PRESS RELEASE
MAY 22, 2006

LUKOIL IMPROVES THE SYSTEM OF INDUSTRIAL, OCCUPATIONAL AND ENVIRONMENTAL SAFETY MANAGEMENT

LUKOIL's Management Committee discussed the annual report on the state of industrial, occupational and environmental safety in the Company.

The Management Committee decided to create a comprehensive system of industrial, occupational and environmental safety management in 2006-2007, set it as a key priority and introduce a system of responsibility among executives and employees of the Company.

The report said that in 2005 the Program for Occupational Safety, Improvement of Working Environment and Safety Arrangements, Emergency Prevention and Response in 2001-2005 was implemented. 28 bln rubles, including over 6 bln rubles in 2005, was allocated to fund Program safety activities.

In addition, around 9 bln rubles was invested to provide environmental safety of LUKOIL's production facilities in 2005, including approximately 4.5 bln rubles into environment-oriented facilities.

In 2005 no fires, wreckages, radiation accidents or oil spills classified as emergencies were reported. 24 command post exercises to provide better safety of employees and facilities from consequences of hypothetic emergencies were held.

As opposed to 2004, waste products generation and accumulation in 2005 dropped by 10.6% and 7% respectively, water consumption shrinked by 6.1%, sewage discharge was cut by 3%, the number of accidents with environmental damage was reduced by 27%, while the volume of spilled oil and petroleum products plunged by 60%.

Starting from 2003, 11 LUKOIL subsidiaries were certified according to OHSAS 18001 industrial safety and ISO 14001 environmental safety international standards.

The Company has elaborated documents connected with implementation of the Kyoto Protocol to the UN Framework Convention on Limitation and Reduction of Greenhouse Gas Emissions.

Environmental rating conducted by the International Social and Environmental

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Union and Independent Environmental Rating Agency suggests that LUKOIL is third among Russia's 75 largest companies and affiliated 500 enterprises in terms of environmental expenses reduction.