PRESS RELEASE
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OAO LUKOIL REPORTS OPERATING RESULTS FOR THE NINE MONTHS OF 2003

OAO LUKOIL presents its operating results for the nine months of 2003, together with comparative data for the nine months of 2002. All items are presented in millions of US dollars, except for production data and earnings per share data.

	9 months	**Change**	**9 months**	**2002**
		%		
Sales (including excises and export duty)	**16,136**	46%	11,033	15,334
Operating expenses	**2,054**	12%	1,828	2,403
Purchases of oil and petroleum products	**4,300**	146%	1,749	2,693
Income tax	**701**	30%	540	739
Net income	**3,065**	**128%**	**1,347**	**1,843**
Net income without the cumulative effect of changes in accounting policy	**2,933**	118%	1,347	1,843
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**4,434**	67%	2,663	3,569
Net earnings per share of common stock	**3.74**	125%	1.66	2.26
(in US dollars)				
Diluted earnings per share of common stock	**3.68**	123%	1.66	2.26
(in US dollars)				
Average daily production of crude oil, including the Company's share in associates (thousands of barrels per day)	**1,601**	3,7%	1,544	1,545
Average daily production of crude oil, including the Company's share in associates, but not our share in the Azeri-Chirag-Guneshli project (thousand of barrels per day)*	**1,601**	4.4%	1,533	1,534
Production of petroleum products	**790**	1.5%	778	786
(thousand of barrels per day)...				

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* In accordance with the sales contract signed in December 2002 with the company Inpex, beginning on 1 January 2003 all gains from and expenses on participation in the Azeri-Chirag-Guneshli project are received and borne by the company Inpex.

Stable operating costs, despite ongoing inflation and ruble strengthening against US dollar LUKOIL managed to stabilize operating costs due to implementation program on improving efficiency of E&P sector.

Steady growth of operating efficiency in the E&P segment In 2003 and of average well debit, with reduction of the water cut, thanks to successful implementation of the first stage of a complex program to optimize development and production of oil. Average well debit in 9M 2003 reached 9.6 tons per day compared with 8.8 tons per day in 2002. Watercut decreased by 1.1% down to 76.3%.

Lifting costs LUKOIL successfully controls lifting cost. For the period Company's lifting costs reached $2.6/bbl flat y-o-y.

Net profit. In the nine months of 2003 net income, including cumulative effect of changes in accounting principles and the net gain on the sale of our sharer in PSA Azeri, Chirag, Guneshli, equaled USD 3,065 million, or USD 1,718 million more than during the nine months of 2002. Net income before cumulative effect of changes in accounting principles equaled USD 2,933 million, or USD 1,586 million more than the same period of last year. The growth in revenue and stable operating expense partially offset by an increase in transportation expenses and taxes resulted to significant increase in our net income.

Stable production growth. In line with our long-term strategy and plans, we increased our average daily oil production (including our share in production of associates, but not our share in the Azeri, Chirag, Guneshli project) by 4.4%, and produced 413 million barrels of oil (56.1 million tons) in the nine months of 2003.

Growth of crude oil export operations In 9M2003 LUKOIL significantly increased crude oil export operations. The company exported 27.7 mn t of crude oil for the period, up 9% y-o-y.

Sales revenue. Favorable prices on the international oil market and an increase in the amount of sales due to an increase in purchases of oil and petroleum products allowed us to increase sales revenue by 46% during the nine months of 2003 in comparison with the same period of 2002.

Sale of the Group's share in the PSA Azeri, Chirag, Guneshli. On December 20, 2002, a Group company entered into a contract with INPEX Corporation, a

Japanese company, to sell the Group company's 10% interest in the PSA operated by the Azerbaijan International Operating Company. The purpose of this PSA is to explore and develop the Azeri and Chirag fields and the deep-water portion of the Guneshli field in the Azeri sector of the Caspian Sea. The sale was completed on April 28, 2003 for net $1,337 million cash, resulting in the recognition of a net gain of $1,130 million. This net gain is included in the company's net profit and EBITDA.