PRESS RELEASE
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LUKOIL IS OPTIMIZING ITS BUSINESS IN NIZHNI NOVGOROD

LUKOIL's President Vagit Alekperov met with the representative of the President of Russian Federation in Privolzhsky federal district Sergei Kirienko and local Governor Gennady Khodirev in Nizhni Novgorod today.V. Alekperov has also visited "NORSI" oil refinery, where he held the meeting with the management of "Norsi-oil" subsidiary.

PRESIDENT of LUKOIL informed the government officials that all the formal procedures of "NORSI-oil's" 85,36% acquisition were met, USD 26 mln were paid to federal budget, and the necessary entries were made by the registrar.

LUKOIL intends to settle the enterprise's debt to the federal budget which amounts to 1 billion roubles (USD 33,7 mln.), to supply the refinery with the crude and to invest heavily in the plant's modernization.

The Company has come to a decision to integrate its assets in the region. The new company "LUKOIL-Volganefteproduct" is set to reach this goal. The primary purpose of the new company would be coordination of actions of the oil refinery and marketing companies in Vladimir oblast, Maryi-El republic and Chuvashiya. The petrol stations network in Nizhni Novgorod and neighboring regions will also continue its development.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com