PRESS RELEASE
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LUKOIL INCREASES ITS INTEREST IN THE SHARE CAPITAL OF BOURGAS REFINERY

The Bulgarian Stock Exchange summarized today the results of a tender offering announced by LUKOIL Europe Holdings B.V. (a 100% subsidiary of OAO LUKOIL) to purchase the shares owned by minority shareholders of LUKOIL Neftochim Bourgas AD refinery.

The tender offering to buy 28.89% shares at 27.83 BGN per share was announced in December 2004. The tender terms and conditions were approved by the Financial Supervision Commission of Bulgaria.

According to the tender results owners of 2 987 394 shares (22.05%) of the refinery accepted the tender offer and thus an interest of LUKOIL Europe Holdings B.V. in the share capital of LUKOIL Neftochim Bourgas AD reached 93.16%.

Raiffeisenbank (Bulgaria) EAD acted as an investment intermediary of LUKOIL Europe Holdings B.V. 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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