PRESS RELEASE
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LUKOIL MANAGEMENT COMMITTEE DISCUSS DEVELOPMENT OF AIR BUNKERAGE

The Management Committee of OAO LUKOIL has reviewed the Development Concept of Air Bunkerage Business. Bunkerage development is a part of the LUKOIL Group Strategic Development Program for 2004-2014.

The Concept envisages an expansion of aircraft fuel sales market and creation of a huge corporate network of bunkering stations.

Last November the Company put in operation a new complex located at Volgograd airport. A bunker station comprises two tanks with a capacity of 2,000 cubic meters each. Aircraft fuel can be delivered to the bunkering stations from Volgograd refinery both by railroad and petroleum-product pipeline.

In 2003 LUKOIL-owned domestic refineries produced 1.63 million tons of aircraft fuel of various brands which equals around 25% of Russia's overall production while the Company's international refineries produced 220 thousand tons. "LUKOIL-Air Bunkerage Company" is a special entity responsible for aircraft fueling in more than 20 airports across Russia.

LUKOIL is Russia'a only oil company that produces JET A-1 in accordance with IATA standards. In April 2004 LUKOIL was the first among Russian oil companies to fuel a Lufthansa aircraft with JET A-1 produced by "LUKOIL-Nizhegorodnefteorgsintez" refinery in Kstovo.

In the second half of 2005, LUKOIL plans to start production of JET A-1 at "LUKOIL-Permnefteorgsintez" refinery. In the third quarter of 2005, LUKOIL plans to start production of JET A-1 at "LUKOIL-Volgogradneftepererabotka" refinery. Arrangements are being made to launch JET A-1 production at "LUKOIL-Ukhtaneftepererabotka" refinery.

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