PRESS RELEASE
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THE LUKOIL BOARD OF DIRECTORS APPROVED THE MAIN GUIDELINES FOR COMPANY DEVELOPMENT IN 2001-2005

The LUKOIL Board of Directors meeting to approve the Main Guidelines for Company Development in 2001-2005 has been held in Moscow today.

According to the projected scenario, by 2005 the Company plans to increase its oil production by no less than 15% versus 1999 (75.6 million tons). It is envisaged that production increase will be fully attributable to replacement of new reserves. About 3,000 wells are to be drilled within Russia by 2005.

While refining is maintained at 23 million tons as a result of upgrade of the Company's domestic refineries, production of premium motor oils will substantially increase.

The Company plans to build and upgrade some 600 retail outlets and open 40 motor oil shops with LUKOIL brand name.

To meet objectives set for the period 2001-2005, it is planned to invest about USD10bn in production. Investment will be mainly provided through internal sources.

The Board of Directors has also approved an AGM agenda and recommended its shareholders to approve the dividend amount of RUB17.45 per preferred share and RUB3 per common share.

The Board of Directors has also approved Objectives and Strategy for 2001-2010 defining the main principles and priorities for the Company's business.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com