

PRESS RELEASE
DECEMBER 15, 2000

LUKOIL NET INCOME AMOUNTED TO RUB46.8BN OVER 9 MONTHS OF
2000

Over 9 months of 2000 net income of OAO LUKOIL and its 22 main subsidiaries included in the combined statements amounted to RUB46.8bn compared to RUB15.9bn for 9m99.

Income before taxation increased to RUB56.4bn (compared to RUB19.9 for 9m99). Income before taxation resulted mainly from selling products and services worth RUB58.9bn (compared to RUB 22.9bn for 9m99). Interest income from participation in the equity of other companies (dividend income) amounted to RUB0.8bn, net interest expenses reached RUB219m). Income taxes rose to RUB9.6bn (243% y-o-y). Improved cash component in settlements with customers (proceeds reached 98% in the total product shipments), growth of production, strong domestic and international oil prices allowed to significantly rise tax payments to the budgets of all levels. The Company paid over 102% in taxes of the amount accrued in the accounting period.

Over 9 months of 2000 the balance sheet structure and liquidity improved considerably what resulted in growth of cash, short-term investment, increase of equity and sources of investment.

From January to September 2000 LUKOIL subsidiaries and affiliates produced 57.9 million tons of crude oil (102.5% y-o-y) and 3.6 billion m³ of natural gas (105.5% y-o-y). Refining throughput at own refineries in Russia increased 16% and amounted to 17.3 million tons. Crude exports reached 21.2 million tons (the same figure compared to the previous year). Oil product exports by LUKOIL territory marketing units rose to 4.6 million tons (155% y-o-y).

Increased earnings allowed the Company to maximize capital expenditures. Over 9 months of 2000 drilling increased on average by 66% to 1.4 million meters (249,000 meters in exploratory drilling and 1.112 million meters in development drilling). 475 new wells that extracted 1.056 million tons were brought to operation. Number of idle wells reduced from 18.5% to 15.8%. Development of 5 new fields was launched.

Retention of favorable trends in the fourth quarter 2000 provides ground for positive expectations of financial and operating performance for the whole year

2000.

COMBINED STATEMENT OF INCOME AND LOSS OAO LUKOIL AND ITS 22
MAIN SUBSIDIARIES

in million rubles

| | January - September | 1999 | 2000 |
|--|---------------------|----------|-----------|
| Operating revenues, net | | 113,669 | 267,368 |
| Cost of sales | | (82,421) | (195,219) |
| Selling expenses | | (5,454) | (8,578) |
| Administrative expenses | | (2,858) | (4,673) |
| Operating profit | | 22,936 | 58,898 |
| Dividend income | | 476 | 839 |
| Net interest and dividend income and expense | | (48) | (219) |
| Net non-operating revenues and expenses | | (1,404) | (1,406) |
| Net non-recurring gains and losses | | (2,058) | (1,678) |
| Income before taxation | | 19,902 | 56,434 |
| Income taxes | | (3,952) | (9,609) |
| Extraordinary gains and losses, net | | 0 | 3 |
| Net income | | 15,950 | 46,828 |

COMBINED BALANCE SHEET OAO LUKOIL AND ITS 22 MAIN SUBSIDIARIES

in million rubles

| 2000 | January 1 | September 30 |
|---------------------------|--------------|-----------------|
| Cash and cash equivalents | 4,989 | 8,271 |
| Marketable securities | 3,373 | 6,659 |
| Accounts receivable | 60,602 | 71,682 |

| | | |
|--------------------------------------|---------|---------|
| Inventories and other current assets | 6,978 | 9,010 |
| Total current assets | 75,942 | 95,622 |
| Tangible assets | 42,833 | 46,388 |
| Intangible assets | 361 | 611 |
| Construction in progress | 9,792 | 22,386 |
| Long-term investment | 7,816 | 15,463 |
| Total fixed assets | 60,802 | 84,848 |
| TOTAL ASSETS | 136,744 | 180,470 |
| Short-term borrowings | 479 | 2,465 |
| Accounts payable | 52,299 | 53,371 |
| Other current liabilities | 4,357 | 4,700 |
| Total current liabilities | 57,135 | 60,536 |
| Long-term credits and loans | 15,437 | 14,913 |
| Other long-term liabilities | 710 | 808 |
| Total long-term liabilities | 16,147 | 15,721 |
| Share capital | 20 | 20 |
| Additional capital | 50,598 | 54,471 |
| Retained earnings and reserves | 12,844 | 49,722 |
| Total shareholders' equity | 63,462 | 104,213 |
| TOTAL LIABILITIES AND EQUITY | 136,744 | 180,470 |

Note:

Combined statements include subsidiaries 100% owned by OAO LUKOIL. The 9m99 results include OAO KomiTEK (the parent company).

MAIN OPERATING STATISTICS JANUARY - SEPTEMBER
2000

| | | 2000 | 2000/1999,% |
|---|---------------|--------|-------------|
| Oil production (including gas condensate), including: | Thousand tons | 57,991 | 102,5 |

| | | | |
|--|-----------------|--------|-------|
| West Siberia | Thousand tons | 37,990 | 102,3 |
| European Russia | Thousand tons | 18,484 | 101,6 |
| International | Thousand tons | 1,517 | 123,0 |
| Oil production by 100% subsidiaries | Thousand tons | 44,498 | 101,1 |
| Gas production (commercial), including: | Million m3 | 3,622 | 105,5 |
| West Siberia | Million m3 | 1,618 | 99,9 |
| European Russia | Million m3 | 1,479 | 104,2 |
| International | Million m3 | 525 | 133,3 |
| Gas production by 100% subsidiaries | Million m3 | 2,465 | 99,4 |
| Well stock (September to January), including: | units | 27,081 | 104,1 |
| Producing wells | units | 22,796 | 107,5 |
| Idle wells | units | 4,285 | 89,1 |
| Drilling, including: | Thousand meters | 1,361 | 166,2 |
| Exploratory drilling | Thousand meters | 249 | 134,5 |
| Development drilling | Thousand meters | 1,112 | 175,4 |
| Oil deliveries (international production excluded), including: | Thousand tons | 56,604 | 100,7 |
| To refineries in Russia and Belarus | Thousand tons | 32,366 | 105,5 |
| Exports | Thousand tons | 21,245 | 100,4 |
| Other deliveries (including state deliveries) | Thousand tons | 2,874 | 69,7 |
| Refining throughput, including: | Thousand tons | 23,580 | - |
| LUKOIL refineries in Russia (mini refineries excluded) | Thousand tons | 17,316 | 115,9 |
| LUKOIL refineries internationally | Thousand tons | 6,264 | - |
| Oil products output at LUKOIL refineries in Russia, including | Thousand tons | 16,505 | 116,8 |
| Motor gasoline | Thousand tons | 2,503 | 109,3 |
| Diesel fuel | Thousand tons | 4,805 | 114,4 |
| Jet fuel | Thousand tons | 815 | 97,3 |
| Fuel oil | Thousand tons | 3,719 | 109,8 |

| | | | |
|----------------------|---------------|-------|-------|
| Lubricants and bases | Thousand tons | 650 | 114 |
| Other oil products | Thousand tons | 4,013 | 146,8 |
| Oil product exports | Thousand tons | 4,585 | 154,9 |