PRESS RELEASE
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OAO LUKOIL BOARD OF DIRECTORS RESOLVES TO HOLD AN ANNUAL GENERAL SHAREHOLDERS' MEETING AND APPROVES MAIN PROVISIONS OF THE COMPANY STRATEGIC DEVELOPMENT PROGRAM TO 2013

A meeting of the Board of Directors of OAO LUKOIL ("LUKOIL" or "the Company") was held today with the following agenda:

1.Main Provisions of the Strategic Development Program of OAO LUKOIL to 2013.

2.Annual General Meeting (AGM) of shareholders of OAO LUKOIL.

3.OAO LUKOIL Employee Restricted Share Plan.

4.Progress in the Execution of the Program of Work in the Caspian Region.

5.Increasing the Company's Export Capacity.

The Board of Directors considered the main provisions of the OAO LUKOIL Strategic Development Program to 2013 and decided to approve it in November 2003 together with a comprehensive Investment Plan under various scenarios of the development of Russia's pipeline transportation system and the gas market.

It is planned that as a result of implementing the Program the Company's recoverable reserves, in particular, will increase at least by an average of 80 % as against the current production figures. The planned target for the proved reserves category is 2.5 billion tons of oil and 1 trillion cubic meters of gas. It is planned to reach a significant increase in oil production growth rates. By 2012 the annual production level of crude oil is likely to reach 110 million tons, of natural and associated gas – 33 billion cubic meters provided that the transportation system of the Russian Federation is developing in an optimal way.

For oil refining and the sale of oil and petroleum products the Program sets out the following targets: of all the crude produced 47 % is to be exported, 33% and 20% is to be refined at own domestic and own international refineries, respectively.

The board of Directors decided to hold an AGM on 26 June 2003 in OAO LUKOIL's central offices in Moscow. The record date for the list of persons

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entitled to participate in the meeting shall be 12 May 2003. The Board of Directors recommended that the AGM should approve a dividend payment rate of 19.5 rubles per ordinary share basing on the Company's performance in 2002.

The shareholders will also elect a new Board of Directors from the following list of candidacies:

V.Yu.Alekperov – OAO LUKOIL President, M.P.Berezhnoy – Director General of the "LUKOIL-Garant" Non-Government Pension Fund, V.S.Graifer – Director General of "RITEK", T.S.Yesaulkova – Director General of OOO "SDK GARANT", O.E.Kutafin – Rector of the Moscow State Legal Academy, R.U.Maganov – First Vice-president of OAO LUKOIL, R.Matzke – before Febuary 2002 Vice-chairman of Chevron Corporation, S.A.Mikhailov – Director General of ZAO "Management Center" Management Company, M.Mobius – Director General of "Templeton Asset Management", N.A.Tsvetkov – Chairman of the Board of "NIKOIL" Investment and Banking Group, I.V.Sherkunov – Director General of OOO "LUKOIL-Reserve-Invest", A.A.Braverman – First Deputy Minister of Property Relations of the Russian Federation, V.V.Malin - Chairman of the Russian Federal Property Fund, A.Yu.Petrov – Deputy minister of Finances of the Russian Federation, A.V.Tikhonov – Head of the TEK Property Department of the Ministry of Property of the Russian Federation, N.A.Shelepov – Deputy Minister of Energy of the Russian Federation.

To ensure better material incentives for the Company employees, to stimulate their interest in the Company sustainable growth, and also to better match the interests of the top managers and those of the shareholders the Board of Directors approved a Statute on a Restricted Share Plan ("the Plan") for the employees of OAO LUKOIL and its subsidiaries.

The Plan will be secured by real shares. A purchase-and-sale contract with a deferred payment will be signed with the Plan participants. The Contract will be valid for 3 years. The Contract price is fixed at the level of the Russian Trading System weighted average price for the 1st quarter of 2003. The Plan stipulates purchase of 10 million shares by a professional broker on the stock market at current market price. The financing will be provided by OAO LUKOIL. Provided that the contract obligations and the targeted objectives are fulfilled, the Plan participants may purchase the shares in 3 years at a price stipulated by the contract.

The Board of Directors reviewed progress of work in the Caspian region and deemed it a strategic priority to drill the first exploratory well at the D-222 structure in 2004. The Board also resolved to establish joint ventures with Kazakhstan companies for the geological prospecting of the Caspian seabed under the jurisdiction of the Republic of Kazakhstan and adjacent to the Severny block.

One of the items on the agenda was the Company's marketing strategy. The Board decided, in particular, to boost the development of the Company's own infrastructure to export crude and petroleum products (through terminals in Vysotsk, Astrakhan and Kaliningrad) and to carry on with implementing the following pipeline projects: the Murmansk Pipeline, Transnefteproduct's "Sever" and "Yug" projects and the pipe from the Volgograd Refinery to the CPC.