PRESS RELEASE
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ACCORDING TO US GAAP STANDARDS, LUKOIL NET INCOME FOR 1ST QUARTER 2001 AMOUNTED TO $690 MLN

OAO LUKOIL has prepared interim consolidated financial statements in accordance with US GAAP for the 1st quarter 2001. Financial statements confirm that the good financial and operating results of 2000 were maintained in the 1st quarter 2001. Net income for the 1st quarter 2001 amounted to $690 mln ($ 0.87 per common share). Total revenues amounted to $3,563 mln. Total assets of the Group as of March 31, 2001 increased by 6% (compared to December 31, 2001) and amounted to 18,095 mln, stockholders' equity - $11,124 mln (an increase of 6%). Earnings before interest, tax, depreciation and amortization amounted to $1,092 mln. Most of the operating efficiency figures indicate that positive trends, achieved in 2000, were maintained.

High rates of the Company's development in the reporting period and in the future are ensured by the increase in capital expenditures both in core and new, promising activities. Net cash used in investing activities and non-cash investing activities over the 1st quarter 2001 amounted to $695 mln (excluding capital expenditures of the affiliated companies).

For information, it is worth noting some of the Company's financial results in the 1st quarter 2000. According to Russian accounting standards, net income in the 1st quarter 2000, amounted to $596 mln, net revenues - to $2,769 mln. The total assets of the Group as of March 31, 2000 amounted to $5,706 mln, stockholders' equity - to $2,908 mln.

In the reporting period the Company managed to achieve positive results despite the decrease of 12.6% in world oil prices in the 1st quarter 2001 as compared to the 1st quarter 2000, heavier tax load and inflationary pressure (consumer price index (CPI) exceeded 120%).

Positive financial results of LUKOIL in the 1st quarter 2001 were, to a considerable extent, secured by the further improvement in operating performance. Increase in the volumes of oil production and refining, oil product marketing and petrochemical product output continued. Oil production (including gas condensate) of the Group's subsidiaries and affiliates increased by 1.3% and amounted to 19.3 mln tons. Gas production amounted to 1.4 bn cubic meters (an increase of 1.7%). LUKOIL refineries in Russia and abroad refined 7.6 mln tons of oil.

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Starting from 2001, LUKOIL prepares quarterly financial statements in accordance with US GAAP. Quarterly publication of these statements marks another step to increasing corporate transparency and investment appeal of the Company.