PRESS RELEASE
JANUARY 11, 2005

LUKOIL PUBLISHES CONSOLIDATED US GAAP FINANCIAL ACCOUNTS FOR NINE MONTHS OF 2004

LUKOIL today publishes consolidated US GAAP financial accounts for the third quarter and nine months of 2004.

LUKOIL net profit in 9 months of 2004 was $3,095 mln, which is $1,292 mln higher than in the same period of 2003 (excluding cumulative effect of change in accounting policy and effect of sale of the Company's stake in the Azeri-Chirag-Gyuneshli project). Tax payment to the Russian budget (excluding profit taxes) was $2.46 bln, which is 40% more than in the same period of 2003.

Net profit rose mainly due to favorable market conditions and improvement in expense control. Net profit growth was restrained by the rising tax burden, strengthening ruble and continuing increase in transportation expenses.

LUKOIL sales revenue in 9 months of 2004 was $24,217 mln, which is 50.1% higher than in the same period of 2003.

Average crude production expenses fell from $2.60 to $2.54 per barrel (by 2.4%), despite strengthening of the ruble in real terms (8.9% during 9 months of 2004), thanks to increase in average flow rate per well from 9.58 to 10.65 tons per day (by 11.2%), and thanks to restructuring of oil production assets.

Total capital expenditures by LUKOIL in 9 months of 2004 were $2,242 mln, which is 7.4% higher than in the same period of 2003 ($2,087 mln).

In line with the long-term strategy the Company increased average daily production (including LUKOIL's share in affiliates) by 8.2% and total production was 474.5 mln bbls (64.1 mln tons) in 9 months of 2004.

The output of petroleum products was 30.4 mln tons in 9 months of 2004 (29.4 mln tons in the same period of 2003).

The Company exported 34.6 mln tons of oil in 9 months of 2004 (27.7 mln tons in 9 months of 2003).

LUKOIL exported 11 mln tons of petroleum products, which is 7.3% higher than in

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the same period of 2003.

LUKOIL sold 81.8 mln tons of crude oil and petroleum products, which is 12.8% more than in the same period of 2003. Retail sales of petroleum products inside Russia increased by 175 th. tons, or 9.3% during 9 months of 2004 compared with 9 months of 2003.

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Consolidated Statement of Income

(Millions of US dollars, unless otherwise noted)

	For the three months ended September 30, 2004*	For the three months ended September 30, 2003*	For the nine months ended September 30, 2004*	For the nine months ended September 30, 2003*
REVENUES				
Sales (including excise and export tariffs)	9,740	5,994	24,217	16,136
Equity share in income of affiliates	82	47	214	138
TOTAL REVENUES	9,822	6,041	24,431	16,274
COSTS AND OTHER DEDUCTIONS				
Operating expenses	(767)	(693)	(2,101)	(2,054)
Cost of purchased crude oil, petroleum and chemical products	(3,007)	(1,635)	(7,335)	(4,300)
Transportation expenses	(697)	(544)	(2,080)	(1,483)
Selling, general and administrative expenses	(523)	(473)	(1,445)	(1,231)
Depreciation, depletion and amortization	(292)	(230)	(806)	(685)

Taxes other than income taxes	(957)	(636)	(2,515)	(1,776)
Excise and export tariffs	(1,465)	(776)	(3,412)	(2,105)
Exploration expenses	(38)	(23)	(125)	(77)
Gain from sale of interest in Azeri Chirag Guneshli	-	-	-	1,130
(Loss) gain on disposals and impairments of assets	(97)	1	(168)	(67)
INCOME FROM OPERATING ACTIVITIES	1,979	1,032	4,444	3,626
Interest expense	(77)	(74)	(220)	(214)
Interest and dividend income	46	36	145	99
Currency translation (loss) gain	(7)	39	12	123
Other non-operating income (expense)	11	(33)	15	31
Minority interest	(20)	(12)	(57)	(31)
INCOME BEFORE INCOME TAXES	1,932	988	4,339	3,634
Current income taxes	(554)	(286)	(1,266)	(686)
Deferred income taxes	21	(1)	22	(15)
Total income tax expense	(533)	(287)	(1,244)	(701)
Income before cumulative effect of change in accounting principle	1,399	701	3,095	2,933
Cumulative effect of change in accounting	-	-	-	132
principle, net of tax				
NET INCOME	1,399	701	3,095	3,065
Per share of common stock (US dollars):				
Income before cumulative effect of change in accounting principle				
Basic	1.71	0.85	3.79	3.58
Diluted	1.69	0.84	3.73	3.52

Net income				
Basic	1.71	0.85	3.79	3.74
Diluted	1.69	0.84	3.73	3.68

LUKOIL consolidated financial accounts under US GAAP for the third quarter and nine months of 2004 are published in full on the Company's web sites (www.lukoil.ru and www.lukoil.com).

These consolidated interim financial statements have been prepared by the Company in accordance with US GAAP and have not been audited by our independent auditor. If these financial statements are audited in the future, the audit could reveal differences in our consolidated financial results and we cannot assure that any such differences would not be material.