sustainable use of renewable resources and non-consumptive use of exhaustible resources) among the most essential conditions required to protect Russia's national interests.

The Company also developed "LUKOIL Strategic Plan till 2005 and Evaluation Plan for 2010" together with "LUKOIL HSE Policy in 21st Century".

In October 2004, the Company's HSE management systems successfully qualified for ISO 14001 and OHSAS 18001 for the second time. Since receiving its first HSE certificates three years ago, LUKOIL has been consistently perfecting its HSE management systems. This allowed the Company to better fit investors' criteria and decrease both direct and indirect costs.

OOO LUKOIL-Nizhnevolzhskneft, OOO LUKOIL-Volgogradnefteorgsintez and OAO LUKOIL-Nizhegorodnefteorgsintez were successfully audited in 2004 to confirm that their HSE management systems fully comply with international standards. The rest of LUKOIL subsidiaries should be through with certification by 2007.

At present, LUKOIL's nature-protection activities have reached the point when a significant environmental improvement can be achieved only if contamination is prevented by means of low-waste and minimum impact technologies, or, in other words, if an ecologically-friendly production strategy is applied. This is the core principle of the Company's nature-protection activities.

The Management of LUKOIL is confident that improved ecological and industrial safety and reduced development pressure on environment are indispensable conditions needed to ensure better operating results.