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PRESS OFFICE STATEMENT

The 1999 LUKOIL annual report was marked by an award of the first contest that was held to choose best annual reports of Russian companies. The competition was organized by the National Investment Council and the Kompaniya magazine.

The jury of the contest stated that LUKOIL was awarded for its proper corporate approach to significance of the annual report and its compliance with international reporting standards.

Annual reports of Russian companies were evaluated by a number of criteria including company financial transparency, presentation of exhaustive information on corporate governance. In addition to basic requirements to annual reports in terms of disclosure and compliance with accounting standards, the jury evaluated such criteria as attractiveness and clarity of information presentation, objectiveness of evaluation of company performance, its financial position and business development perspectives.

LUKOIL has published annual reports in Russian and in English since 1994. The financial accounts presented in these reports have been audited by an international auditor, KPMG.

In the nearest future LUKOIL plans to fully switch to international reporting standards and publish its financial accounts on a semi-annual basis.