PRESS RELEASE
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LUKOIL MANAGEMENT COMMITTEE DISCUSSED THE DEVELOPMENT OF KRAVTSOVSKOYE (D-6) OIL FIELD AND PROJECTS FOR TRANSPORTATION OF OIL AND OIL PRODUCTS

A meeting of LUKOIL Management Committee has taken place today in Kaliningrad where the development of Kravtsovskoye (D-6) oil field and projects for transportation of oil and oil products were discussed.

Kravtsovskoye (D-6) oil field with recoverable reserves of 8.85 mln tons is located in the Russian part of Baltic shelf.

In accordance with the license agreement, OOO LUKOIL-Kaliningradmorneft - the subsidiary of OAO LUKOIL - carried out a significant amount of preparatory work. In particular, several ways of the field development were studied, 3-D seismic survey was carried out, and the preparation of project estimates is nearing completion.

To ensure the timely putting of D-6 field into operation, which is planned for 2003, LUKOIL-Kaliningradmorneft started creating necessary shore infrastructure for the construction and subsequent operation of oil producing facilities: ice-resistant fixed platform, land and underwater pipelines, oil collection terminal. The construction of these facilities will be carried out, mainly, by the companies of Kaliningrad region. Capital expenditures for 2002-2003 will amount to $118.2 mln.

In the course of the project implementation several stages were already completed, in particular: the existing support unit at the field was secured, model tests of the platform under ice conditions were carried out, the construction of living module and corrosion-preventive measures at the support unit are nearing completion.

All operations at the fixed sea platform will be carried out in accordance with the zero discharge principle adopted by the Company, whereby all waste will be transported to the shore and will undergo treatment at LUKOIL-Kaliningradmorneft in accordance with special technology. Overall, it is planned to drill 27 development wells at the field.

At the end of the design stage it is planned to carry out hearings and consultations with the representatives of public organizations and authorities of Kaliningrad region.

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Management Committee also discussed projects for the transportation of oil and oil products.

In 2000 ZAO LUKOIL-Trans became the Company's only cargo carrier by rail and road, and OAO LUKOIL-Arctic-Tanker - the Company's only sea and river cargo carrier.

Due to the increase in the volumes of freight by own rail transport (3.22 mln tons of oil products over the 1st half 2001, which is 5% more than in the 1st half 2000) and the reduction in the number of tank cars throughout Russia, the Management Committee decided to enlarge the tank car fleet of the Company (4,300 tank cars in 2000) by 1,000 tank cars.

The implementation of the long-term program for the development of the Company's fleet continues. Thus, the construction of two reinforced ice-going tankers will be completed in 2002 at Admiralteyskiye Verfi Shipyards in St-Petersburg, and the construction of five sea-river tankers at Volgograd Shipyards will be continued.

Currently, the Company's fleet handles oil product delivery to consumers in Taimyr Peninsula and Saha Republic (Yakutia) in accordance with the state program "Northern Delivery", as well as oil transportation, in particular, from terminals located near Varandei village and Kolguev Island.

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OOO LUKOIL-Kaliningradmorneft - subsidiary of OAO LUKOIL specializes in oil and gas production, exploration and development drilling, and cargo transportation. Over the period of the company's activity, 28 mln tons of oil was produced, drilling amounted to 950 thousand meters, more than 400 wells of different types were completed, including 3 wells in the Baltic sea. In 2000, oil production amounted to 674 thousand tons.