PRESS RELEASE
JULY 24, 2002

LUKOIL REPORTS 2002 FIRST QUARTER GAAP RESULTS

Moscow - 24 July 2002 - OAO LUKOIL today reported its unaudited consolidated financial results under U.S. GAAP for the three months ended 31 March 2002. The following table sets forth summary unaudited consolidated income statement data for the three months ended 31 March 2002 compared with the same period in 2001.

Revenues	**Three months ended 31 March**			
	2001		**2002**	
	($ millions, except per share amounts)			
Sales	$ 3 335	99.1%	$ 2 847	99.3%
Equity share in income of affiliates	31	0.9%	20	0.7%
Total revenues	**$ 3 366**	**100.0%**	**$ 2 867**	**100.0%**
Costs and other deductions				
Operating expenses	$ (1 067)	(31.7%)	$ (1 053)	(36.7%)
Selling, general and administrative expenses	(459)	(13.6%)	(575)	(20.1%)
Depreciation, depletion and amortization	(208)	(6.2%)	(237)	(8.3%)
Taxes other than income taxes	(275)	(8.2%)	(377)	(13.1%)
Excise and export tariffs	(446)	(13.3%)	(212)	(7.4%)
Exploration expense	(19)	(0.6%)	(20)	(0.7%)
Loss on disposal and impairment of assets	(1)	0.0%	(22)	(0.8%)
Income from operating activities	**$ 891**	**26.5%**	**$ 371**	**12.9%**
Interest expense	(62)	(1.8%)	(67)	(2.3%)
Interest and dividend income	53	1.6%	32	1.1%

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Currency translation gain (loss)	(44)	(1.3%)	(34)	(1.2%)
Other non-operating income	84	2.5%	21	0.8%
Minority interest	(22)	(0.7%)	(6)	(0.2%)
Income before income taxes	**$ 900**	**26.7%**	**$ 317**	**11.1%**
Current income taxes	(240)	(7.1%)	(108)	(3.8%)
Deferred income taxes	20	0.6%	34	1.2%
Net income	**$ 680**	**20.2%**	**$ 243**	**8.5%**
Basic earnings per share of common stock	$ 0.95		$ 0.30	
Diluted earnings per share of common stock	0.94		0.30	

In the three months ended 31 March 2002 compared to the same period in 2001:

Our revenues decreased due to declines in revenues from the sale of both crude oil and refined products. The decline in revenues from sales of crude oil resulted from lower domestic and international prices. The decline in revenues from sales of refined products resulted from lower domestic and international prices offset in part by a significant increase in volumes sold, both internationally and domestically.

Our operating expenses decreased slightly, primarily due to a reduction in our costs of purchasing crude oil and refined products as a result of the decline in market prices. This decrease was partially offset by an increase in volumes purchased. In addition, our refining costs declined as a result of the closure of the Petrotel refinery in Romania in the second quarter of 2001.

Our average operating costs per barrel extracted increased to $3.01 per barrel in the three months ended 31 March 2002 from $2.90 in the three months ended 31 March 2001. Extraction costs in the first quarter of 2002 decreased, however, compared to average 2001 extraction costs of $3.14 per barrel and peak extraction costs of $3.35 per barrel in the third quarter of 2001.

Our selling, general and administrative costs increased, primarily due to increases in transportation costs and port costs as a result of higher volumes transported and higher tariffs and increases in staff costs, partly offset by a reduction in costs relating to achieving certain tax efficiencies.

Our taxes other than income taxes increased, primarily due to changes in tax legislation that replaced royalty, mineral replacement and oil excise taxes with one

unified tax.

Our excise and export tariffs declined significantly due to a 70% decrease in the average export tariff per tonne.

Our effective income tax rate decreased slightly in the first quarter of 2002. The impact of the anticipated increase in our effective tax rate resulting from new tax legislation will not be felt until we report our year-end results.

Since the beginning of 2002, we have begun implementing a restructuring plan to improve our operations and maximize shareholder value. The plan contemplates that we will undertake the following measures in the near term: (i) increase exports of crude oil and refined products; (ii) accelerate the development of our most productive fields; (iii) shut-in low-producing wells; (iv) apply enhanced oil recovery technologies; (v) seek competitive bids for oilfield services; (vi) divest non-core businesses and reduce headcount; (vii) strengthen performance-related pay; and (viii) streamline our administration. We believe that these steps should help us to meet our strategic goals of sustainable growth and value creation.

OAO LUKOIL is Russia's largest oil and gas company in terms of reserves and production. Our full financial results for the three months ended 31 March 2002 as well as other information about the company can be found on our website at www.lukoil.com.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or our future financial performance. We caution you that these statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that we cannot predict with certainty. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. We do not intend to update these statements to make them conform to actual results. Stabilisation/FSA.