PRESS RELEASE
SEPTEMBER 01, 2005

OAO LUKOIL PUBLISHED ITS FIRST SUSTAINABLE DEVELOPMENT REPORT

OAO LUKOIL has published its first Sustainable Development Report.

The document summarizes the Company's major quantitative and qualitative performance indicators in 2003-2004 covering Russia's main regions of operation, including Western Siberia, Komi Republic, Perm region, Volga region and Kaliningrad region.

For the first time in Russia the Report has been prepared based on key principles and indicators of AA1000 international standards and Global Reporting Initiative. It has been approved by ZAO Bureau Veritas Rus, an independent auditor.

LUKOIL's business development concept has been clearly seen during implementation of the restructuring program, launch of new projects and when new companies joined the LUKOIL Group. The Company's contribution into economic potential development of the regions of operation has also been evaluated.

As for OAO LUKOIL's social policy, gradual transition from traditional methods to modern relationship patterns between the employer and employees is underway. The concept of the main document, OAO LUKOIL Social Code, enabled to create an efficient system with careful consideration of the balance of interests between trade unions, employees and shareholders.

LUKOIL Charity Fund has introduced interregional social investment and sponsor support programs aimed at developing culture and sports.

The Company's environmental activities are among the most consistent and efficient ones in the Russian oil and gas industry.

LUKOL's next social report will be released in two years.

"Preparing and publishing the Sustainable Development Report is an important milestone on the way to setting qualitatively new standards for corporate governance", said Vagit Alekperov, President of OAO LUKOIL.

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