PRESS RELEASE
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LUKOIL SAFETY, HEALTH AND ENVIRONMENTAL POLICY IN THE 21ST CENTURY

The Company's strategic goal at the threshold of the 21st century is to become one of the leading oil companies in the world. An ongoing commitment to this goal is maintained by the Company's sustainable development that can be achieved through a balanced approach to social and economic objectives and efforts aimed at improving the environment and natural resource potential.

LUKOIL, being the largest vertically integrated oil company of Russia, is well aware of its responsibility to the public for environmental protection, efficient resource management, and counts on mutual understanding of the complexity and scope of the goals faced by the Company in this area.

The policy of LUKOIL is closely associated with the strategy of the Russian Federation in the area of safety, health and environmental protection and efficient management of natural resources.

The most essential goals of LUKOIL in safety, health and environment are as follows:

efficient management of natural resources;

protection of health and safety of LUKOIL employees and communities where the Company and its subsidiaries operate;

achievement of the industrial and environmental safety in line with the present level of development of science, engineering and society;

improvement of industrial and environmental safety of the Company's production facilities, reduction of their negative impact on the environment by enhancing reliability and safe operation of the equipment;

setting key tasks in development and implementation of health, safety and environmental programs, improvement of working conditions, emergency situation protection by every subsidiary and the Company;

maintaining and further reduction of toxic emissions and waste discharge while

increasing output by means of introducing modern technologies, equipment, materials, and improving the automation process management;

reduction of technogenic impact on the environment from new facilities put into operation by means of improving the quality of preparation of preproject and project documentation and carrying out assessment of its impact upon safety and environment in OAO LUKOIL;

development and implementation of an efficient system of safety and environmental monitoring at the Company's facilities.

To accomplish these goals, LUKOIL has committed to:

make preventive efforts to avoid emergencies given that any projected or performed business operation of the Company and its subsidiaries is potentially hazardous;

adhere to the priority of measures aimed at prevention of any negative impact on the environment, personnel and residents compared to emergency response procedures;

achieve a continuous improvement in the Company's performance and its impact on the environment, personnel and residents; rationalize natural resources consumption and its conformity to the contemporary level of development of science, engineering and society;

reduce waste of oil and oil products and their penetration to the natural environment;

apply advanced R&D to achieve a gradual reduction in the rate of consumption of natural resources, materials and energy while maintaining the maximum output;

conform to the federal, regional and local legislation, international agreements, industrial and corporate regulations in the area of safety, health and environment;

make and implement any managerial and operating decisions in line with environmental aspects of any performance planned, products manufactured and services provided;

estimate an impact of any business performance planned, products manufactured and services provided on the environment, health of personnel and residents;

approve and implement the programs aimed at reduction of extraordinary waste by the Company's subsidiaries;

provide a reasonable evaluation of environmental risks, risk insurance, development, implementation and control of preventive measures aimed at risk reduction;

maintain an ongoing improvement of the environment and its impact on health of personnel and residents where the Company's subsidiaries operate;

maintain a priority approach of the system management in the area of health, safety and environmental protection, promote consistent application of international standards in the Company's subsidiaries;

require that the Company's contractors meet the same health, safety and environmental standards accepted by the Company and its subsidiaries;

ensure a high-quality expert evaluation of production facilities put into operation by the Company;

encourage an ongoing participation of the Company's employees in health, safety and environmental protection, energy-saving activity, arrange centralized training and advanced training of personnel of the Company and its subsidiaries;

maintain a regular disclosure and an open dialog with all parties (public, executive agencies, etc.) interested in performance of the Company and its subsidiaries in the area of health, safety and environmental protection on the results of evaluation of impact on the environment, personnel and residents, and performance of the Company and its subsidiaries in the above areas;

promote awareness of health, safety and environmental protection issues among shareholders, clients and communities where the Company and its subsidiaries operate;

review, adjust and develop the Company's health, safety and environmental protection policy;

report all changes in the health, safety and environmental policy to the Company's employees and public, executive agencies and other interested parties;

report its health, safety and environmental performance to the public;

require that all employees of the Company and its subsidiaries abide by the effective rules of environmental protection and safety requirements.

This policy applies to OAO LUKOIL and its subsidiaries.

Vagit Yu. Alekperov

President of LUKOIL