PRESS RELEASE
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LUKOIL INTENDS TO INCREASE ITS STAKE IN THE REFINERY IN BOURGAS UP TO 100%

LUKOIL Europe Holdings B.V. (a 100% subsidiary of OAO LUKOIL) announces a tender offering to buy 28.89% shares of LUKOIL Neftochim Bourgas AD refinery. The terms and conditions of the tender were approved by the Financial Supervision Commission of Bulgaria.

The offered price per one share is 27.83 BGN.

The term for accepting the tender offer is 28 days following the date of publication of the tender offer.

Raiffeisenbank (Bulgaria) EAD acts as an investment intermediary for the transaction.

In October 1999 LUKOIL purchased 58% shares of the refinery for USD101 million. To date the total size of the Company's investment in the refinery is estimated at USD400 million. It is expected that as a result of the upgrade program the refinery will turn to EURO-3 standards in 2007 and EURO-4 standards in 2009.

Forward-looking statements

Forward-looking statements may contain projections or other statements about future development prospects or future economic performance of OAO LUKOIL. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. The Company is under no obligation to update or alter any forward-looking statements to bring them to conformity with actual outcomes.

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