PRESS RELEASE
DECEMBER 22, 1999

LUKOIL PERM ZAO AND PRICEWATERHOUSECOOPERS SIGN A CONTRACT TO CREATE AN INTEGRATED MANAGEMENT SYSTEM

Andrei Kuziayev, Director General of LUKOIL Perm (a subsidiary of LUKOIL OAO), and Fred Miles, Partner of PricewaterhouseCoopers Audit, have signed a contract in Moscow today to create an integrated corporate management system at LUKOIL Perm.

This project based upon up-to-date information technology solutions used in the oil sector is focused on improving management efficiency at LUKOIL Perm through optimization and standardization of business process, enhancement of business performance and costs, application of international standards of financial reporting, efficient provision of accurate and transparent managerial and financial information.

To accomplish this complex integrated project using SAP AG technology solutions, LUKOIL Perm ZAO signed a contract with Pricewaterhousecoopers which has its own technology as well as international capabilities and Russian knowledge in creating management systems of such a scale. A design team was established and is supposed to complete the first stage of this multistage project within 9 months. This contract is a follow-up of cooperation between LUKOIL Perm and PricewaterhouseCoopers in the area of management consulting.

As Andrei Kuziayev said, "LUKOIL Perm is a fast growing company which invest in modernization and development of production capacities, introduction of new technologies, advanced personnel training. Today we have signed a cooperation contract with PricewaterhouseCoopers as consultants who will assist us in introducing efficient management technologies, enhance quality of management of subsidiaries, maximize working capital turnover, improve competitiveness and stability of the company and, as a result, increase its shareholder value. I believe that after having solved all these strategic tasks, LUKOIL Perm will strengthen its market position and become still more attractive for investors."

"PricewaterhouseCoopers provided many top oil companies of the world with complex solutions in the area of strategic reorganization, business processes and information technologies," said Fred Miles. "It is a pleasure for us to work with such a fast growing company as LUKOIL Perm whose management actively perceives and applies our innovations in the sphere of management. With our

methods, experience and expertise in these areas, LUKOIL Perm will be able to solve more efficiently complicated management issues in the environment of the global emerging market in future.

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LUKOIL Perm ZAO was established in 1995 under the cooperation agreement between the Perm region administration and LUKOIL OAO. The company specializes in production and refining of oil and marketing of oil and refined products. LUKOIL Perm develops 16 oil fields on the territory of the Perm region and extracts 2.4 million tons of oil annualy. The range of products includes 80 items. LUKOIL Perm ZAO comprises the Krasnokamsk and Polaznen oil and gas producing enterprises.