PRESS RELEASE
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LUKOIL SUMMARIZED ITS ENVIRONMENTAL PERFORMANCE IN 2000

LUKOIL prepared a report on its environmental performance in 2000.

Over this period the Company and its affiliates performed a wide range of environmental activities (expenses for these activities reached RUB6.2bn) in accordance with the legislation of Russian Federation on Environmental Protection, relevant regulations of the Government of the Russian Federation and resolutions of the LUKOIL Management Board and Board of Directors.

As a result of implementation of LUKOIL Health, Safety and Environmental Protection Policy and Environmental Safety Program of LUKOIL Affiliates in 2000-2003 the Company managed to minimize unfavorable impact on the environment. For example, in 2000 LUKOIL achieved a three-fold reduction of foul waste compared to 1999 and its subsidiary, OOO Stavrolen, fully eliminated such a disposal.

The Company conducted an environmental study in the Caspian Sea to determine additional measures aimed at zero waste while developing hydrocarbons.

In accordance with the Agreement between the Komi Republic, OAO LUKOIL and OAO KomiTEK, a corporate Program of OAO Komineft Ecological Rehabilitation of Contaminated Areas and Prevention of Oil Spills in 2000-2005 was worked out in 2000. Under this program it is planned to rehabilitate about 700 ha of contaminated and disturbed lands, process over 200,000 tons of oil sludge. RUB700m will be expended for this program within 5 years. In 2000 131 ha were rehabilitated and 24,000 tons of oil sludge were processed in the Republic of Komi.

In 2000 the Company designed and introduced a Regulation on Environmental Management System in LUKOIL, Regulation and Procedures of Internal Audit of Health, Safety and Environmental Systems in LUKOIL and its Affiliates, Instructions on the Number of Personnel Occupied in Environmental Management Service.

The commencement of the Timan Pechora province development stipulated for the preparation of the Program of Environmental Safety for LUKOIL Affiliates Operating in the Timan Pechora Province in 2001-2005.

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In 2000 an international consulting company, Bureau Veritas performed an independent audit of health, safety and environmental management system of LUKOIL to determine its conformity to international requirements. The Company was the first among Russian oil companies to obtain ISO 14001 (Environmental Management) and OHASAS 18001 (Occupational Health and Safety Management) conformity certificates.

LUKOIL was named the best for its efficient environmental policy by a competition "The Best Russian Companies of 2000" which was organized by the Chamber of Commerce and Industry and the Russian Union of Industrialists and Entrepreneurs in assistance of the Government of the Russian Federation.

The concept of the Program of Environmental Safety of LUKOIL Affiliates in 2000-2003 is based on the fact that LUKOIL's sustainable development cannot be maintained without ensuring safety and environmental standards at the Company's subsidiaries and their involvement in the efforts aimed at minimization of technogenic impact on the environment. The Program envisages complex solutions of environmental issues at each subsidiary or affiliate of LUKOIL with specific technology and technical development of the core business taken into account.

Priority guidelines of the Company environmental performance have been outlined. They include, in particular, continuous improvement of environmental management, evaluation, control and planned minimization of technogenic impact on the environment, timely identification of potentially hazardous facilities, maintaining readiness of the Company's affiliates for efficient liquidation of consequences of emergency situations.

A few purpose-oriented subprograms have been elaborated within the framework of this Program, including Clean Air program in the area of air pollution control, Clean Water program in the area of water pollution control and Wastes, Rehabilitation and Antirust programs in the area of land resources protection. Besides, a complex of measures aimed at oil spills control has been worked out.

Implementation of the Policy and the Program will allow to ensure environmental protection at LUKOIL affiliates, to improve environmental quality in the area of their operation and, thus, to support the Company's reputation as a leader among Russian companies in the area of environmental management.

Full version of the LUKOIL environmental annual report will be published in April 2001.