PRESS RELEASE
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OAO "LUKOIL" BEGINS PRODUCTION OF JET A-1 FUEL

OAO "LUKOIL" ("LUKOIL" or the "Company") has started commercial production of Jet A -1 fuel in compliance with the requirements of the International Air Transport Association (IATA).

The new fuel is produced at OAO "LUKOIL-Nizhegorodnefteorgsintez", which developed a distribution pattern in conformity with the International Air Transport Association ("IATA") requirements.

After joining the International Air Transport Association in 2001, LUKOIL became a participant of the IATA working groups on aviation fuel and also got access to the IATA documentation pertaining to all aspects of the production, transportation and storage of Jet –A1 fuel.

To meet IATA's technical requirements LUKOIL has developed corporate specifications for the production of Jet A-1 fuel, and BVQI has certified the quality management system of OAO "LUKOIL-Nizhegorognefteorgsintez" and its conformity with ISO 9001:2000. LUKOIL and Russia's Committee for Standards (Gosstandart) have also developed a new home standard GOST 52050-03, Fuel for Gas Turbine Engines (Jet-A1), to be effective from January 1, 2004.

Representatives of the IATA working group on aviation fuels confirmed that the producer, supplier and airfield services are prepared to produce and market Jet-A1 in accordance with the international requirements. The Company's progress in the sphere of jet fuel production received approval at a regular meeting of the IATA working group last May.

In 2003 the Company plans to start supplying Jet A-1 fuel to foreign airlines which operate regular flights to the Russian Federation.

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