PRESS RELEASE
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LUKOIL 2001 NET PROFIT UNDER US GAAP AMOUNTED TO USD2,109M

OAO LUKOIL prepared consolidated financial statements under US Generally Accepted Accounting Principles (US GAAP). The financials were audited by an independent auditor, KPMG, and approved by the Board of Directors of LUKOIL.

2001 market conditions for crude oil and oil products were less favorable compared to 2000. International market prices for crude decreased by 7%, while international product prices went down by 12% on average for the year. Export prices for Russian oil and oil products reduced 12% and 16% compared to peak levels of 2000. Inflation continued in the Russian economy. Annual inflation reached 17% while ruble depreciated by 7% versus USD. Transportation, electricity and wages expenses rose significantly from 20% to 30%. Excise taxes and export duties rose considerably (+56%) as well as royalty increased by 37%.

Despite decrease in prices consolidated revenues grew 1% and amounted to USD13,562m. 2001 net profit amounted to USD2,109m (USD2.68 per common share). Group assets as of December 31, 2001 increased 16.6% (versus December 31, 2000) and amounted to USD19,942m, shareholder capital amounted to USD 12,385m (+17.7%). The 2001 dividend payout practically doubled and reached USD244m.

2001net cash flow from operating activities amounted to USD 2,673 versus USD 2,768 in 2000. Despite deterioration in profitability of operations, decrease of net cash flows from operating activities was less pronounced (just USD95m).

LUKOIL Group total capex increased by 1.6-fold and amounted to USD3,430m, including USD499m for company acquisition purposes (not including acquired cash). Capex and investment increase was attributable to a significant capex growth in Timan Pechora province, Caspian, West Siberia, Russian European part and other regions. As a result of capex and acquisitions, proved reserves increased by more than by 3 bln. barrels. Construction of the first stage of Perm-Andreevka product pipeline was completed. New production capacities at Russian and international refineries of the company were commissioned, upgrade of petrochemical plants was under way. The company's retail network was expanded in Russia, Baltic, CIS and European countries.

The company's investments served as the basis for growth of its assets and

operating performance. Oil production by the Group's subsidiaries and affiliates amounted to 78.3 million tons in 2001. Oil refining at own refineries reached 38 million tons (+18%), including 6.7 million tons at OAO Nizhegorodnefteorgsintez. Petrochemical output, wholesale and retail sales of oil products significantly increased.

To further maximize the company's efficiency, boost its financial performance and investment appeal, LUKOIL implements a complex program aimed at the Group restructuring. The main components of this program are cost reduction, technological development, growth of return on investments, divestment of non-core and non-competitive assets, improved transparency and openness. The company's management believes that implementation of the restructuring program will contribute to a significant rise in financial results and investment attractiveness of LUKOIL in 2002. In Q4 2001 operating costs in upstream decreased by 6% to Q3 and reached $3,15/bbl.

Fully consolidated financial report for the years 2001 and 2000 prepared under US GAAP is posted at LUKOIL website.

Discussion of LUKOIL financial performance with analysts will be held after the AGM at 3:00 p.m. on June 27, 2002.

2000-2001 SELECTED FINANCIAL RESULTS

Statement of income	**2001**	**2000**
Revenues	13,562	13,440
Income from operating activities	2,948	4,062
Income before income tax	2,783	4,084
Net income	2,109	3,312
EPS (US$)	2.68	4.83

Balance Sheet	**31 December 2001**	**31 December 2000**
Total current assets	5,676	6,094
Total assets	19,942	17,109
Total short-term liabilities	3,825	3,692
Total liabilities	7,557	6,590

Total shareholder equity	12,385	10,519
Total liabilities and shareholder capital	19,942	17,109

Cash flow statement	**2001**	**2000**
Net cash flows from operating activities	2 673	2 768
Net cash used in investment activities	(3 061)	(1 912)
Net cash from financing activities	471	(228)