LUKOIL

PRESS RELEASE
JUNE 30, 2004

LUKOIL SIGNS SALE AND PURCHASE AGREEMENT WITH ENI RELATING TO LUKAGIP N.V.

Moscow and London (30 June 2004) – OAO LUKOIL today announced that it has signed a binding agreement with Eni, whereby LUKOIL will buy from Eni its fifty percent interest in LUKAgip N.V. Completion is subject to certain closing conditions and is therefore expected to take place in the third quarter of 2004.

LUKAgip N.V. owns a 24% interest in the Meleiha Hydrocarbon License Concession Agreement located on shore in Egypt. It also owns a 10% interest in the Shah Deniz Exploration, Development and Production Sharing Agreement, 8% of the midstream gas marketing entity, the Azerbaijan Gas Supply Company Ltd and 100% of LUKAgip (Midstream) B.V., which holds LUKAgip's 10% interest in the South Caucasus Pipeline Company (SCPC). The signing of the sale and purchase agreement will trigger certain pre-emptive rights relating to LUKAgip's interest in SCPC.

This press release contains "forward-looking statements," as the phrase is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to the LUKOIL's intention to consummate the proposed transaction described above. The actual outcome may differ from these statements. As a result, there can be no assurance that LUKOIL will be able to complete this proposed transaction. LUKOIL disclaims any obligation to update developments relating to this transaction or to announce publicly any revision to any of the statements contained in this press release, or to make corrections to reflect future events or developments.

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