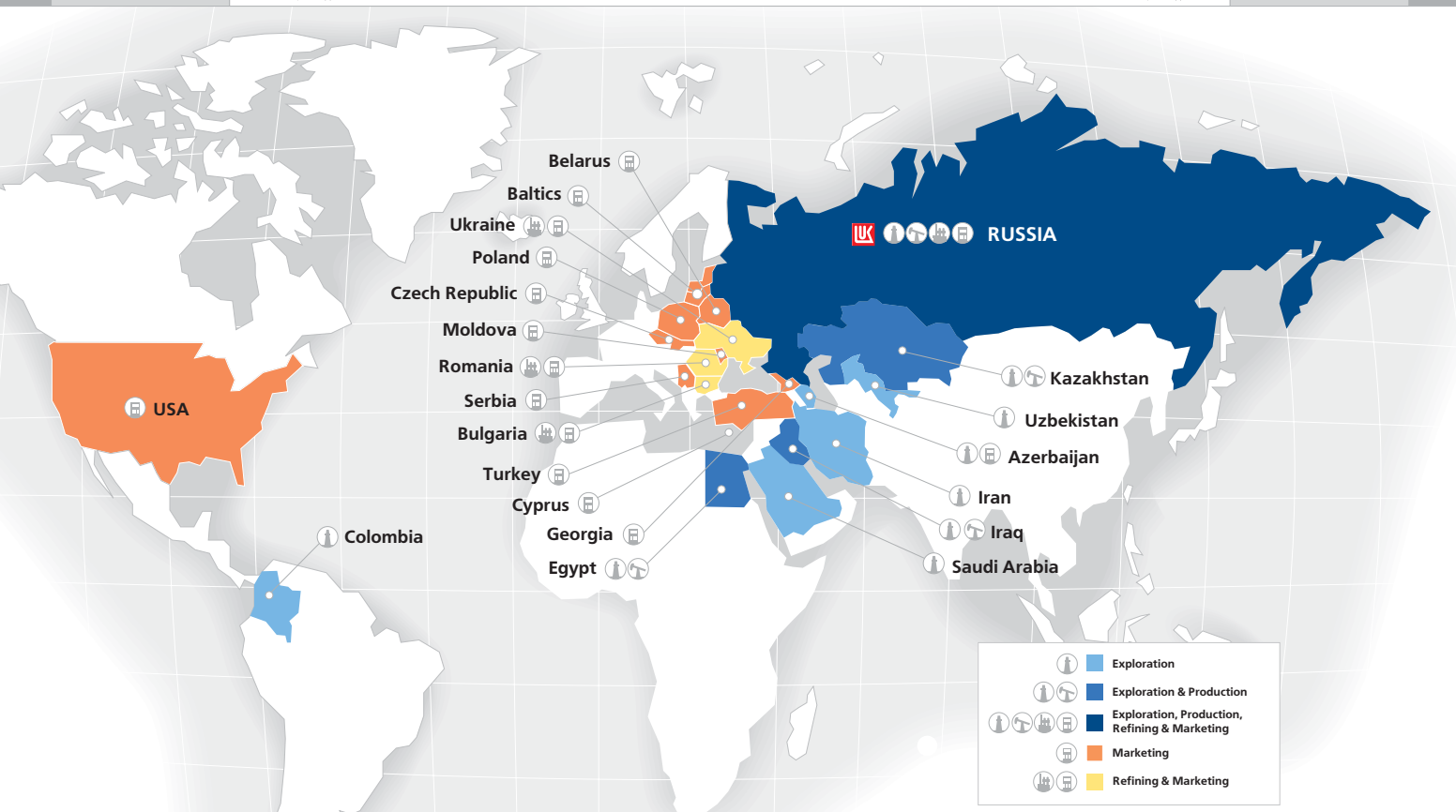


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Corporate Structure (2003)

	Oil & Gas Production	Oil Refining and Gas Processing	Petroleum Product Marketing
R U S S I A	Timan-Pechora	Nizhny Novgorod Refinery	Nizhnevolzhsknefteproduct
	LUKOIL-Komi	Perm Refinery	Permnefteproduct
	Arkhangelskgeoldobycha	Volgograd Refinery	Cheliabnefteproduct
	Urals	Ukhta Refinery	Severnefteproduct
	LUKOIL-Permneft	Lokosovsky Gas-processing Plant	Centrnefteproduct
	LUKOIL-Perm	Usinsky Gas-processing Plant	Vologdanefteproduct
	Western Siberia	Korobkovsky Gas-processing Plant	Severo-Zapadnefteproduct
	LUKOIL-Western Siberia	Permneftegaz Gas-processing Plant	Yugnefteproduct
	Volga	Stavrolen	Uralnefteproduct
	Nizhnevolzhskneft	Saratovorgsintez	
	Other		
	RITEK		
	Kaliningradmorneft		
I N T E R N A T I O N A L	Kazakhstan	Bulgaria	LITASCO
	Karachaganak*	LUKOIL-Neftokhim Burgas	LUKOIL-USA
	Kumkol*		LUKOIL-Bulgaria
	Tengiz		LUKOIL-Baltics
	Egypt		LUKOIL-Downstream (Romania)
	WEEM*		LUKOIL-Moldova
	Meleiha*		LUKOIL-Poland
	North-East Geisum and West Geisum*		LUKOIL-Belarus
	Iraq	Romania	LUKOIL-Azerbaijan
	West Qurnah-2*	Petrotel-LUKOIL	LUKOIL-Cyprus
	Iran		LUKOIL-Prague
	Anaran*		LUKOIL-Belgrade
	Colombia		LUKOIL-Georgia
	Condor*		
	Azerbaijan		
	Zykh-Govsany	Ukraine	
	Yalama*	Odessa Refinery	
	Shakh-Deniz*	LUKOR	

* LUKOIL Overseas Holdings.

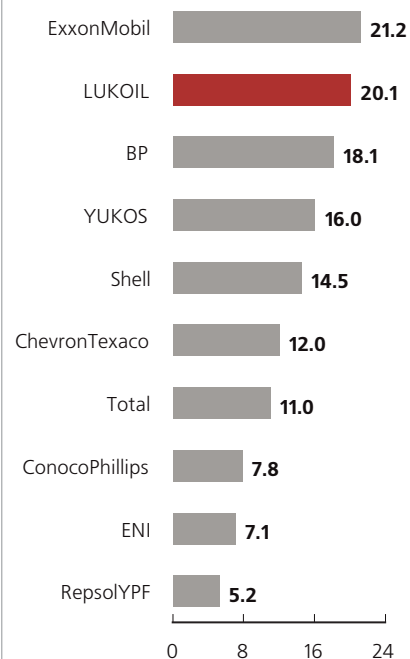
LUKOIL today is:

- * **1.5%** of global oil reserves and **2.1%** of global oil production
- * **0.4%** of global gas reserves **0.2%** of global gas production
- * The **largest** private oil company worldwide by proven reserves of crude oil
- * The **2nd** largest private oil company worldwide by proven reserves of hydrocarbons
- * The **6th** largest private oil company worldwide by production of hydrocarbons
- * **11th** by net profit among the world's top-100 private and state oil companies
- * **24th** by sales among the world's top-100 private and state oil companies
- * **21st** by assets among the world's top-100 private and state oil companies
- * **The most** liquid Central and Eastern European security issuer on the London Stock Exchange

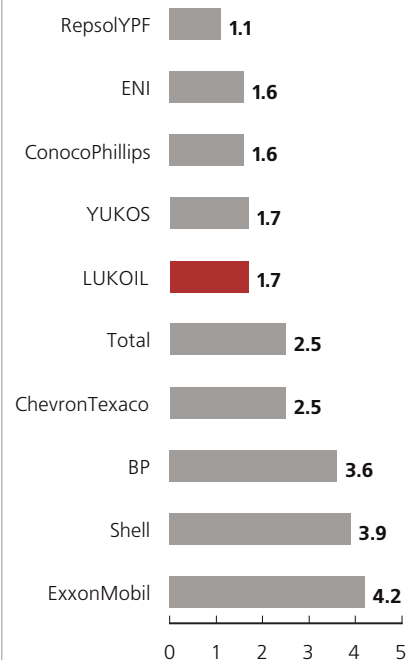
LUKOIL operates in 27 countries:

- * carries out geological exploration in **8** countries
- * has proven hydrocarbon reserves in **4** countries
- * produces oil & gas in **3** countries
- * produces petroleum products in **4** countries
- * produces petrochemical products in **2** countries
- * sells petroleum products in **17** countries

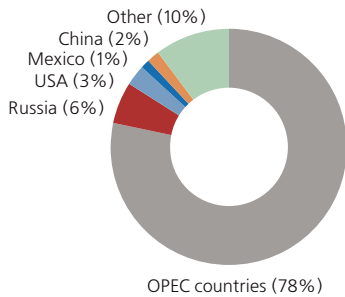
Proven hydrocarbon reserves of major international private oil companies (01.01.04), bln boe



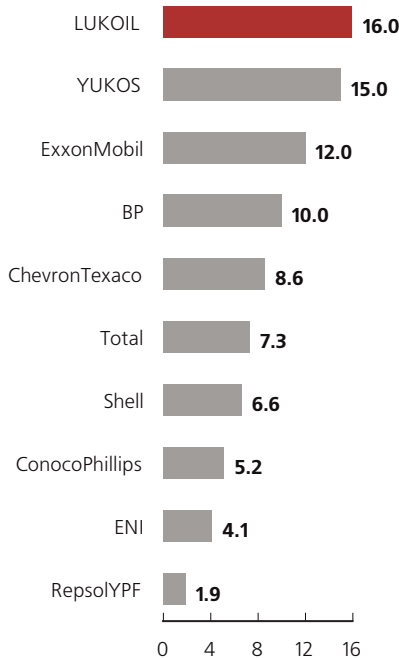
Hydrocarbon production by major international private oil companies (2003), mln boe per day



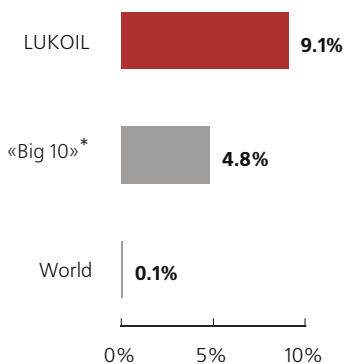
Regional distribution of global oil reserves (01.01.2003)



Proven oil reserves of major international private oil companies (01.01.04), bln barrels



Average annual pace of growth of proven oil reserves (1999–2003)

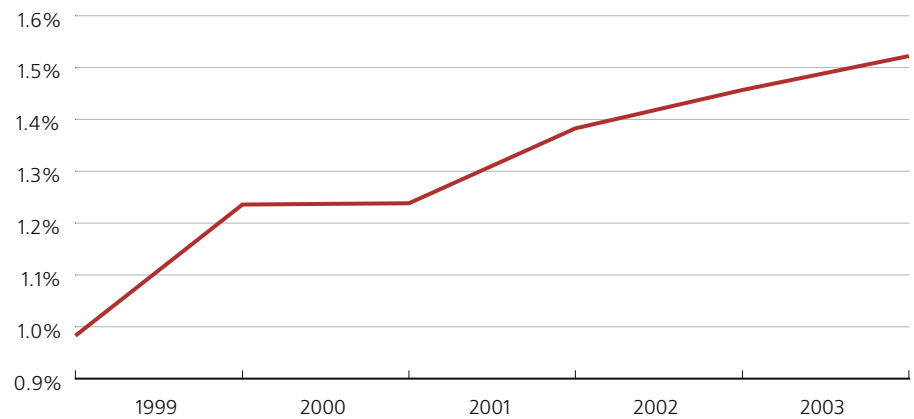


* 10 major international private oil companies.

Oil Reserves

- * LUKOIL carries out geological exploration in **8** countries
- * LUKOIL has proven oil reserves in **4** countries
- * Proven oil reserves of LUKOIL Group amount to **15.98** bln barrels as of January 1, 2004
- * LUKOIL Group represents **1.5%** of global oil reserves as of 1 January, 2004
- * Share of LUKOIL Group in global oil reserves increased by more than **1.5** times from 1 January, 1999 to 1 January, 2004

Share of LUKOIL Group in global oil reserves, %



- * LUKOIL is the **largest** private oil company worldwide by proven reserves of crude oil
- * LUKOIL is among **leading** companies by the average annual pace of growth of proven oil reserves

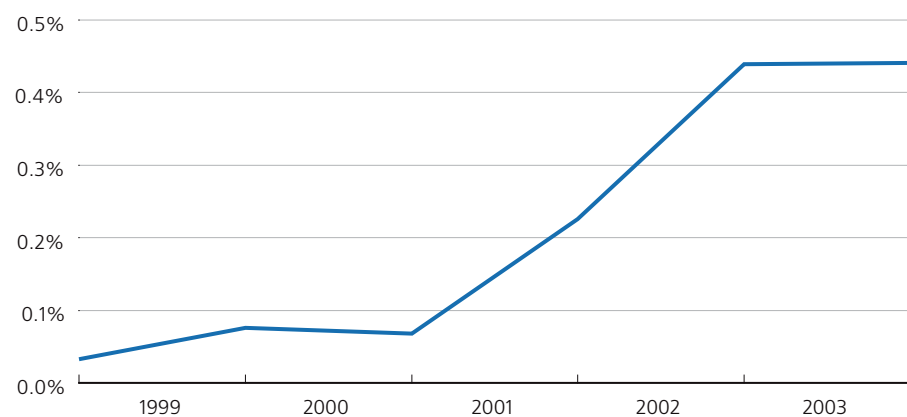
Countries where LUKOIL has oil reserves



Gas Reserves

- * LUKOIL carries out geological exploration in **8** countries
- * LUKOIL has proven gas reserves in **3** countries
- * Proven gas reserves of LUKOIL Group amount to **24.48** tcf as of January 1, 2004
- * LUKOIL Group represents **0.4%** of global gas reserves as of 1 January, 2004
- * Share of LUKOIL Group in global gas reserves increased by more than **14** times from 1 January, 1999 to 1 January, 2004

Share of LUKOIL Group in global gas reserves, %

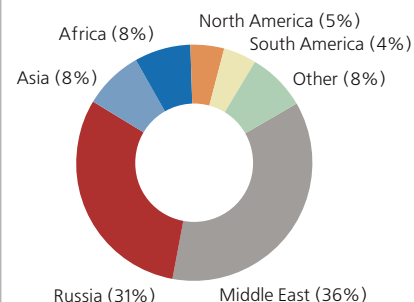


- * LUKOIL is the **4th** largest private oil company worldwide by proven gas reserves
- * LUKOIL is among **leading** companies by the average annual pace of growth of proven gas reserves

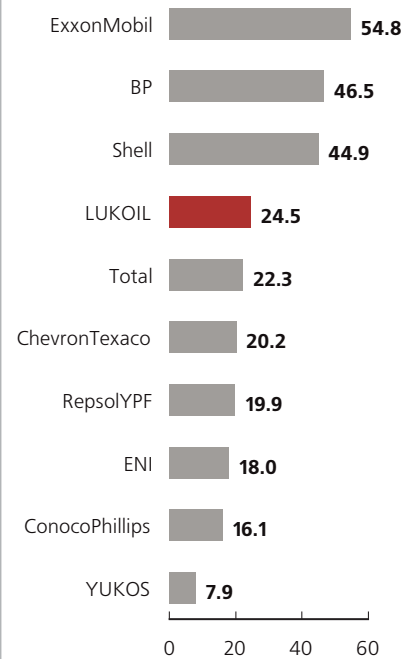
Countries where LUKOIL has gas reserves



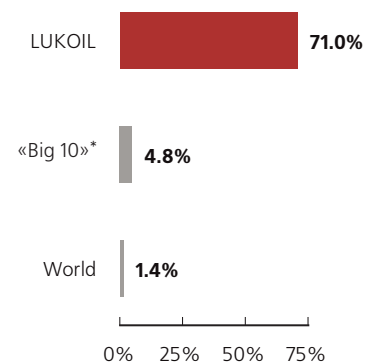
Regional distribution of global gas reserves (01.01.2003)



Proven gas reserves of major international private oil companies (01.01.04), tcf

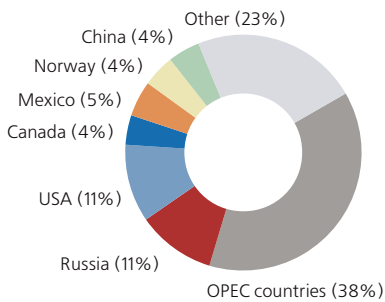


Average annual pace of growth of proven gas reserves (1999-2003)

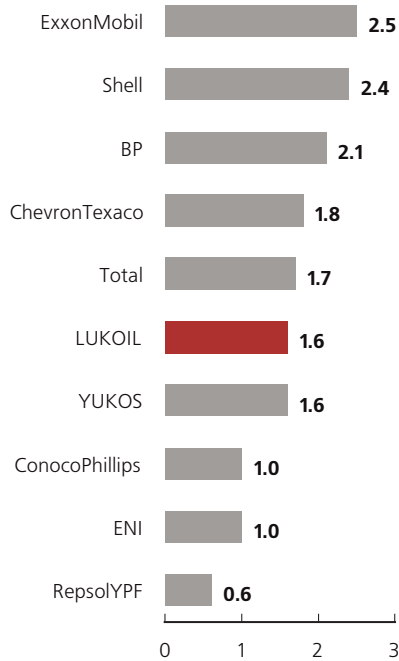


* 10 major international private oil companies.

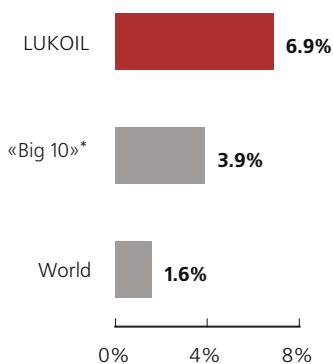
Regional distribution of global oil production (2002)



Oil production by major international private oil companies (2003), mln barrels per day



Average annual pace of oil production growth (1999-2003)

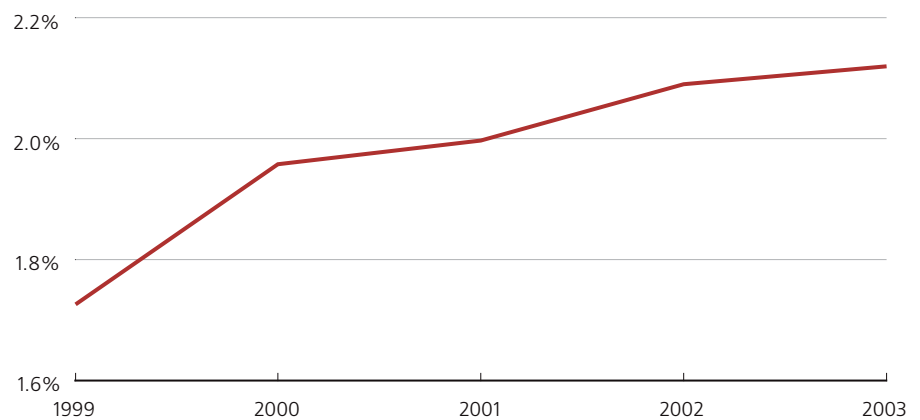


* 10 major international private oil companies.

Oil Production

- * LUKOIL produces crude oil in **3** countries
- * Subsidiaries and affiliates of LUKOIL Group produced **81.5** mln tons of crude oil in 2003
- * LUKOIL Group represented **2.1%** of global crude oil production in 2003
- * Share of LUKOIL Group in global oil production increased by more than **1.2** times from 1999 to 2003

Share of LUKOIL Group in global oil production, %



- * LUKOIL is the **6th** largest private oil company worldwide by production of crude oil
- * LUKOIL is among **leading** companies by the average annual pace of oil production growth

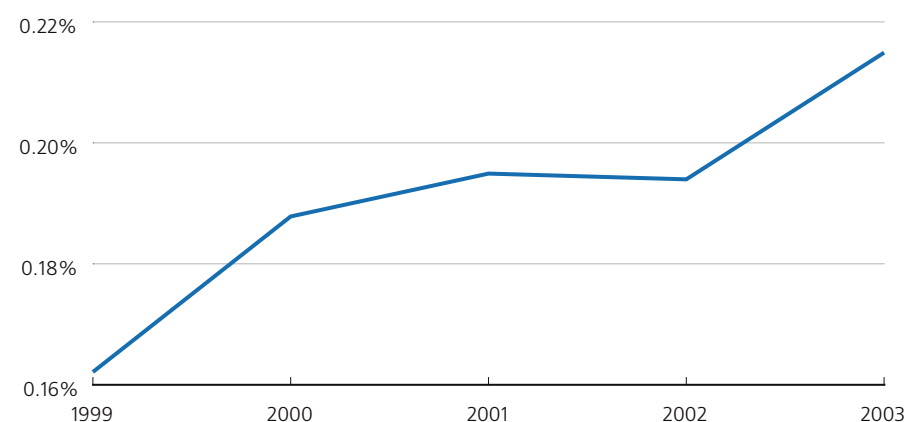
Countries where LUKOIL produces crude oil



Gas Production

- * LUKOIL produces gas in **2** countries
- * Subsidiaries and affiliates of LUKOIL Group produced **5.7** bcm of gas in 2003
- * LUKOIL Group represented **0.2%** of global gas production in 2003
- * Share of LUKOIL Group in global gas production increased by more than **1.3** times from 1999 to 2003

Share of LUKOIL Group in global gas production, %

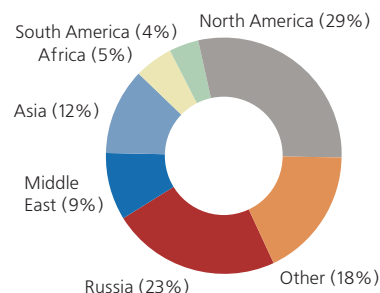


- * LUKOIL gas production currently lags that of other privately owned international majors, but the Group is placing high priority on gas production development
- * LUKOIL is among **leading** companies by the average annual pace of gas production growth

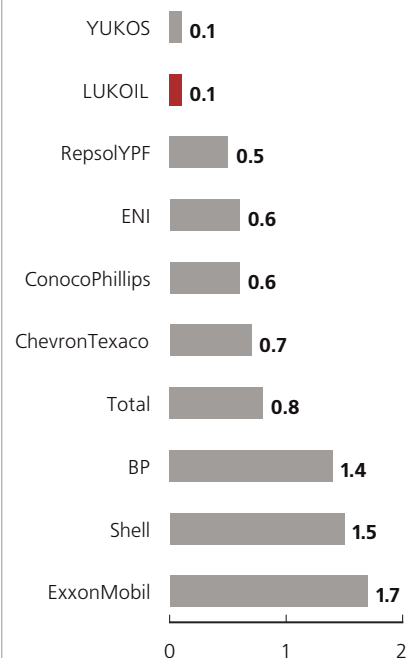
Countries where LUKOIL produces gas



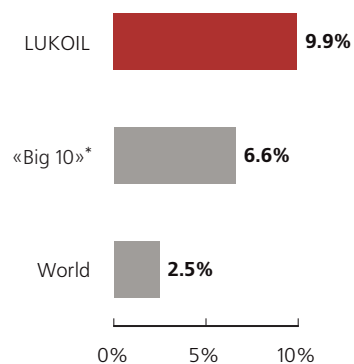
Regional distribution of global gas production (2002)



Gas production by major international private oil companies (2003), mln boe per day

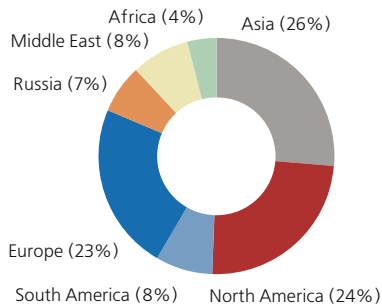


Average annual pace of gas production growth (1999–2003)

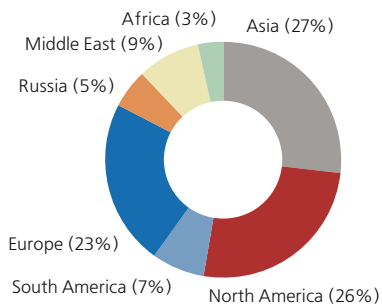


* 10 major international private oil companies.

Regional distribution of global refinery capacities (01.01.04)



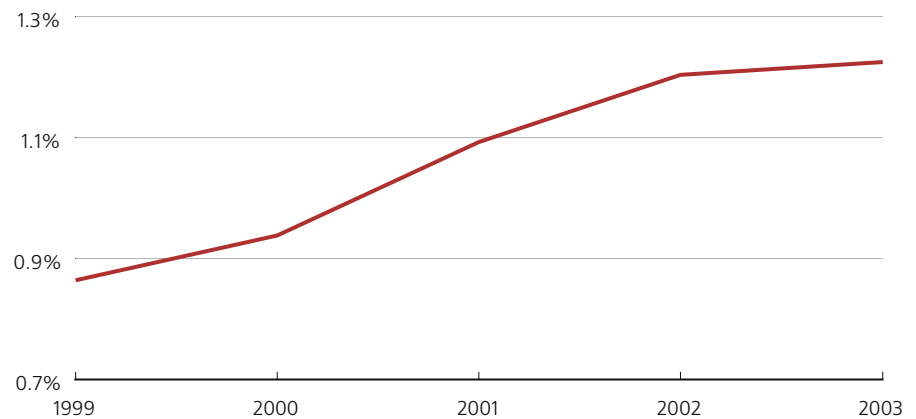
Regional distribution of global refinery throughputs (2002)



Refining

- * LUKOIL has refineries in **4** countries
- * Refinery capacities of LUKOIL as of 1 January, 2004 amount to **59** mln tons per year which is **1.4%** of the global refinery capacities
- * Refinery throughputs of LUKOIL amounted to **42.3** mln tons of crude in 2003 which is **1.2%** of global refinery throughputs
- * Refinery throughputs of LUKOIL increased by **1.5** times from 1999 to 2003 while its share in global refinery throughputs increased by **1.4** times

Share of LUKOIL Group in global refinery throughputs, %



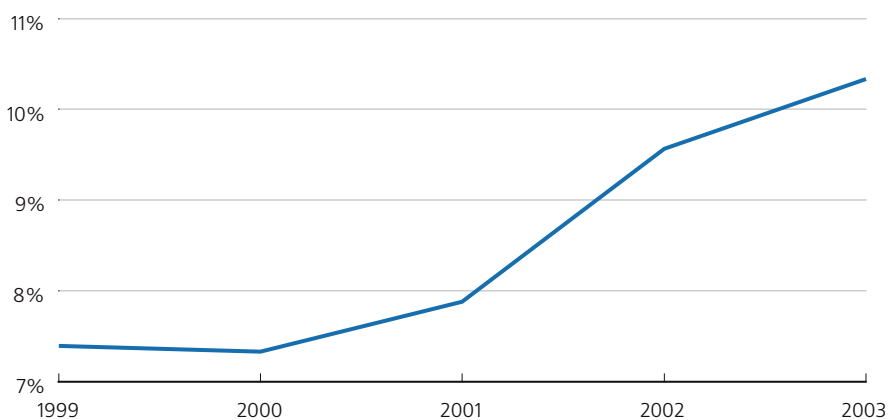
Refineries of LUKOIL Group



Oil Exports

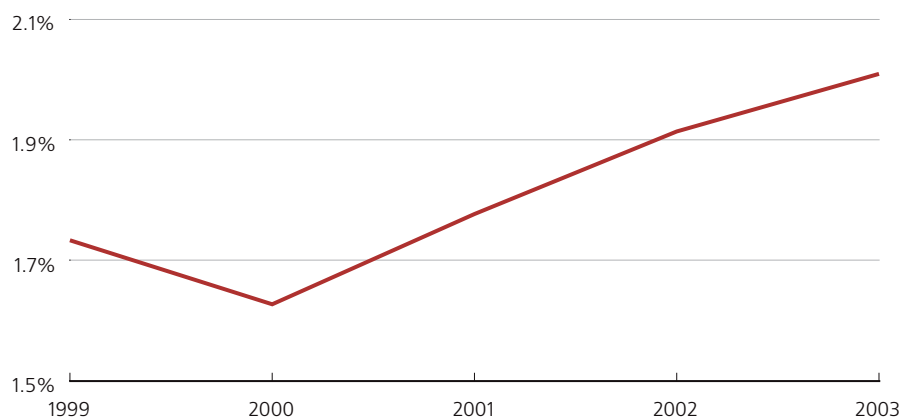
* LUKOIL exported **37.7** mln tons of crude oil in 2003 which is **2%** of global oil exports

Share of Russia in global oil exports, %

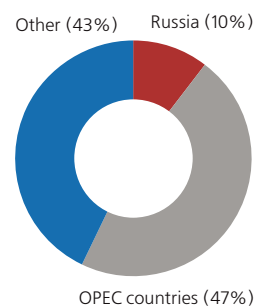


* Share of LUKOIL Group in global oil exports increased by more than **1.2** times from 1999 to 2003

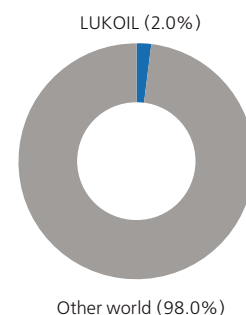
Share of LUKOIL Group in global oil exports, %



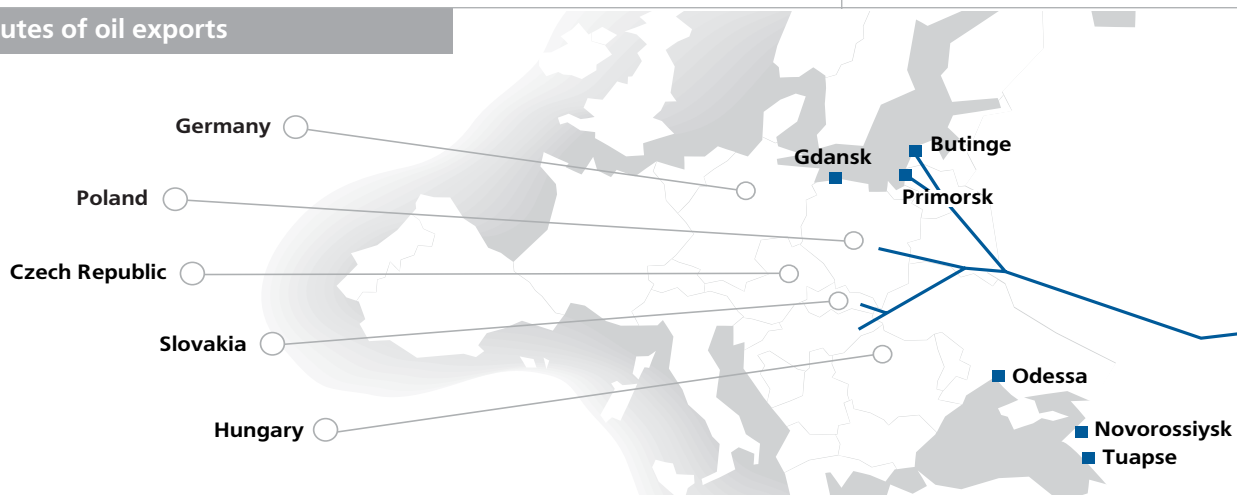
Sources of global oil exports (2002)



Share of LUKOIL Group in global oil exports (2003)



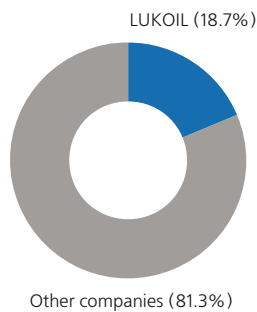
Main routes of oil exports



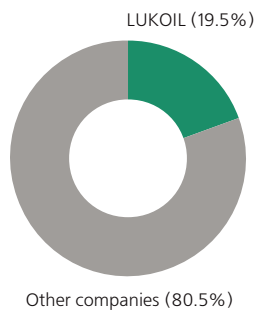
Share of LUKOIL Group in Russian oil reserves (01.01.04)



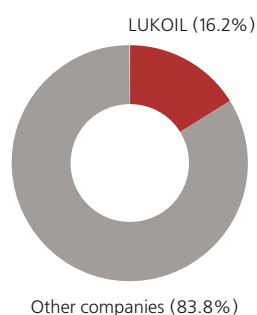
Share of LUKOIL Group in Russian oil production (2003)



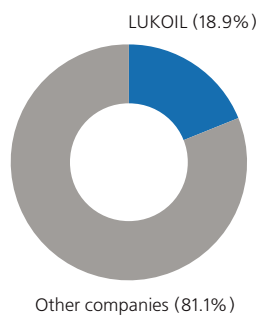
Share of LUKOIL Group in Russian oil exports (2003)



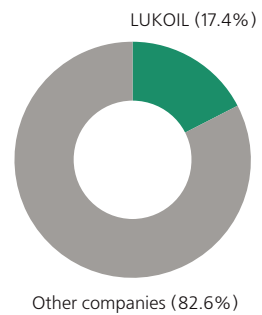
Share of LUKOIL Group in Russian refinery capacities (01.01.04)



Share of LUKOIL Group in Russian refinery throughputs (2003)



Share of LUKOIL Group in Russian petroleum product exports (2003)



LUKOIL today is:

- *
- * The **1st** company in Russia by proven oil reserves
- * **20%** of Russian oil reserves
- * **18.7%** of Russian oil production
- * **16.2%** of Russian refinery capacities
- * **18.9%** of Russian refinery throughputs
- * **19.5%** of Russian oil exports
- * **17.4%** of Russian petroleum product exports
- *
- * The major Russian oil business group with annual turnover of over **\$20 bln**
- *
- * **The most** liquid oil stock and second most liquid stock overall on the Russian Trading System
- * **A leader** among Russian oil companies for openness and transparency. The **first** Russian company to receive full listing on the London Stock Exchange
- *
- * **The only** private Russian oil company whose share capital is dominated by minority stakeholders

Reserves & Production

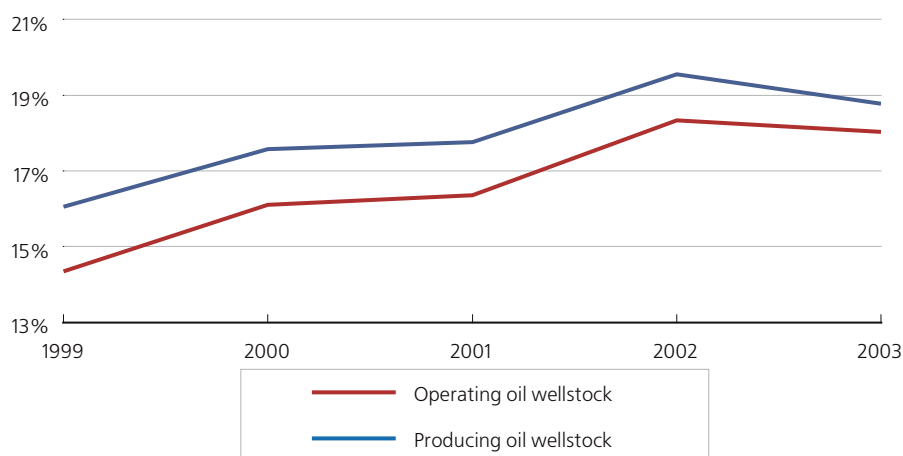
- * Proven oil reserves of LUKOIL Group in Russia as of 1 January, 2004 amount to **15.5** bln barrels which is **20%** of Russian oil reserves and **97.1%** of overall oil reserves of the Group
- * Proven gas reserves of LUKOIL Group in Russia as of 1 January, 2004 amount to **22.17** tcf which is **90.6%** of overall gas reserves of the Group
- * Companies of LUKOIL Group produced **78.6** mln tons of crude oil in Russia in 2003 which is **18.7%** of overall Russian oil production and **96.4%** of oil production by the Company

Share of oil production by LUKOIL Group in Russia in overall Russian production, %

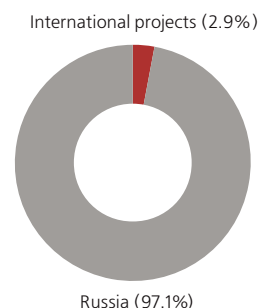


- * Average Russian reserves to production ratio was **26.1** in 2002 while that of LUKOIL Group was **27.1**
- * Companies of LUKOIL Group produced **4.8** bcm of gas in Russia in 2003 which is **0.8%** of overall Russian gas production and **83.4%** of gas production by the Company
- * LUKOIL holds **18%** of Russian operating oil wellstock and **19%** of Russian producing oil wellstock

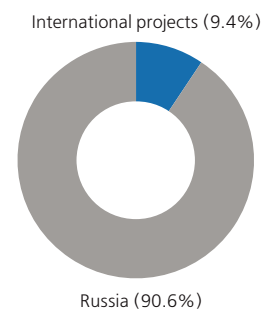
Share of operating and producing oil wellstock of the Company in Russian operating and producing wellstock, %



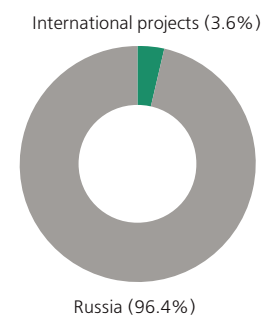
Regional distribution of proven oil reserves of LUKOIL Group (01.01.04)



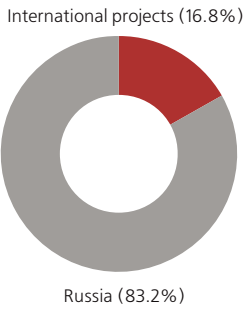
Regional distribution of proven gas reserves of LUKOIL Group (01.01.04)



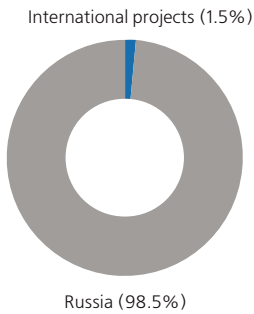
Regional distribution of oil production by LUKOIL Group (2003)



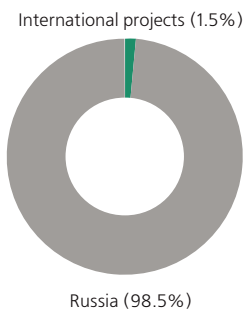
Regional distribution of gas production by LUKOIL Group (2003)



Regional distribution of operating oil wellstock of LUKOIL Group (01.01.04)

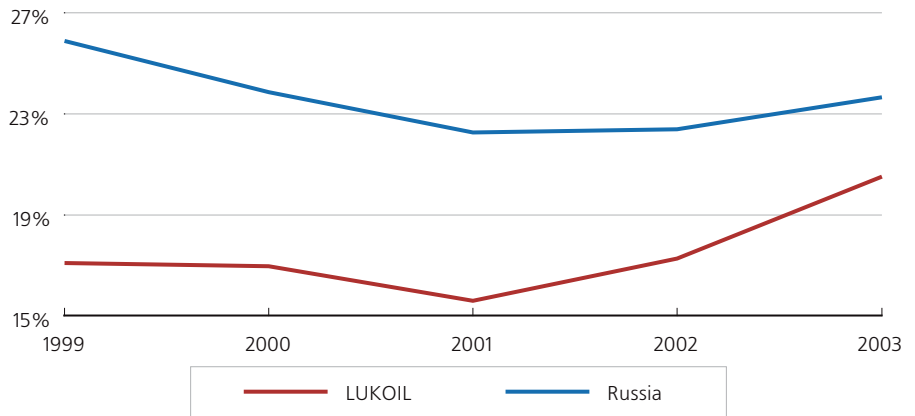


Regional distribution of producing oil wellstock of LUKOIL Group (01.01.04)



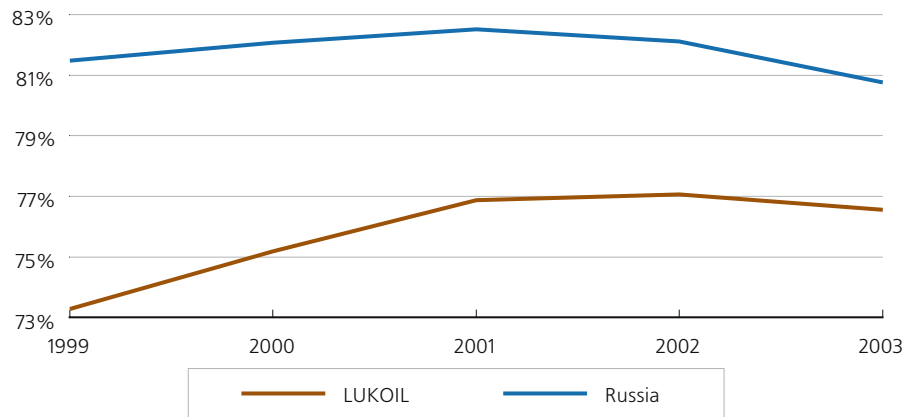
* Share of idle wells in LUKOIL operating oil wellstock is below the Russian average

Share of idle wells in Russian oil wellstock and that of LUKOIL, %



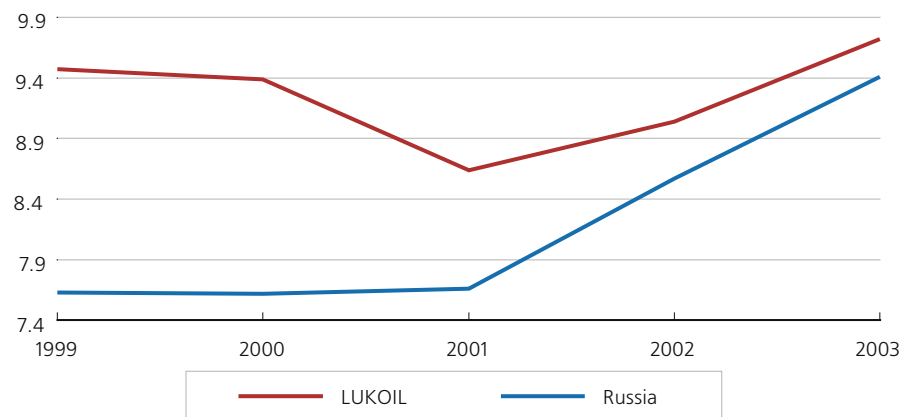
* Watercut of LUKOIL oil wells is below the Russian average

Watercut of Russian oil wells and LUKOIL oil wells, %



* Average flow rate of LUKOIL oil wells is above the Russian average

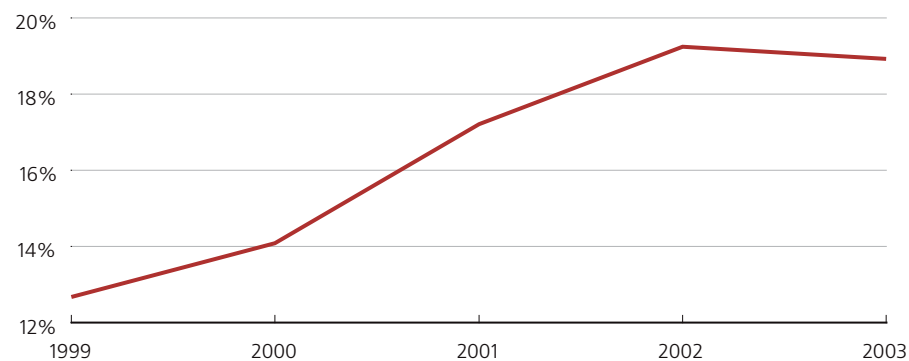
Average flow rate of Russian oil wells and LUKOIL oil wells, tons per day



Refining

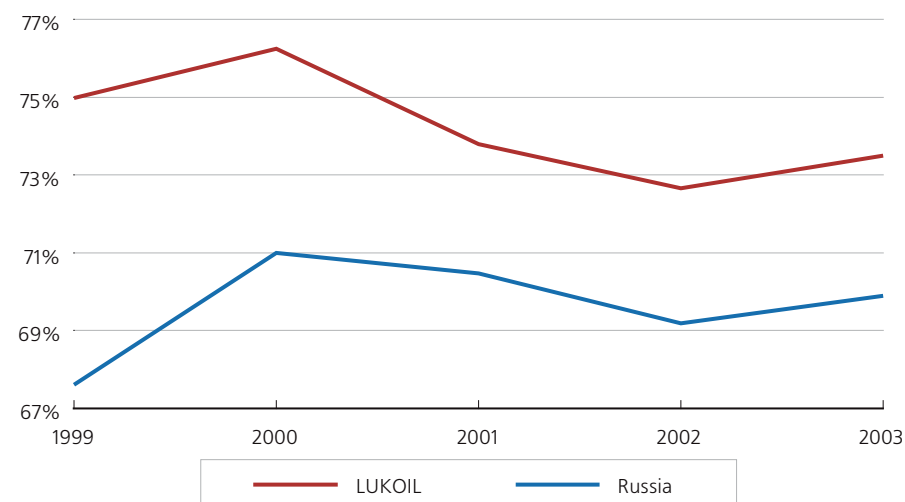
- * Overall capacity of Russian refineries of LUKOIL Group as of 1 January, 2004 represents:
 - **16.2%** of overall Russian refinery capacities
 - **41.2** mln tons per year
- * Russian refineries of LUKOIL Group processed **34.3** mln tons of oil in 2003 which is **18.9%** of overall Russian throughputs
- * Share of LUKOIL Group in Russian refinery throughputs grew by **1.5** times from 1999 to 2003

Share of Russian refineries of LUKOIL Group in overall Russian refinery throughputs, %

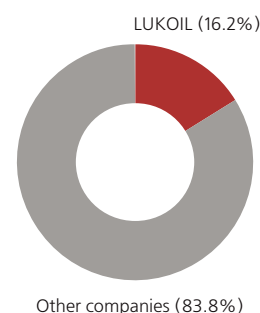


- * Capacity utilization rate of LUKOIL refineries was **83.3%** in 2003 which is above the Russian average of **71.5%**
- * Depth of refining at LUKOIL refineries is above the Russian average

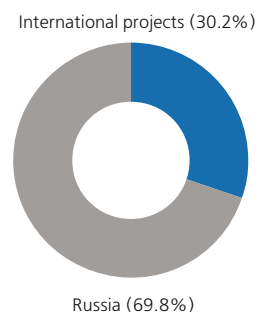
Depth of refining at LUKOIL refineries against the Russian average, %



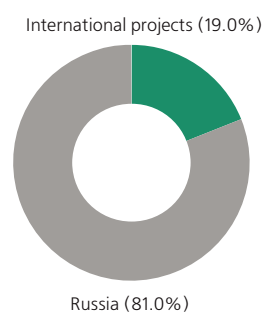
Capacity of Russian refineries of LUKOIL Group in overall Russian refinery capacities (01.01.04)



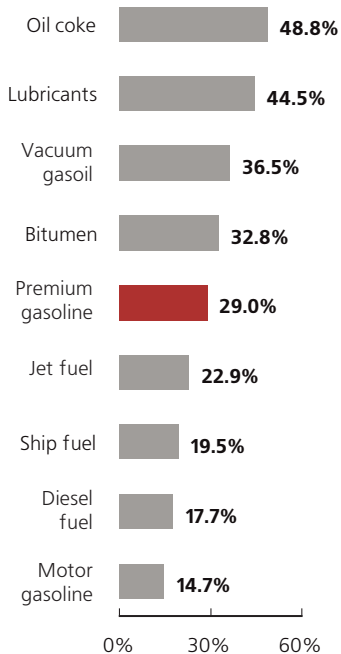
Regional distribution of refinery capacities of LUKOIL Group (01.01.04)



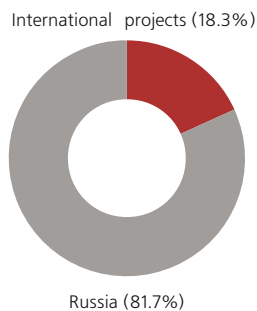
Regional distribution of refinery throughputs of LUKOIL Group (2003)



Share of Russian refineries of LUKOIL Group in overall Russian output of main petroleum products (2003)



Regional distribution of petroleum product output by LUKOIL refineries (2003)

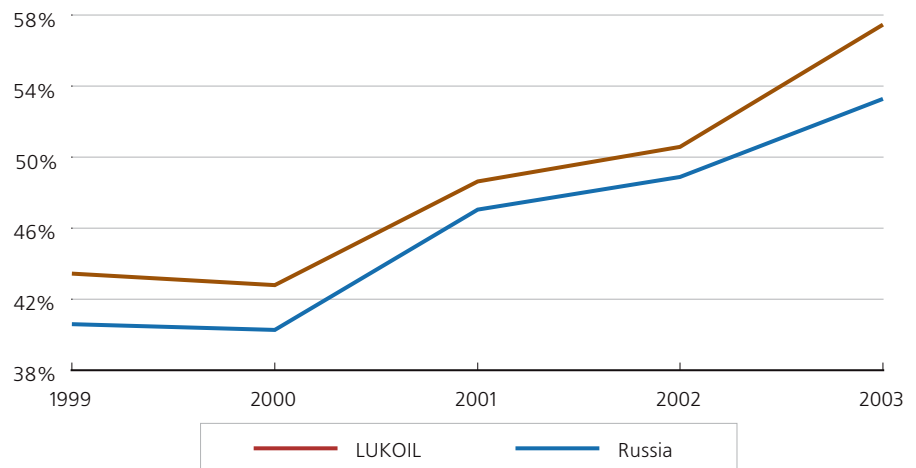


* LUKOIL is Russia's:

- **biggest** producer of premium gasoline
- **biggest** producer of diesel fuel
- **biggest** producer of jet fuel
- **biggest** producer of oil coke
- **biggest** producer of lubricants
- **biggest** producer of bitumen
- **2nd** biggest producer of vacuum gasoil
- **2nd** biggest producer of ship fuel
- **3rd** biggest producer of motor gasoline

* Share of high-octane gasolines in total motor gasoline output of Russian refineries of LUKOIL Group is above the Russian average

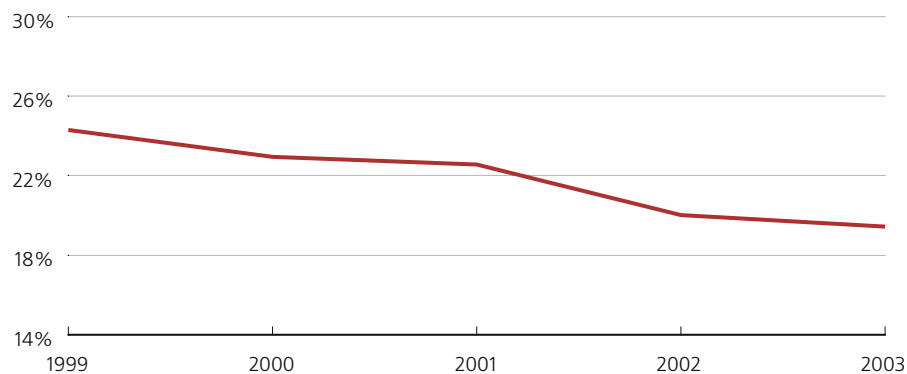
Share of high-octane gasolines in total motor gasoline output of Russian refineries of LUKOIL Group against the Russian average, %



Oil & Petroleum Product Exports

* LUKOIL exported **37.7** mln tons of crude oil in 2003 which is **19.5%** of Russian oil exports

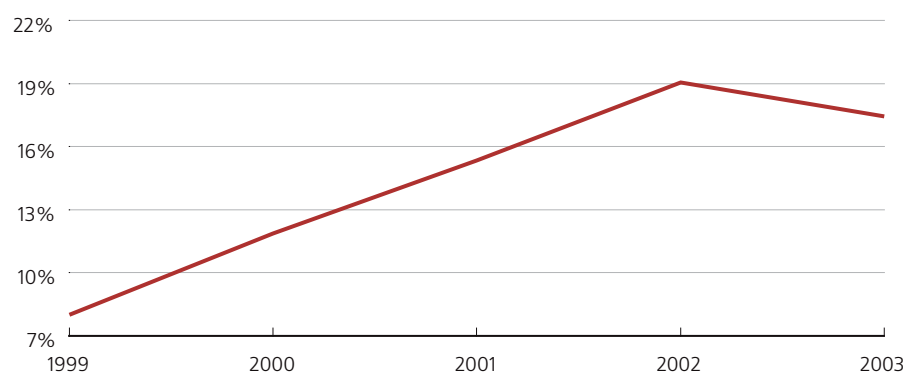
Share of LUKOIL Group in Russian oil exports, %



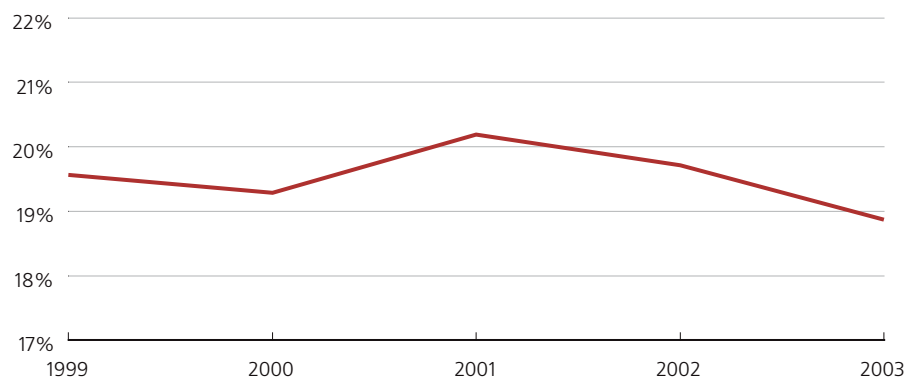
* LUKOIL exported **13.5** mln tons of petroleum products in 2003 which is **17.4%** of Russian petroleum product exports

* Share of LUKOIL Group in Russian petroleum product exports grew by more than **2** times from 1999 to 2003

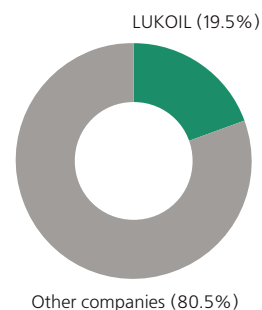
Share of LUKOIL Group in Russian petroleum product exports, %



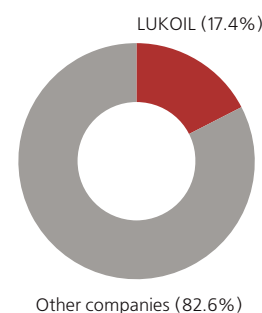
Share of LUKOIL Group in Russian exports of oil and petroleum products, %



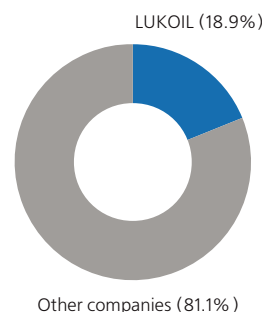
Share of LUKOIL Group in Russian oil exports (2003)



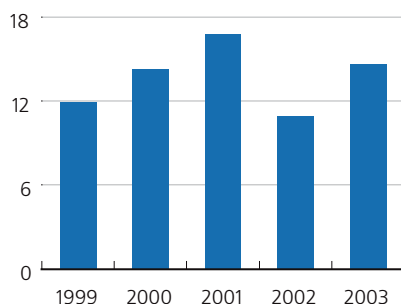
Share of LUKOIL Group in Russian petroleum product exports (2003)



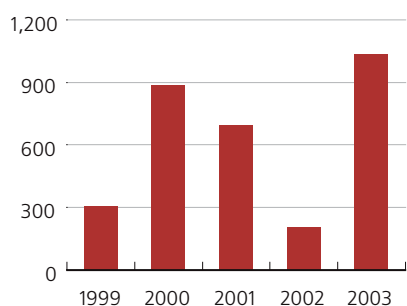
Share of LUKOIL Group in Russian exports of oil and petroleum products (2003)



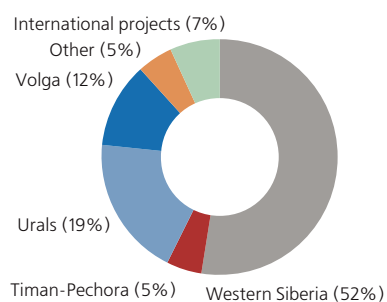
2D seismic prospecting, th. km



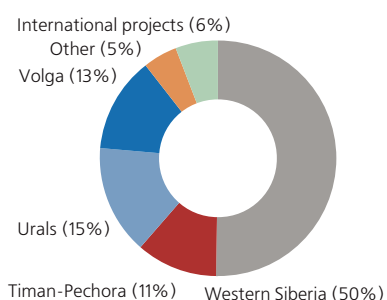
Goelectrics, km



Regional distribution of exploration drilling (1999)



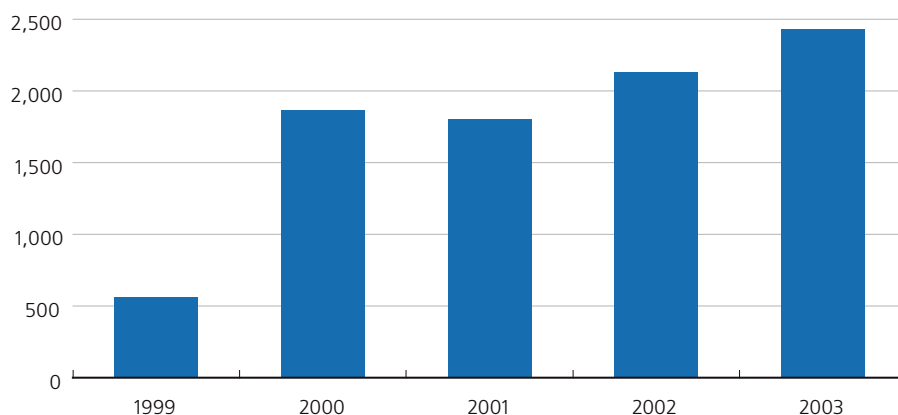
Regional distribution of exploration drilling (2000)



Geological Exploration

Geological exploration

	1999	2000	2001	2002	2003
2D seismic prospecting, km	11,862	14,289	16,832	10,891	14,597
3D seismic prospecting, km ²	563	1,869	1,804	2,135	2,429
Vertical survey, wells	100	100	176	59	46
Goelectrics, km	307	885	692	200	1,033

3D seismic prospecting, km²

Drilling, th. m

	1999	2000	2001	2002	2003
<i>Drilling, total</i>	1,109	1,915	2,475	1,531	1,399
Exploration drilling	266	360	420	181	146
Production drilling	843	1,555	2,055	1,350	1,253

Regional distribution of exploration drilling, th. m

	1999	2000	2001	2002	2003
<i>Russia</i>	248	339	413	168	141
Western Siberia	139	181	199	60	66
Timan-Pechora	13	40	73	38	29
Urals	52	54	65	10	8
Volga	31	47	56	39	21
including Caspian	4	5	7	7	2
Other	13	17	20	22	17
<i>International projects</i>	18	21	7	13	5
Total	266	360	420	181	146

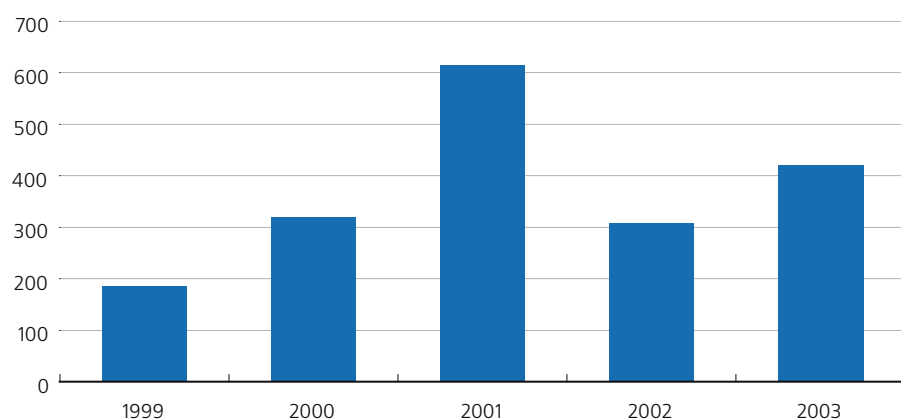
Newly discovered oil&gas fields and oil&gas-bearing strata at previously discovered fields

	1999	2000	2001	2002	2003
Oil&gas fields	12	11	17	16	15
Oil&gas bearing strata	8	23	18	15	14

Extensions and discoveries of proven hydrocarbon reserves, mln boe

	1999	2000	2001	2002	2003
Oil	187	320	614	308	420
Gas	0	8	176	900	10
Total	187	328	790	1,208	430

Extensions and discoveries of proven oil reserves, mln barrels



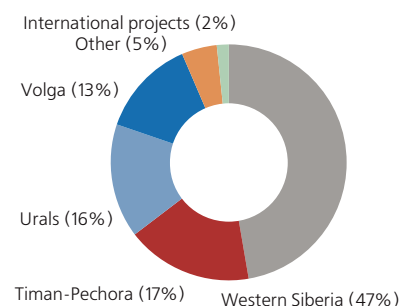
Exploration expenses, mln USD

	1999	2000	2001	2002	2003
Exploration expenses	61	133	150	92	140

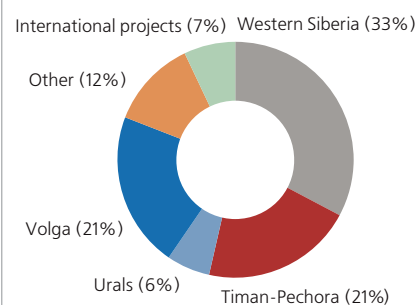
New fields put into operation

	1999	2000	2001	2002	2003
New fields put into operation	9	5	17	10	14

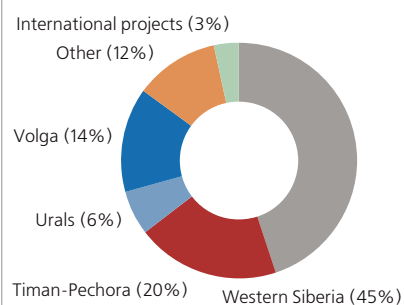
Regional distribution of exploration drilling (2001)



Regional distribution of exploration drilling (2002)



Regional distribution of exploration drilling (2003)



Oil Reserves

Oil reserves of LUKOIL Group (beginning of year), mln barrels

	1999	2000	2001	2002	2003	2004
Proven	10,339	12,777	12,954	14,576	15,258	15,977
Probable	3,270	5,217	5,969	6,657	6,194	7,238
Possible	1,140	2,576	2,653	4,752	2,939	3,326
Total	14,749	20,570	21,576	25,985	24,391	26,541

* Proven oil reserves of LUKOIL Group increased by **1.55** times from 1 January, 1999 to 1 January, 2004

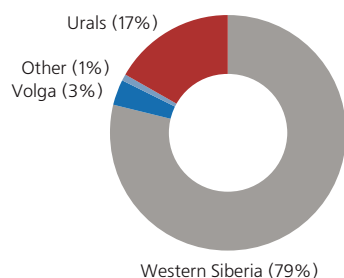
* Pace of growth of proven oil reserves averaged **9.1%** per year

Proven oil reserves of LUKOIL Group (beginning of year), mln barrels

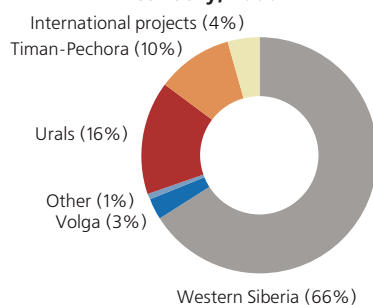
	1999	2000	2001	2002	2003	2004
<i>Russia</i>	<i>10,339</i>	<i>12,229</i>	<i>12,423</i>	<i>14,029</i>	<i>14,733</i>	<i>15,506</i>
Western Siberia	8,143	8,438	8,212	8,052	8,266	8,421
Timan-Pechora	0	1,340	1,644	3,291	3,478	3,953
Yamal	0	0	0	234	193	216
Urals	1,736	1,985	2,161	1,963	2,046	2,124
Volga	370	366	316	397	505	516
including Caspian	0	0	0	98	172	185
Other	90	100	90	92	245	276
<i>International projects</i>	<i>0</i>	<i>548</i>	<i>531</i>	<i>547</i>	<i>525</i>	<i>471</i>
Total	10,339	12,777	12,954	14,576	15,258	15,977

Regional distribution of proven oil reserves of LUKOIL Group

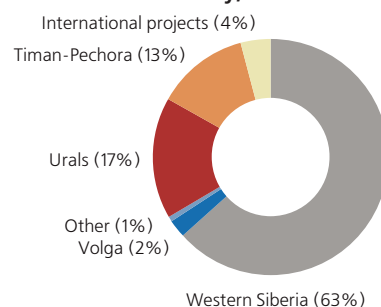
1 January, 1999



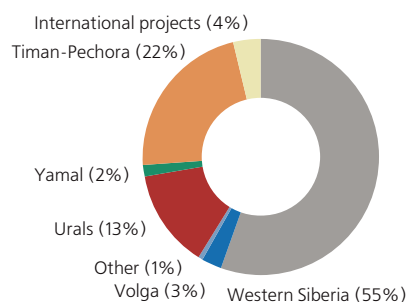
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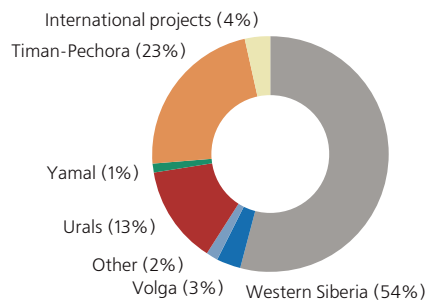
1 January, 2001



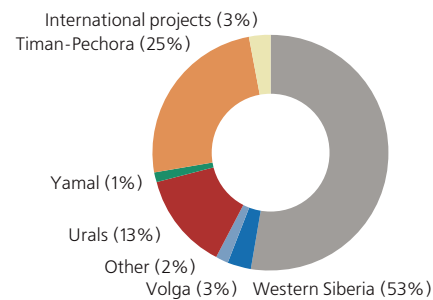
1 January, 2002



1 January, 2003



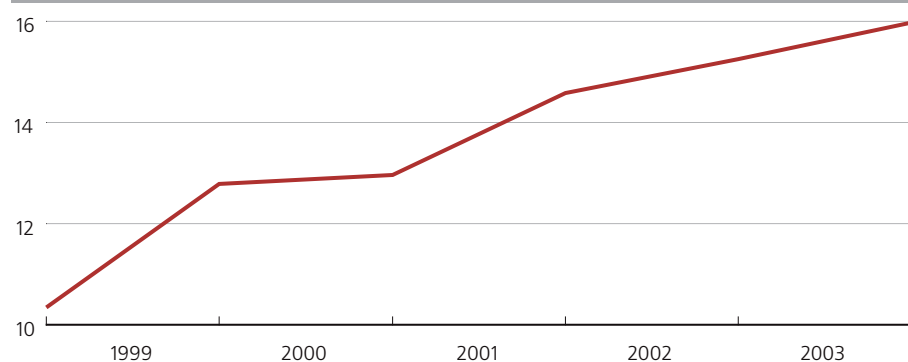
1 January, 2004



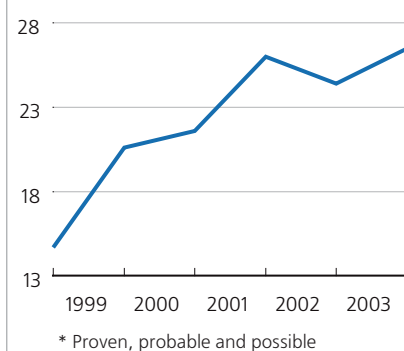
Factors in changes of proven oil reserves of LUKOIL Group, mln barrels

	1999	2000	2001	2002	2003
Reserves on 1 January	10,339	12,777	12,954	14,576	15,258
Extensions and discoveries	187	320	614	308	420
Production	(453)	(533)	(542)	(564)	(592)
Acquisition and sale of reserves, revision of previous estimates	2,704	390	1,550	938	891
Reserves on 31 December	12,777	12,954	14,576	15,258	15,977

Proven oil reserves of LUKOIL Group, bln barrels



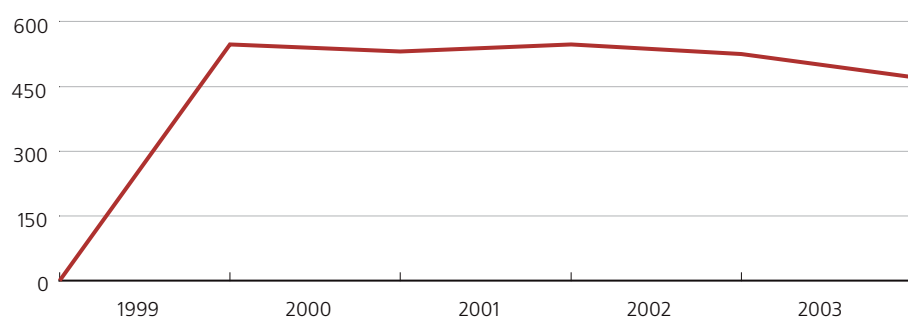
Total oil reserves of LUKOIL Group by all categories*, bln barrels



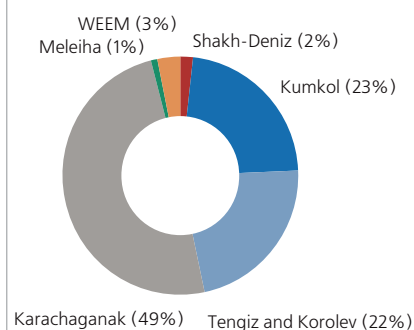
Proven oil reserves in international projects (beginning of year), mln barrels

	1999	2000	2001	2002	2003	2004
<i>Azerbaijan</i>						
Azeri Chirag Gyuneshli	—	127	102	120	78	Sold
Shakh-Deniz	—	—	—	—	—	7
<i>Kazakhstan</i>						
Tengiz and Korolev	—	75	73	98	95	106
Kumkol	—	100	91	85	96	107
Karachaganak	—	243	262	240	231	232
<i>Egypt</i>						
Meleiha	—	3	3	4	8	4
WEEM	—	—	—	—	17	15
Total	0	548	531	547	525	471

Proven oil reserves in international projects, mln barrels



Proven oil reserves in international projects (01.01.04)



Gas Reserves

Gas reserves of LUKOIL Group (beginning of year), bcf

	1999	2000	2001	2002	2003	2004
Proven	1,672	3,907	3,625	13,216	24,164	24,473
Probable	549	1,264	1,099	3,524	8,960	14,616
Possible	184	1,384	453	4,093	2,493	3,548
Total	2,405	6,555	5,177	20,833	35,617	42,637

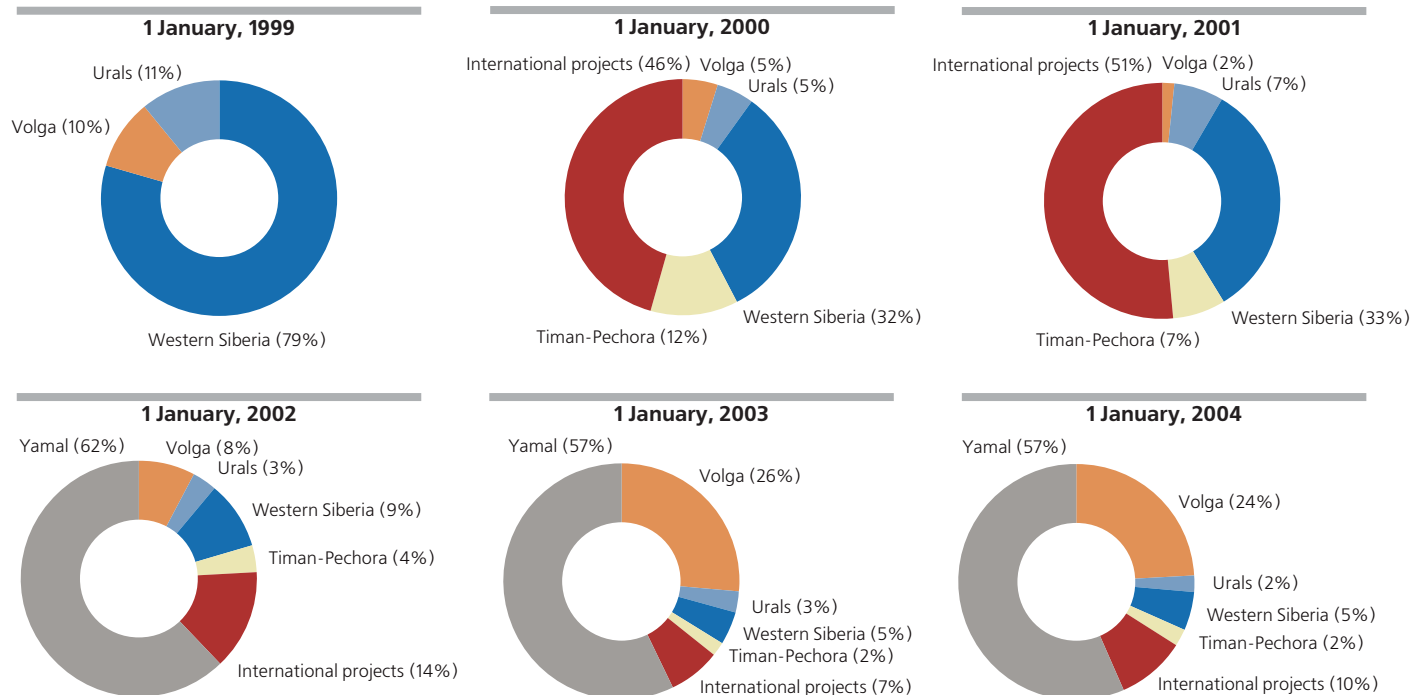
* Proven gas reserves of LUKOIL Group increased by **14.6** times from 1 January, 1999 to 1 January, 2004

* Pace of growth of proven gas reserves averaged **71%** per year

Proven gas reserves of LUKOIL Group (beginning of year), bcf

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	1,672	2,124	1,759	11,392	22,432	22,167
Western Siberia	1,328	1,268	1,191	1,236	1,082	1,284
Timan-Pechora	0	467	263	488	460	577
Yamal	0	0	0	8,223	13,822	13,806
Urals	182	200	243	420	707	568
Volga	161	188	61	1,023	6,359	5,926
including Caspian	0	0	0	957	6,331	5,763
Other	1	1	1	2	2	6
<i>International projects</i>	0	1,783	1,866	1,824	1,732	2,306
Total	1,672	3,907	3,625	13,216	24,164	24,473

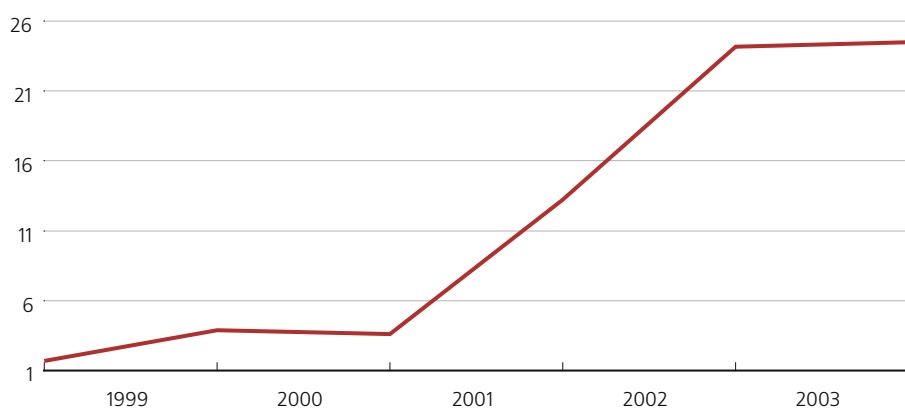
Regional distribution of proven gas reserves of LUKOIL Group



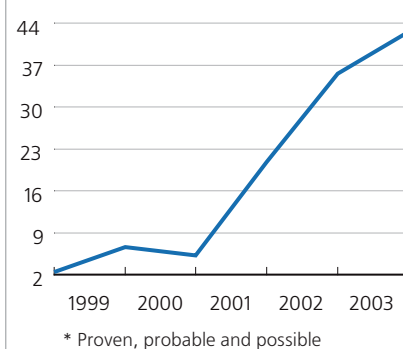
Factors in changes of proven gas reserves of LUKOIL Group, bcf

	1999	2000	2001	2002	2003
Reserves on 1 January	1,672	3,907	3,625	13,216	24,164
Extensions and discoveries	0	47	1,053	5,401	57
Production	(137)	(164)	(174)	(176)	(200)
Acquisition and sale of reserves, revision of previous estimates	2,372	(165)	8,712	5,723	452
Reserves on 31 December	3,907	3,625	13,216	24,164	24,473

Proven gas reserves of LUKOIL Group, tcf



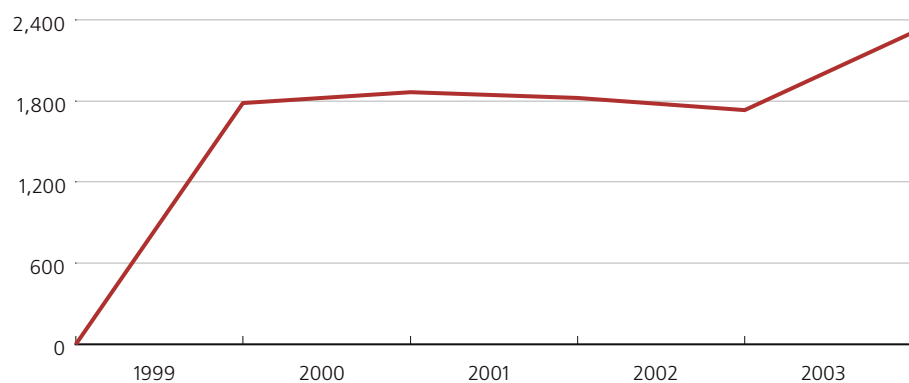
Total gas reserves of LUKOIL Group by all categories*, tcf



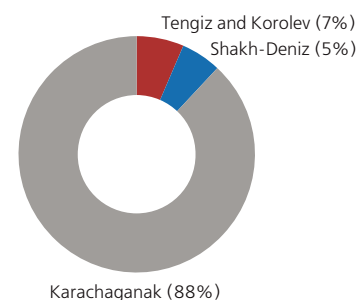
Proven gas reserves in international projects (beginning of year), bcf

	1999	2000	2001	2002	2003	2004
<i>Azerbaijan</i>						
Shakh-Deniz	—	—	—	—	—	125
<i>Kazakhstan</i>						
Tengiz and Korolev	—	106	103	155	150	151
Karachaganak	—	1,677	1,763	1,669	1,582	2,030
Total	0	1,783	1,866	1,824	1,732	2,306

Proven gas reserves in international projects, bcf



Proven gas reserves in international projects (01.01.04)



Hydrocarbon reserves

Hydrocarbon reserves of LUKOIL Group (beginning of year), mln boe

	1999	2000	2001	2002	2003	2004
Proven	10,618	13,428	13,558	16,778	19,285	20,056
Probable	3,361	5,428	6,152	7,244	7,687	9,674
Possible	1,171	2,807	2,729	5,434	3,355	3,917
Total	15,150	21,663	22,439	29,456	30,327	33,647

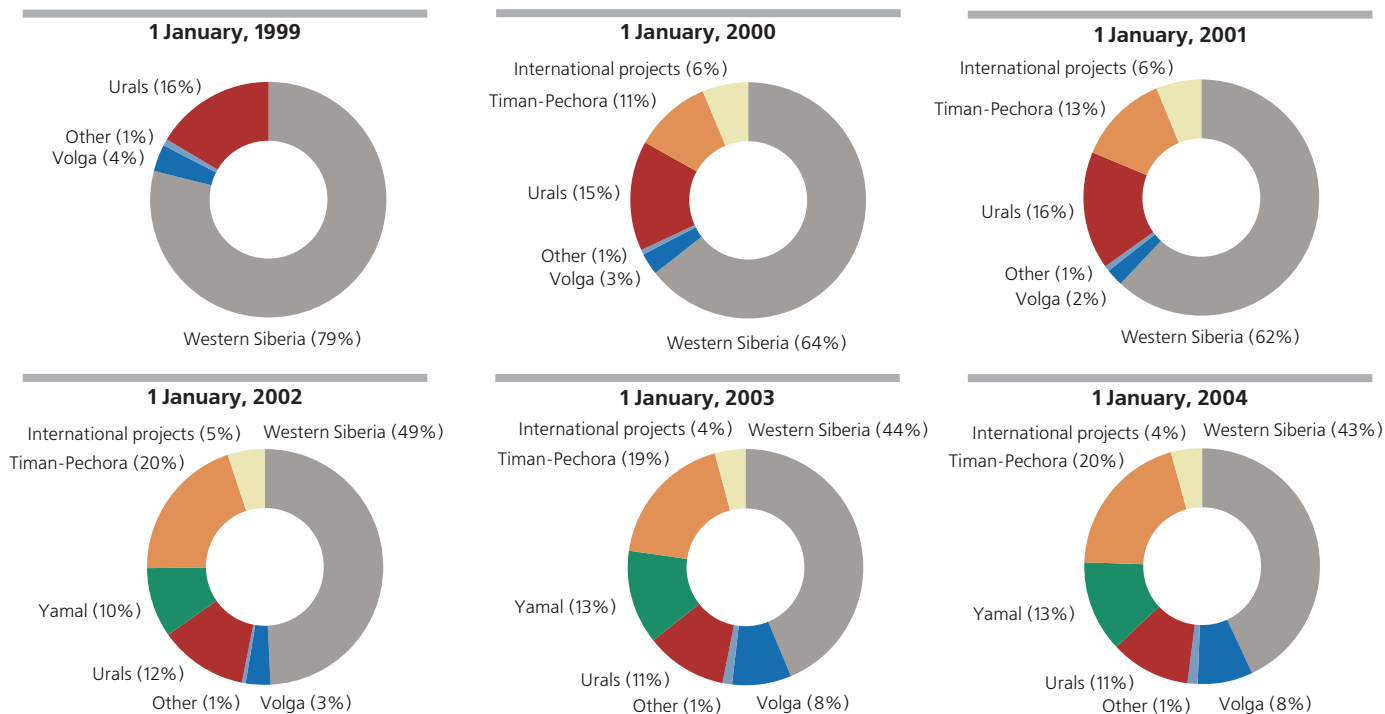
* Proven hydrocarbon reserves of LUKOIL Group increased by **1.9** times from 1 January, 1999 to 1 January, 2004

* Pace of growth of proven hydrocarbon reserves averaged **13.6%** per year

Proven hydrocarbon reserves of LUKOIL Group (beginning of year), mln boe

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	10,618	12,583	12,716	15,927	18,471	19,201
Western Siberia	8,364	8,649	8,410	8,258	8,446	8,635
Timan-Pechora	0	1,418	1,687	3,371	3,554	4,049
Yamal	0	0	0	1,605	2,497	2,517
Urals	1,766	2,018	2,202	2,033	2,164	2,219
Volga	397	397	326	567	1,565	1,504
including Caspian	0	0	0	258	1,227	1,146
Other	91	101	91	93	245	277
<i>International projects</i>	0	845	842	851	814	855
Total	10,618	13,428	13,558	16,778	19,285	20,056

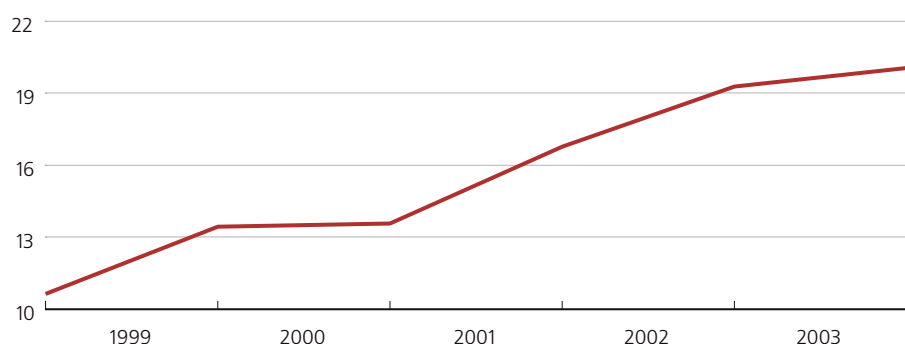
Regional distribution of proven hydrocarbon reserves of LUKOIL Group



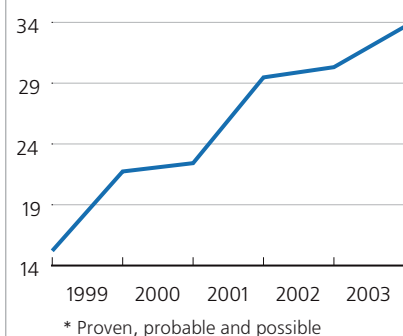
Factors in changes of proven hydrocarbon reserves of LUKOIL Group, mln boe

	1999	2000	2001	2002	2003
Reserves on 1 January	10,618	13,428	13,558	16,778	19,285
Extensions and discoveries	187	328	790	1,208	430
Production	(476)	(560)	(571)	(593)	(625)
Acquisition and sale of reserves, revision of previous estimates	3,099	362	3,001	1,892	966
Reserves on 31 December	13,428	13,558	16,778	19,285	20,056

Proven hydrocarbon reserves of LUKOIL Group, bln boe



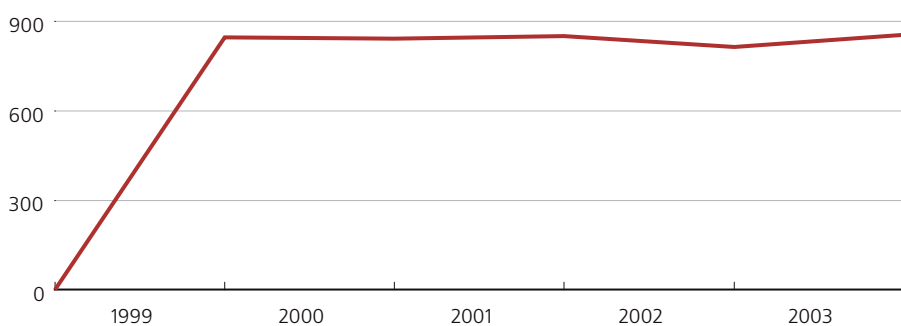
Total hydrocarbon reserves of LUKOIL Group by all categories*, bln boe



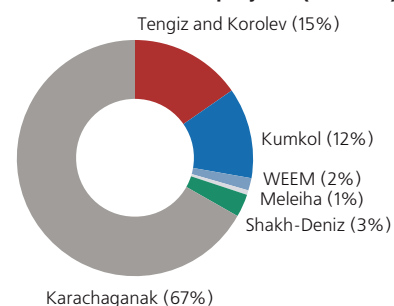
Proven hydrocarbon reserves in international projects (beginning of year), mln boe

	1999	2000	2001	2002	2003	2004
<i>Azerbaijan</i>						
Azeri Chirag Gyuneshli	—	126	102	119	79	Sold
Shakh-Deniz	—	—	—	—	—	27
<i>Kazakhstan</i>						
Tengiz and Korolev	—	93	90	124	120	131
Kumkol	—	100	91	85	96	107
Karachaganak	—	523	556	519	494	571
<i>Egypt</i>						
Meleiha	—	3	3	4	8	4
WEEM	—	—	—	—	17	15
Total	0	845	842	851	814	855

Proven hydrocarbon reserves in international projects, mln boe

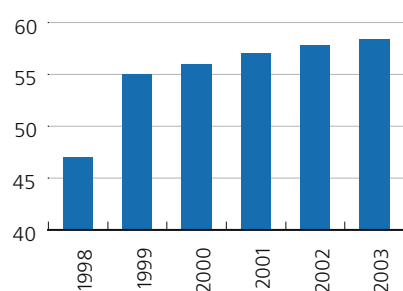


Proven hydrocarbon reserves in international projects (01.01.04)

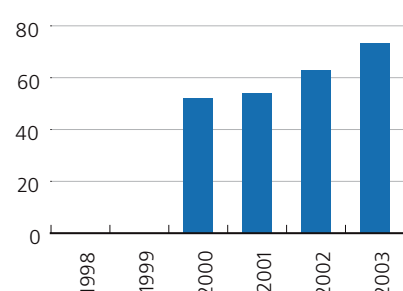


Field Development

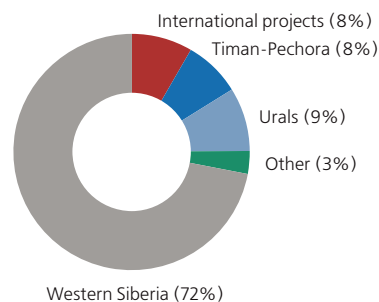
Drilled wellstock of LUKOIL, th. wells



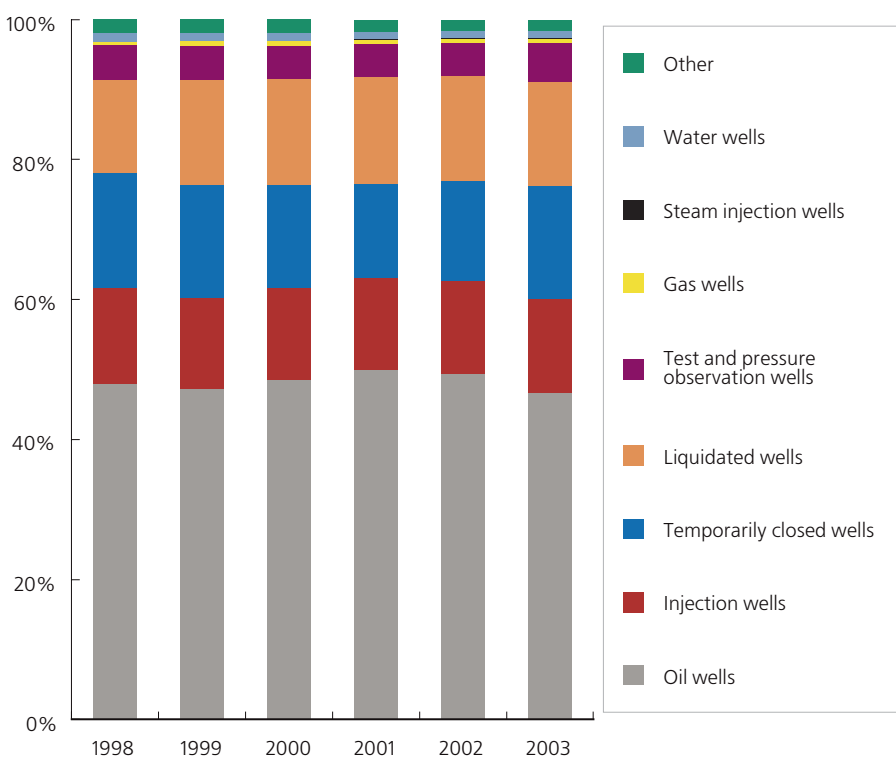
Steam injection wellstock, wells



Regional distribution of production drilling (2003)



Drilled wellstock of LUKOIL



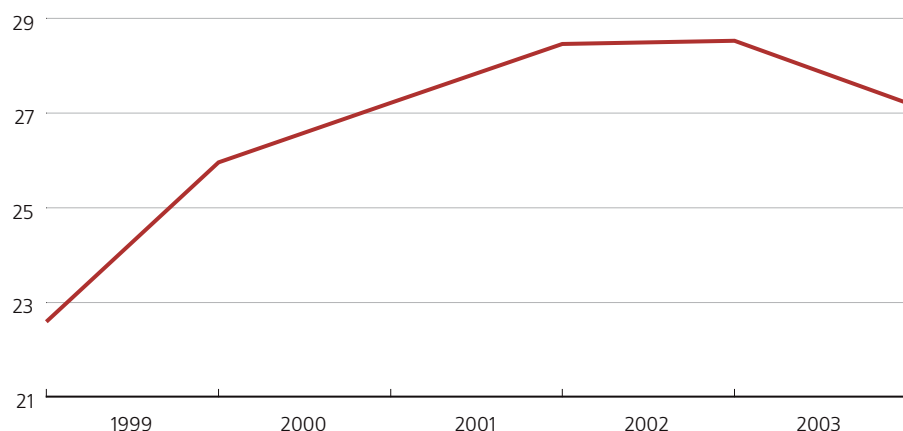
Regional distribution of production drilling, th. m

	1999	2000	2001	2002	2003
<i>Russia</i>	801	1,495	1,975	1,191	1,149
Western Siberia	604	1,063	1,438	913	899
Timan-Pechora	52	203	244	114	97
Urals	108	157	203	113	109
Volga	1	3	3	1	4
Other	36	69	88	50	39
<i>International projects</i>	42	60	80	159	104
Total	843	1,555	2,055	1,350	1,253

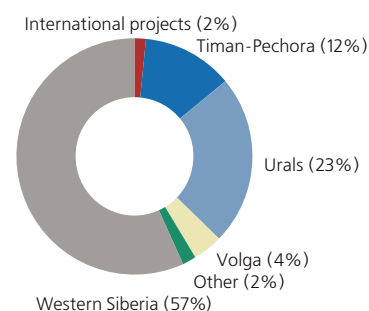
Operating oil wellstock (beginning of year), wells

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	22,376	25,715	26,938	28,142	28,138	26,812
Western Siberia	14,776	15,163	15,721	16,473	16,686	15,436
Timan-Pechora	—	2,957	3,242	3,389	3,388	3,395
Volga	—	1,063	979	1,238	1,166	1,114
Urals	—	6,071	6,475	6,555	6,398	6,343
Other	—	461	521	487	500	524
<i>International projects</i>	214	250	276	323	388	409
Total	22,590	25,965	27,214	28,465	28,526	27,221

Operating oil wellstock, th. wells



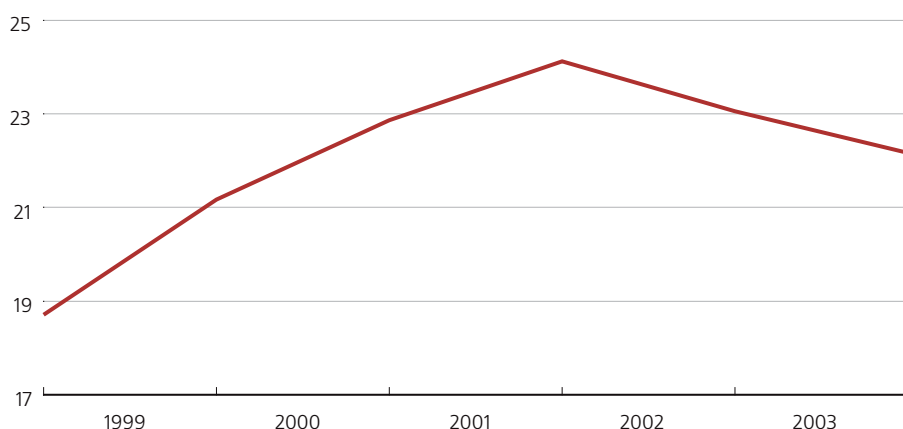
Regional distribution of operating oil wellstock (01.01.04)



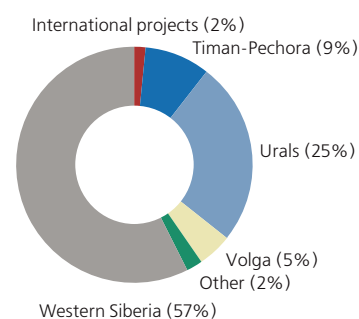
Producing oil wellstock (beginning of year), wells

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	18,526	20,963	22,629	23,860	22,735	21,844
Western Siberia	11,631	12,348	13,210	13,970	13,350	12,721
Timan-Pechora	—	1,655	1,992	2,133	2,080	1,990
Volga	—	1,006	925	1,182	1,064	1,045
Urals	—	5,525	6,003	6,104	5,776	5,582
Other	—	429	499	471	465	506
<i>International projects</i>	185	205	237	266	315	328
Total	18,711	21,168	22,866	24,126	23,050	22,172

Producing oil wellstock, th. wells



Regional distribution of producing oil wellstock (01.01.04)



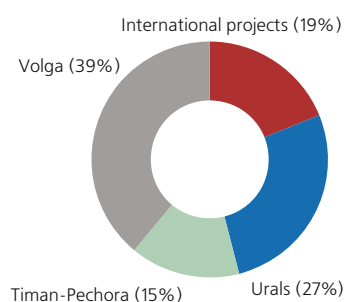
Share of idle wells in operating oil wellstock (beginning of year), %

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	17.2	18.5	16.0	15.2	19.2	18.5
<i>International projects</i>	13.6	18.0	14.1	17.7	18.1	19.8
Total	17.2	18.5	16.0	15.2	19.2	18.6

Operating gas wellstock (beginning of year), wells

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	228	265	253	253	253	254
Western Siberia	0	0	0	0	0	0
Timan-Pechora (Komi)	47	47	47	47	47	47
Urals	67	97	83	81	83	85
Volga	114	121	123	125	123	122
<i>International projects</i>	78	83	86	103	74	59
Total	306	348	339	356	327	313

Regional distribution of operating gas wellstock (01.01.04)



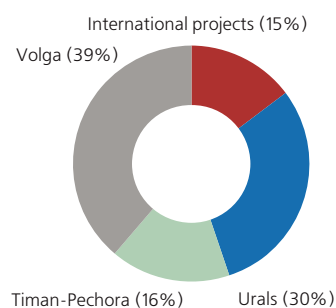
Operating gas wellstock, wells



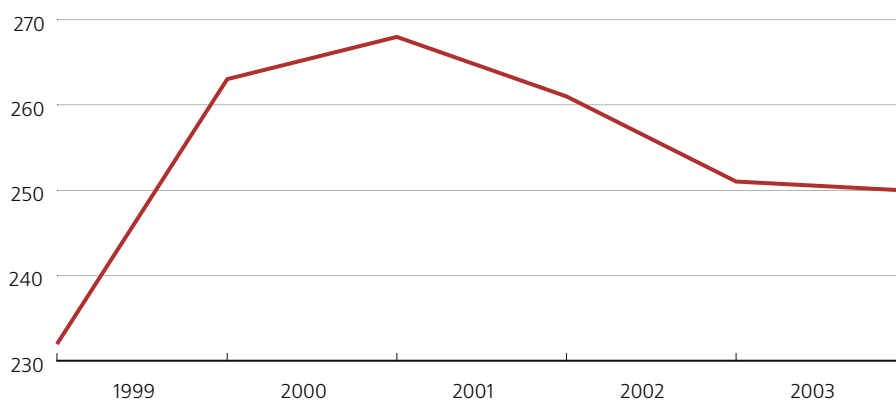
Producing gas wellstock (beginning of year), wells

	1999	2000	2001	2002	2003	2004
<i>Russia</i>	199	222	222	219	217	213
Western Siberia	0	0	0	0	0	0
Timan-Pechora (Komi)	41	41	41	41	41	41
Urals	61	77	74	72	73	75
Volga	97	104	107	106	103	97
<i>International projects</i>	33	41	46	42	34	37
Total	232	263	268	261	251	250

Regional distribution of producing gas wellstock (01.01.04)



Producing gas wellstock, wells



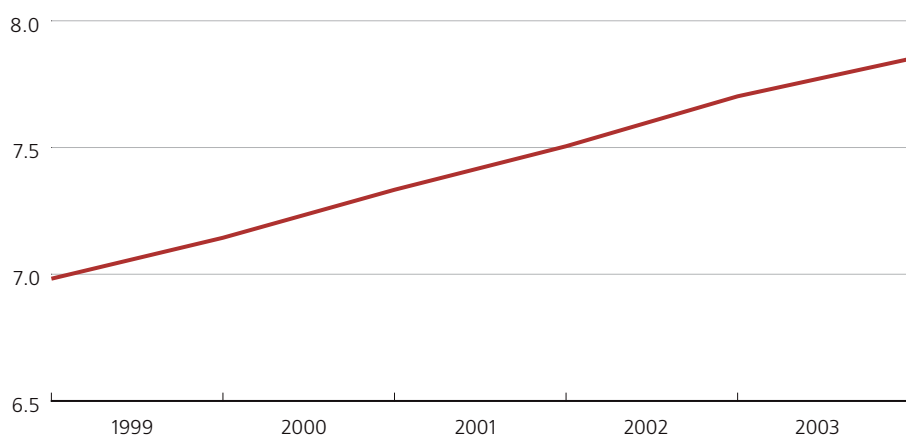
Share of idle wells in operating gas wellstock (beginning of year), %

	1999	2000	2001	2002	2003	2004
Russia	12.7	16.2	12.3	13.4	14.2	16.1
International projects	57.7	50.6	46.5	59.2	54.1	37.3
Total	24.2	24.4	20.9	26.7	23.2	20.1

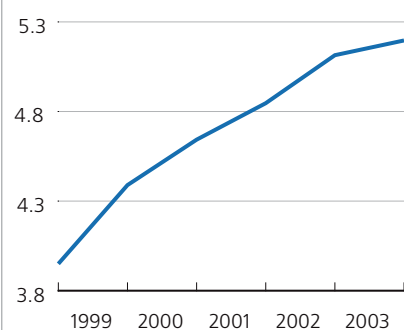
Injection wellstock (beginning of year), wells

	1999	2000	2001	2002	2003	2004
Operating wellstock	6,982	7,143	7,332	7,505	7,701	7,848
Wells under pressure	3,948	4,389	4,641	4,847	5,116	5,196
Share of idle wells, %	43.5	38.6	36.7	35.4	33.6	33.8

Operating injection wellstock, th. wells



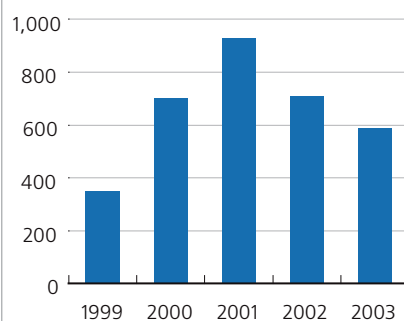
Injection wells under pressure, th. wells



New oil wells put into operation, wells

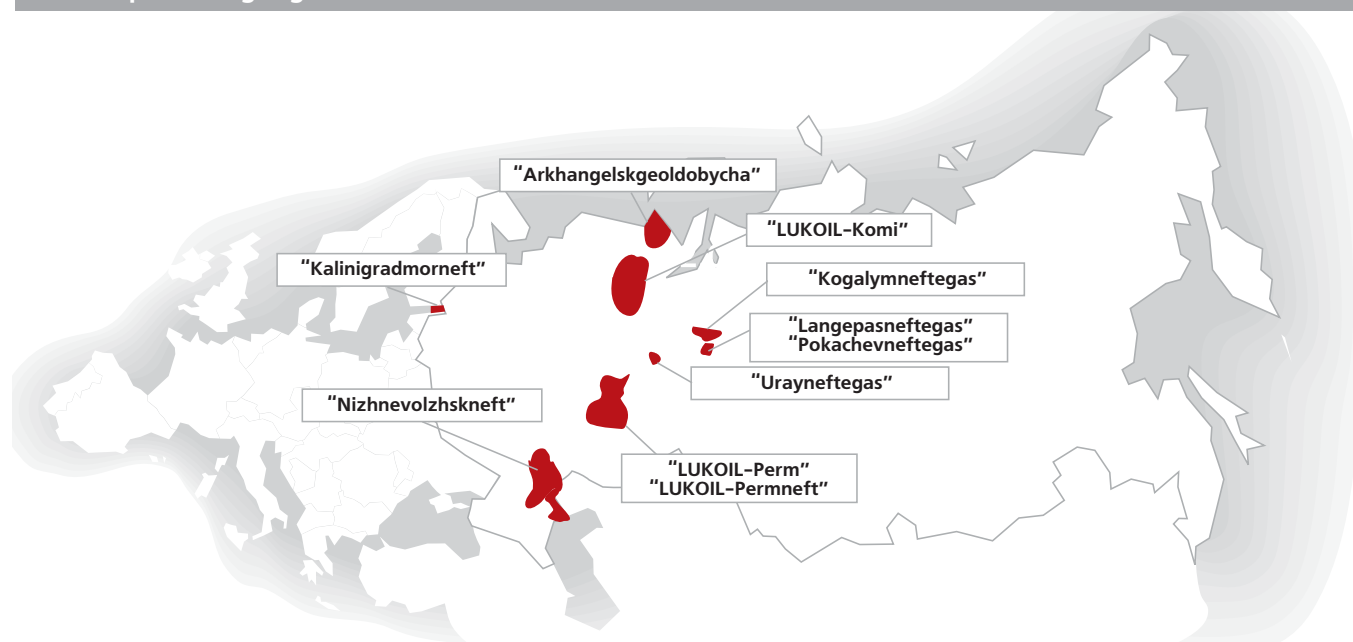
	1999	2000	2001	2002	2003
New oil wells	351	704	930	710	590

New oil wells put into operation, wells



Oil Production

Main oil producing regions of LUKOIL in Russia



Overall oil production by companies in LUKOIL Group, th. tons

	1999	2000	2001	2002	2003
Total production	75,589	77,741	78,236	79,850	81,501
Including:					
subsidiaries	54,055	69,227	70,196	71,275	76,072
affiliated companies	21,534	8,514	8,040	8,575	5,429
<i>LUKOIL's share in affiliated companies</i>	7,809	3,139	3,688	5,701	4,154

Oil production by LUKOIL Group*

	1999	2000	2001	2002	2003
Th. tons	61,864	72,366	73,884	76,976	80,226
Mln barrels	453	533	542	564	592
Th. tons per day	169	198	202	211	220
Th. barrels per day	1,242	1,456	1,485	1,545	1,623

Oil production by LUKOIL Group*, mln barrels

	1999	2000	2001	2002	2003
<i>Subsidiaries</i>	396	510	515	522	560
Russia	389	502	507	512	552
International projects	7	8	8	10	8
<i>LUKOIL's share in affiliated companies</i>	57	23	27	42	32
Total Group production	453	533	542	564	592














* Subsidiaries and share in affiliated companies.

Regional distribution of oil production by LUKOIL Group*, th. tons

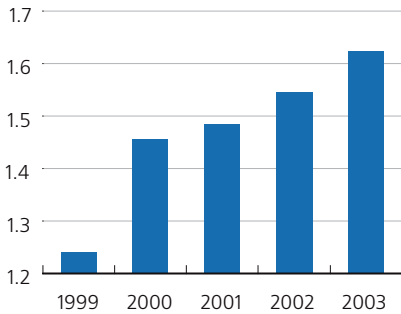
	1999	2000	2001	2002	2003
<i>Subsidiaries</i>	54,055	69,227	70,196	71,275	76,072
Western Siberia	42,817	48,294	48,644	47,577	51,244
Timan-Pechora	1,051	6,847	7,215	8,339	9,578
Urals	5,525	8,909	9,092	9,774	9,955
Volga	3,105	3,086	3,062	3,017	2,976
<i>International projects</i>	912	1,084	1,087	1,442	1,080
Other	645	1,007	1,096	1,126	1,239
<i>LUKOIL's share in affiliated companies</i>	7,809	3,139	3,688	5,701	4,154
Western Siberia	3,962	1,358	1,538	3,219	1,486
Timan-Pechora	903	369	782	792	617
Urals	1,768	325	55	52	66
Volga	159	68	179	163	196
<i>International projects</i>	846	987	1,134	1,475	1,789
Other	171	32	0	0	0
Total Group production	61,864	72,366	73,884	76,976	80,226

* Subsidiaries and share in affiliated companies.

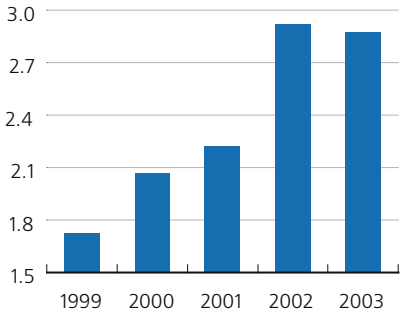
Acquisition of international exploration & production projects by LUKOIL Group

1994	1995	1996	1997	1998	2001	2002	2003
 Azeri Chirag Gyuneshli (Azerbaijan) 10% (sold in 2003)	 Kumkol (Kazakhstan) 50%  Meleiha (Egypt) 12%	 Shakh-Deniz (Azerbaijan) 5%	 West Qurnah-2 (Iraq) 68.5%  Karachaganak (Kazakhstan) 15%  Tengiz (Kazakhstan) 2.7%	 D-222 (Yalama) (Azerbaijan) 80%	 WEEM (Egypt) 100%	 Condor (Colombia) 70%	 West Geisum (Egypt) 100%  North-East Geisum (Egypt) 100%  Anaran (Iran) 25%

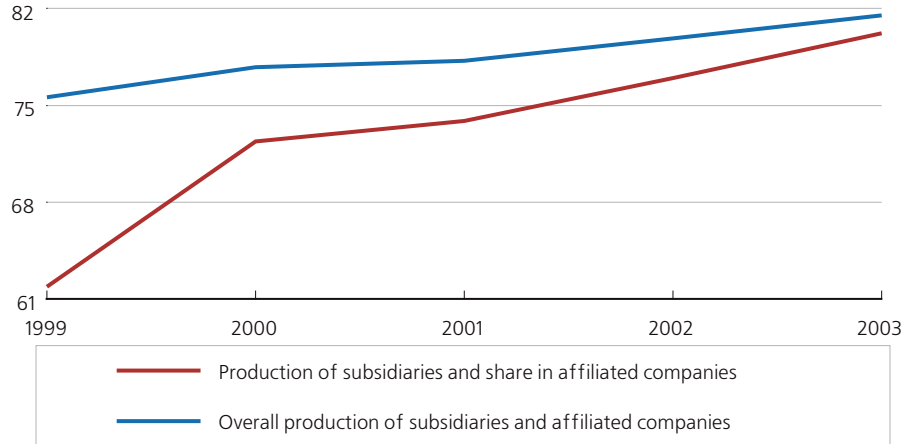
Oil production by LUKOIL Group, mln barrels per day



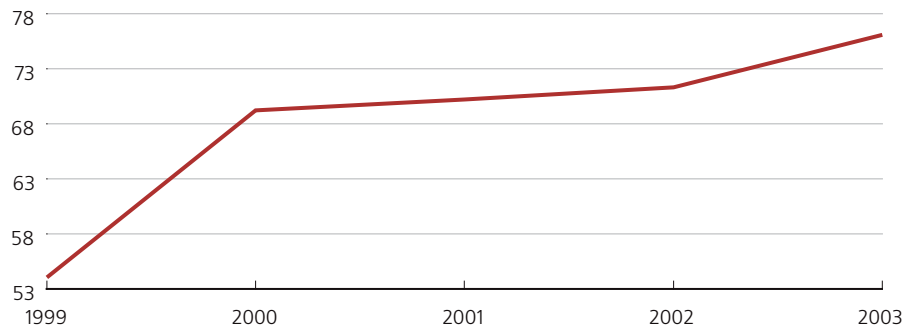
Oil production in international projects, mln tons per year



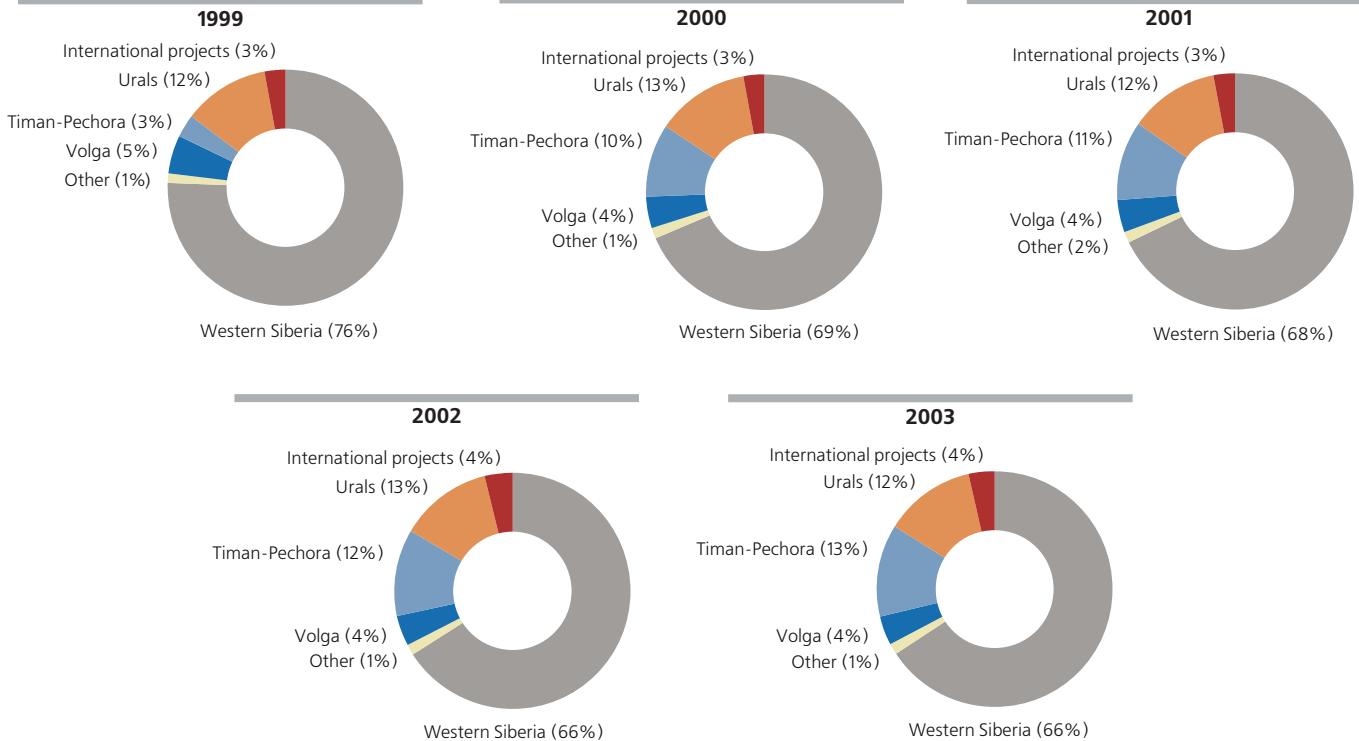
Oil production by companies in LUKOIL Group and by LUKOIL Group



Oil production by subsidiaries, mln tons



Regional distribution of oil production by LUKOIL Group



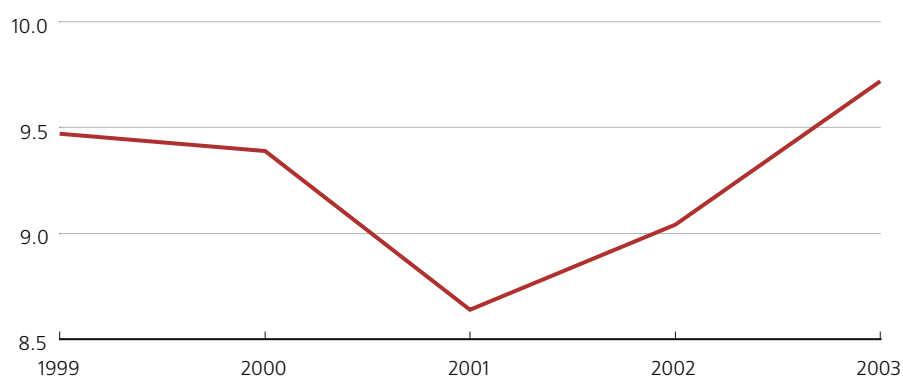
Oil production costs

	1999	2000	2001	2002	2003
Mln USD	677	1,229	1,411	1,355	1,458
USD per barrel	1.71	2.41	2.74	2.60	2.61

Average flow rate of oil wells, tons per day

	1999	2000	2001	2002	2003
New wells	29.9	25.9	24.4	27.7	35.7
Old wells	9.3	9.2	8.4	8.8	9.4
Whole wellstock	9.5	9.4	8.6	9.0	9.7
Western Siberia	11.4	10.8	10.2	10.2	11.2
Timan-Pechora	–	39.1	13.4	34.9	14.5
Volga	24.3	23.8	21.0	20.9	21.0
Urals	5.4	5.5	5.7	5.4	8.0
International projects	38.5	35.8	–	–	–
Other	7.6	7.7	6.9	7.2	7.2

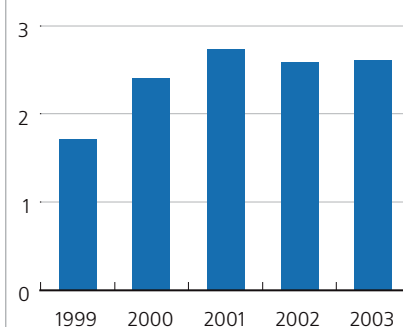
Average flow rate of oil wells, tons per day



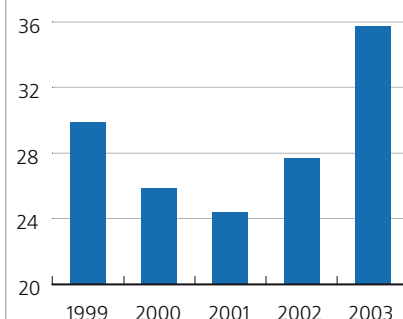
Watercut of oil wells, %

	1999	2000	2001	2002	2003
New wells	22.3	20.3	22.3	19.7	18.4
Old wells	73.7	75.6	77.5	77.7	77.2
Whole wellstock	73.3	75.2	76.9	77.1	76.6
Western Siberia	75.1	77.4	78.6	79.1	78.7
Timan-Pechora	–	69.2	75.3	74.7	72.1
Volga	58.4	56.0	62.8	62.7	62.4
Urals	68.0	68.8	70.1	69.8	70.8
International projects	2.0	3.1	–	–	–
Other	72.6	72.3	74.8	67.6	67.2

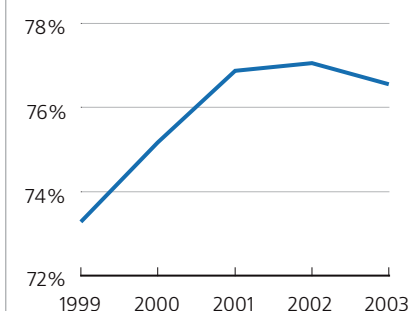
Oil production costs, USD per barrel



Average flow rate of new oil wells, tons per day



Watercut of oil wells, %



Reserves to production ratio of LUKOIL Group (end of year)

	1999	2000	2001	2002	2003
Western Siberia	24.6	21.9	22.0	22.2	21.6
Timan-Pechora	93.6	36.1	55.7	52.0	52.5
Yamal	—	—	—	—	—
Volga	37.1	33.6	29.0	28.4	28.7
Urals	15.3	12.7	16.7	21.7	22.1
<i>International projects</i>	<i>43.3</i>	<i>35.0</i>	<i>29.9</i>	<i>24.6</i>	<i>22.2</i>
Other	16.8	10.9	10.0	29.7	30.1
Total	28.2	24.3	26.8	27.1	27.0

Gas Production

Overall gas production by companies in LUKOIL Group, mcm

	1999	2000	2001	2002	2003
Total production	4,724	5,013	5,233	5,135	5,716
Including:					
subsidiaries	3,464	4,284	4,639	4,678	5,411
affiliated companies	1,260	729	594	457	305
<i>LUKOIL's share in affiliated companies</i>	<i>411</i>	<i>371</i>	<i>292</i>	<i>298</i>	<i>253</i>

Gas production by LUKOIL Group*

	1999	2000	2001	2002	2003
Mcm	3,875	4,655	4,931	4,976	5,664
Bcf	137	164	174	176	200
Mln boe	22.8	27.3	29.0	29.3	33.3
Mcm per day	10.6	12.8	13.5	13.6	15.5
Mcf per day	375	449	477	481	548
Th. boe per day	62.5	74.9	79.5	80.2	91.3

Regional distribution of gas production by LUKOIL Group*, mcm

	1999	2000	2001	2002	2003
<i>Subsidiaries</i>	<i>3,464</i>	<i>4,284</i>	<i>4,639</i>	<i>4,678</i>	<i>5,411</i>
Russia	2,964	3,637	4,108	4,002	4,630
International projects	500	647	531	676	781
<i>LUKOIL's share in affiliated companies</i>	<i>411</i>	<i>371</i>	<i>292</i>	<i>298</i>	<i>253</i>
Russia	330	272	153	135	83
International projects	81	99	139	163	170
Total Group production	3,875	4,655	4,931	4,976	5,664

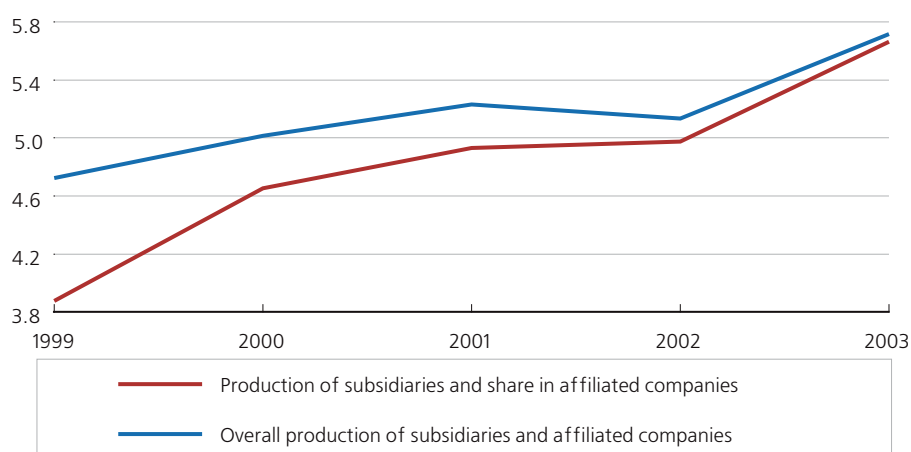
* Subsidiaries and share in affiliated companies.

Regional distribution of gas production by LUKOIL Group*, bcf

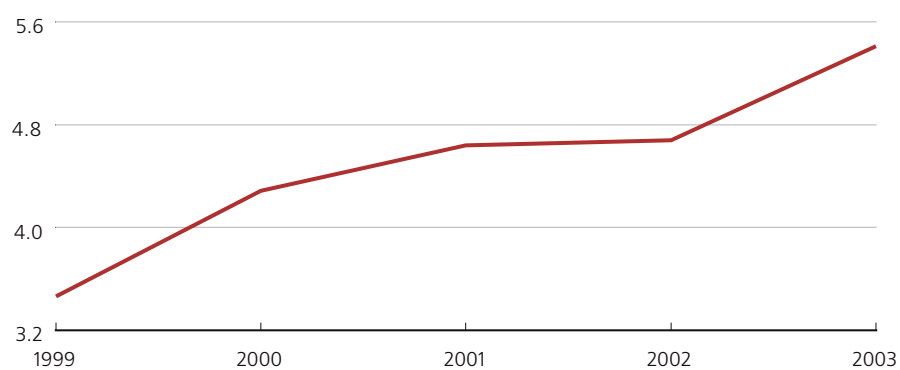
	1999	2000	2001	2002	2003
<i>Subsidiaries</i>	123	151	164	165	192
Russia	105	128	145	141	164
International projects	18	23	19	24	28
<i>LUKOIL's share in affiliated companies</i>	14	13	10	11	8
Total Group production	137	164	174	176	200

* Subsidiaries and share in affiliated companies.

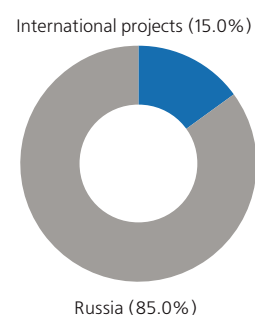
Gas production by companies in LUKOIL Group and by LUKOIL Group



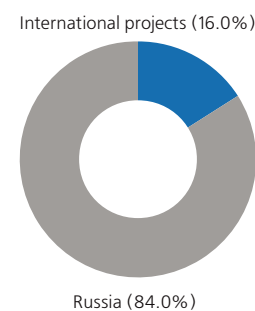
Gas production by subsidiaries, bcm



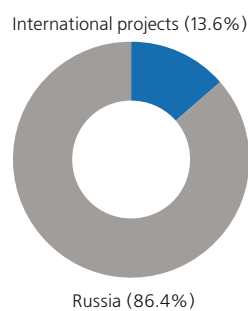
Gas production by LUKOIL Group (1999)



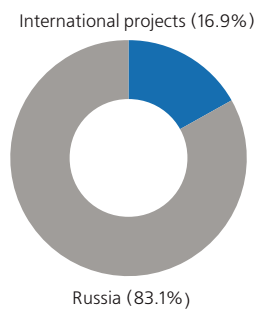
Gas production by LUKOIL Group (2000)



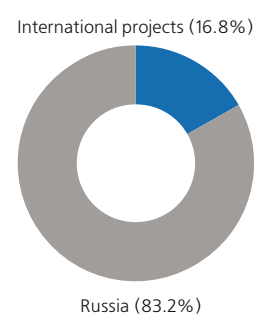
Gas production by LUKOIL Group (2001)



Gas production by LUKOIL Group (2002)

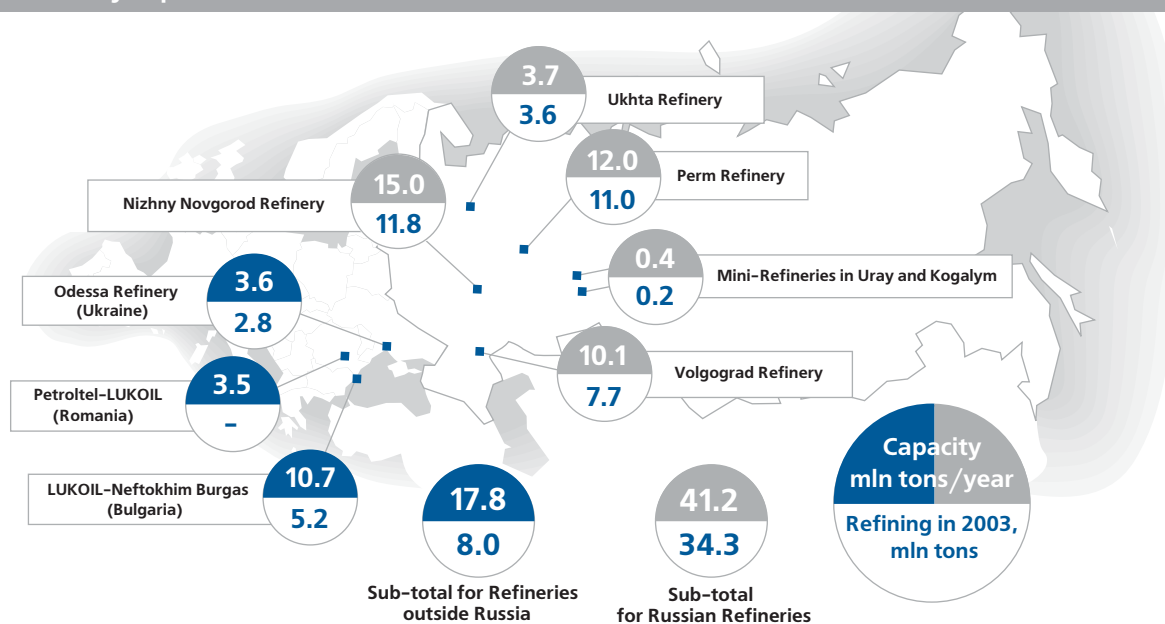


Gas production by LUKOIL Group (2003)

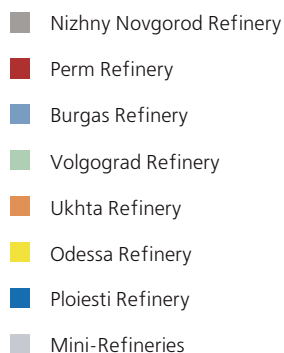
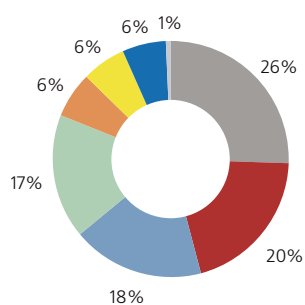


Refining

LUKOIL refinery capacities



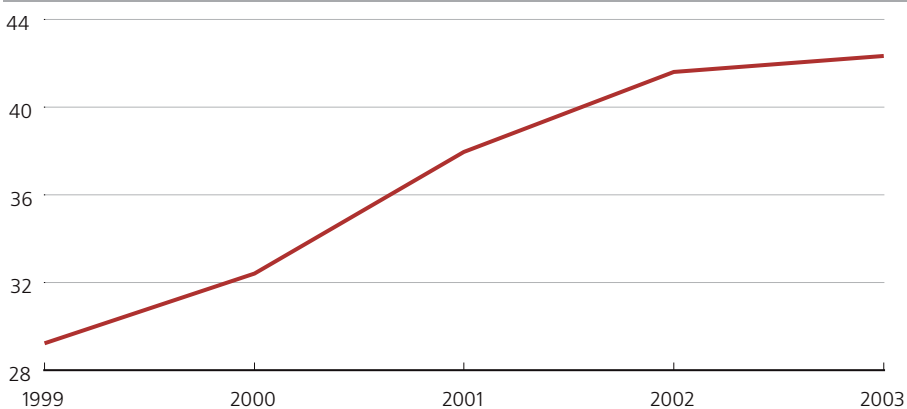
Structure of LUKOIL refinery capacities



Oil throughputs at LUKOIL refineries, mln tons

	1999	2000	2001	2002	2003
Total oil throughputs:	29.2	32.4	38.0	41.6	42.3
Including					
Russia	20.7	23.4	29.4	33.9	34.3
International	8.5	9.0	8.6	7.7	8.0
Oil throughputs, th. barrels per day	586	651	763	835	849

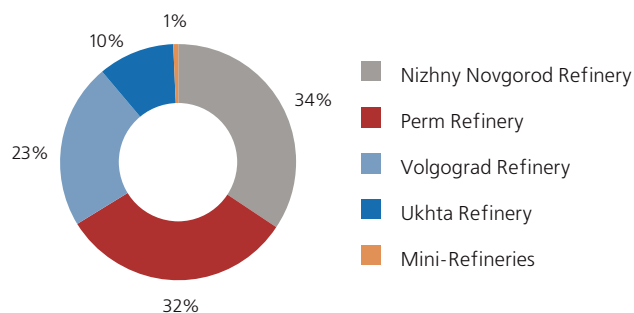
Oil throughputs at LUKOIL refineries, mln tons



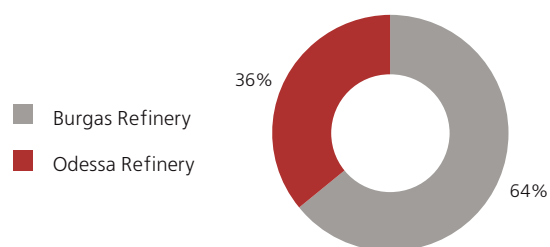
Depth of refining at LUKOIL refineries, %

	1999	2000	2001	2002	2003
Total	76.1	74.4	72.6	71.4	72.2
Russian refineries	75.5	76.2	73.9	72.7	73.6
International refineries	84.4	69.7	68.4	65.8	66.5

Oil throughputs at Russian refineries of LUKOIL Group (2003)



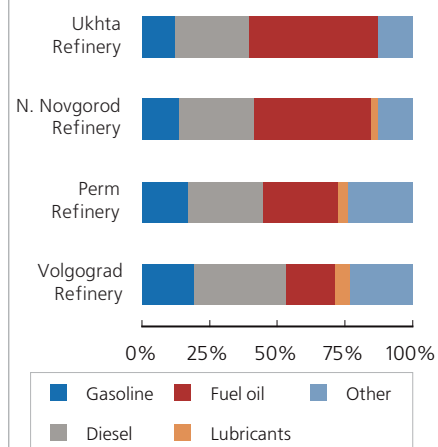
Oil throughputs at international refineries of LUKOIL Group (2003)



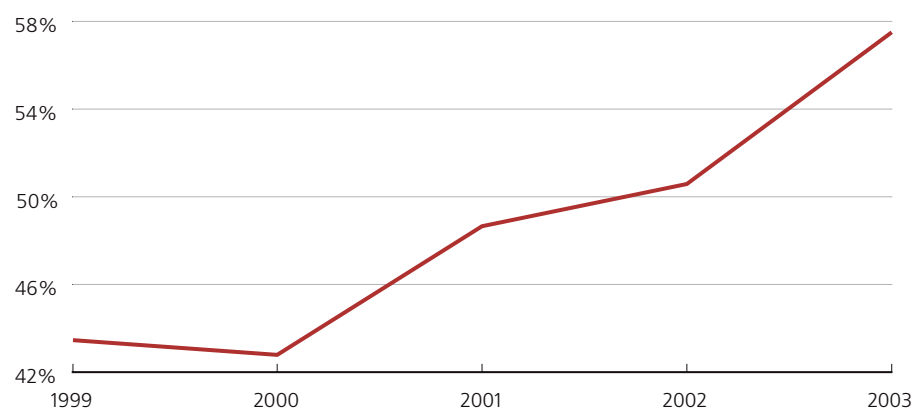
Petroleum product output at Russian refineries of LUKOIL Group, %

	1999	2000	2001	2002	2003
Motor gasoline	16.0	15.4	14.1	13.6	12.4
Diesel fuel	29.7	28.6	27.2	27.9	27.7
Jet fuel	6.0	4.9	6.1	5.0	5.0
Ship fuel	0.4	1.0	2.3	3.3	3.7
Heating oil	1.8	1.8	1.7	1.5	1.6
Vacuum gasoil	3.2	4.4	3.5	4.1	4.8
Non-motor gasoline	2.5	3.0	2.6	3.2	3.5
Fuel oil	26.7	26.6	28.6	29.6	29.3
Bitumen	3.5	4.2	4.7	3.5	3.9
Lubricants	4.0	4.1	3.9	3.3	3.3
Oil coke	2.8	2.3	1.6	1.4	1.3
Other	3.3	3.6	3.7	3.6	3.6

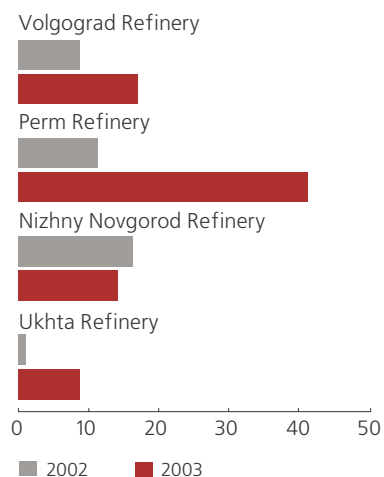
Output of main petroleum products at Russian refineries of LUKOIL Group (2003)



Share of high-octane gasolines in total output of motor gasolines at Russian refineries of LUKOIL Group, %



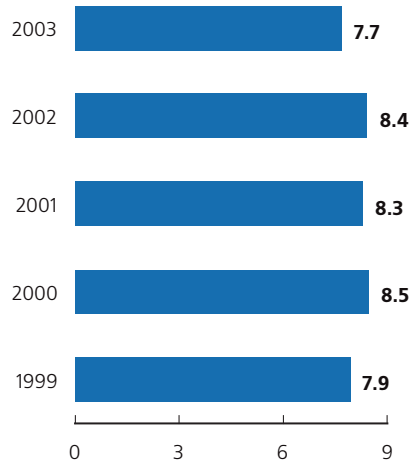
Share of ecological diesel fuel in overall diesel output, %



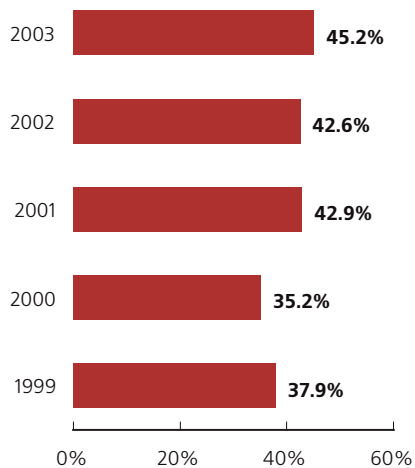
"LUKOIL- Volgogradneftepererabotka"

- The refinery produces fuels and lubricants
- Put into operation in **1957**
- Belongs to LUKOIL Group since **1992**
- Crude oil is delivered to the refinery by pipeline **Samara-Tikhoretsk**
- Petroleum products are shipped by rail, river and motor transport
- **Capacity – 10.1** mln tons per year

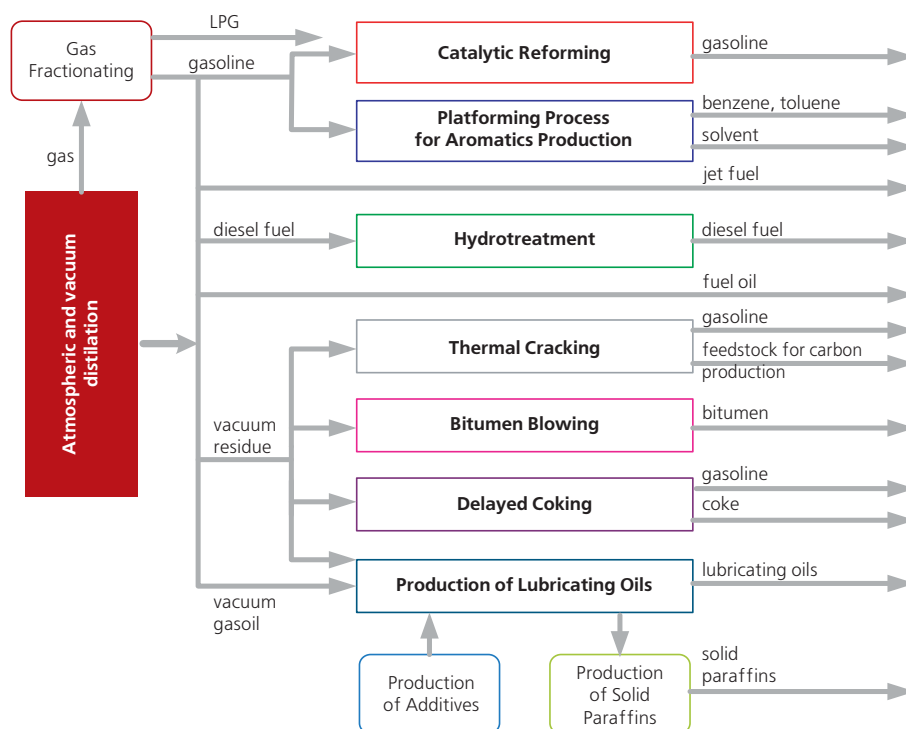
Refinery throughput, mln tons



Share of high-octane gasolines in total output of motor gasolines, %



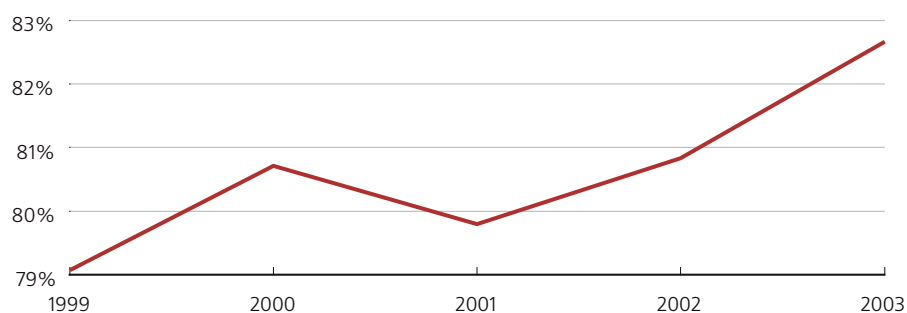
Volgograd Refinery



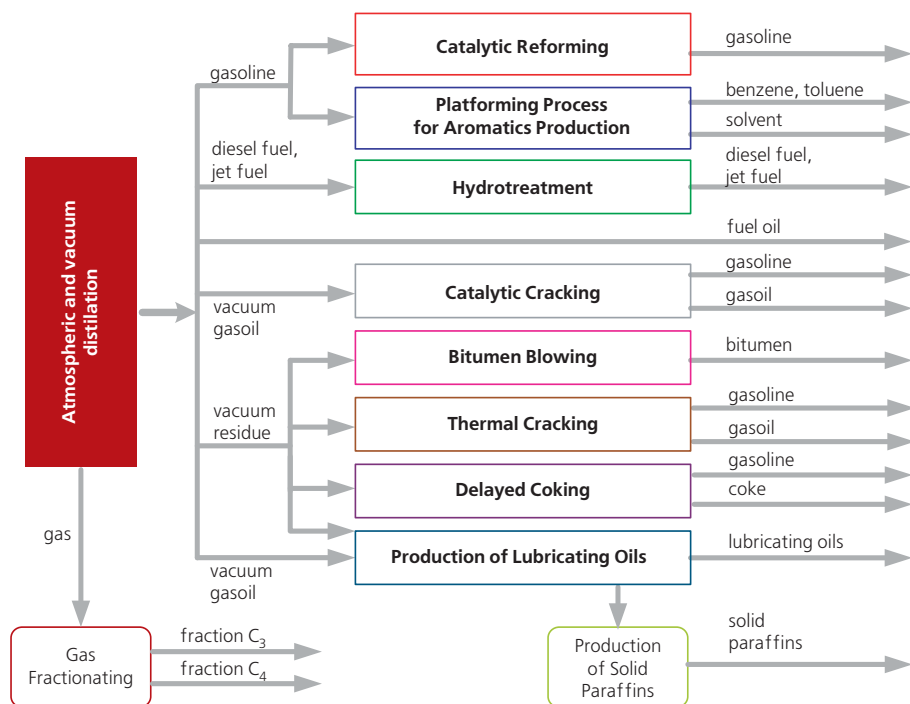
Petroleum product output, %

	1999	2000	2001	2002	2003
Motor gasoline	14.0	14.4	13.2	13.7	11.9
Diesel fuel	30.9	31.4	30.8	29.2	28.7
Jet fuel	8.0	7.8	8.5	8.3	8.2
Ship fuel	0.0	0.0	0.0	0.6	0.8
Heating oil	3.3	3.5	3.5	5.1	5.4
Vacuum gasoil	4.8	5.6	6.2	5.9	5.3
Non-motor gasoline	5.6	5.6	6.2	5.8	7.5
Fuel oil	20.0	18.8	19.0	18.1	17.1
Bitumen	1.6	1.9	1.6	1.5	2.1
Lubricants	5.2	5.7	5.5	5.2	5.5
Oil coke	3.0	3.1	2.9	3.1	3.0
Other	3.6	2.2	2.6	3.5	4.5

Depth of refining, %



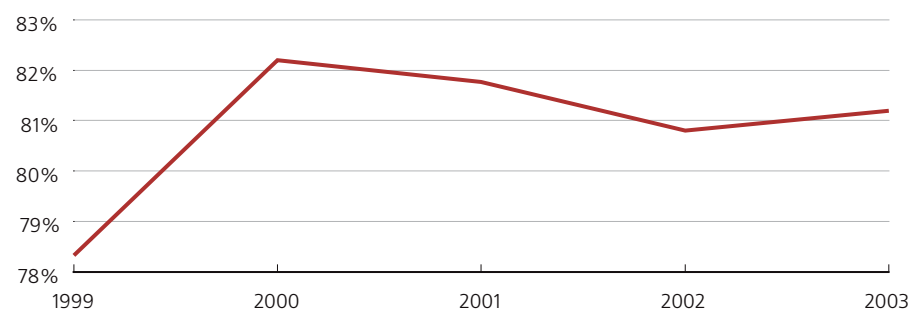
Perm Refinery



Petroleum product output, %

	1999	2000	2001	2002	2003
Motor gasoline	17.6	17.8	16.8	16.1	14.8
Diesel fuel	29.8	29.8	25.8	27.2	27.1
Jet fuel	5.7	4.4	5.1	4.8	5.2
Ship fuel	0.9	2.1	3.9	3.8	3.2
Heating oil	1.0	1.0	1.4	0.7	0.8
Vacuum gasoil	2.7	2.7	1.9	3.4	4.9
Non-motor gasoline	0.6	0.9	1.4	2.6	2.2
Fuel oil	25.4	23.0	23.5	23.7	24.2
Bitumen	5.7	6.2	5.7	4.5	5.2
Lubricants	3.9	4.3	4.7	3.9	4.0
Oil coke	3.2	2.4	2.2	2.0	2.0
Other	3.5	5.5	7.4	7.4	6.3

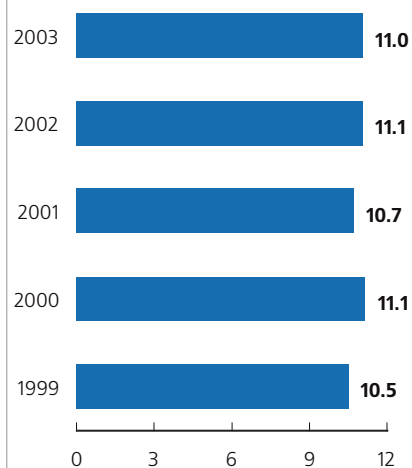
Depth of refining, %



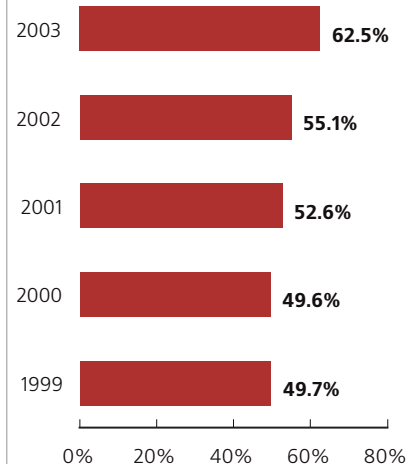
"LUKOIL-Permnefteorgsintez"

- The refinery produces fuels, lubricants and petrochemicals
- Put into operation in **1958**
- Belongs to LUKOIL Group since **1992**
- Crude oil is delivered to the refinery by pipelines **Surgut-Polotsk** and **Kholmogori-Klin**
- Petroleum products are shipped by rail, river and motor transport and also by oil-products pipeline **Perm-Andreyevka-Ufa**
- **Capacity – 12 mln tons per year**

Refinery throughput, mln tons



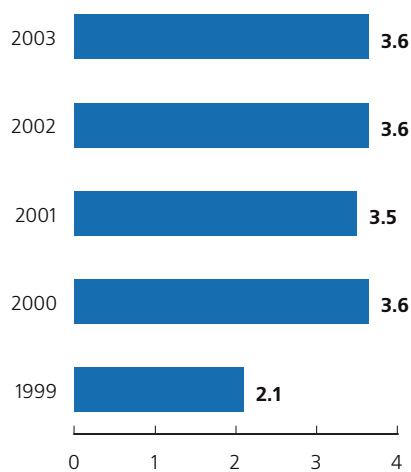
Share of high-octane gasolines in total output of motor gasolines, %



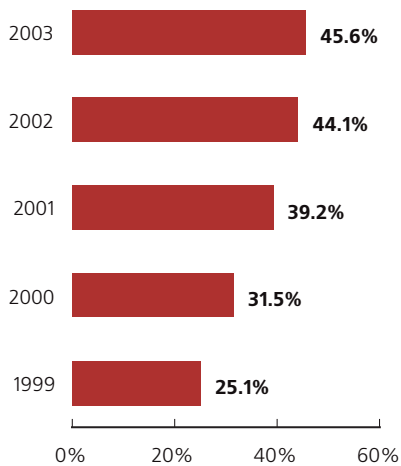
"LUKOIL-Ukhtanetepereperabotka"

- The refinery produces fuels
- Put into operation in **1934**
- Belongs to LUKOIL Group since October **1999**
- Crude oil is delivered to the refinery by pipeline **Usa-Ukhta**
- Petroleum products are shipped by rail and motor transport
- **Capacity** – 3.7 mln tons per year

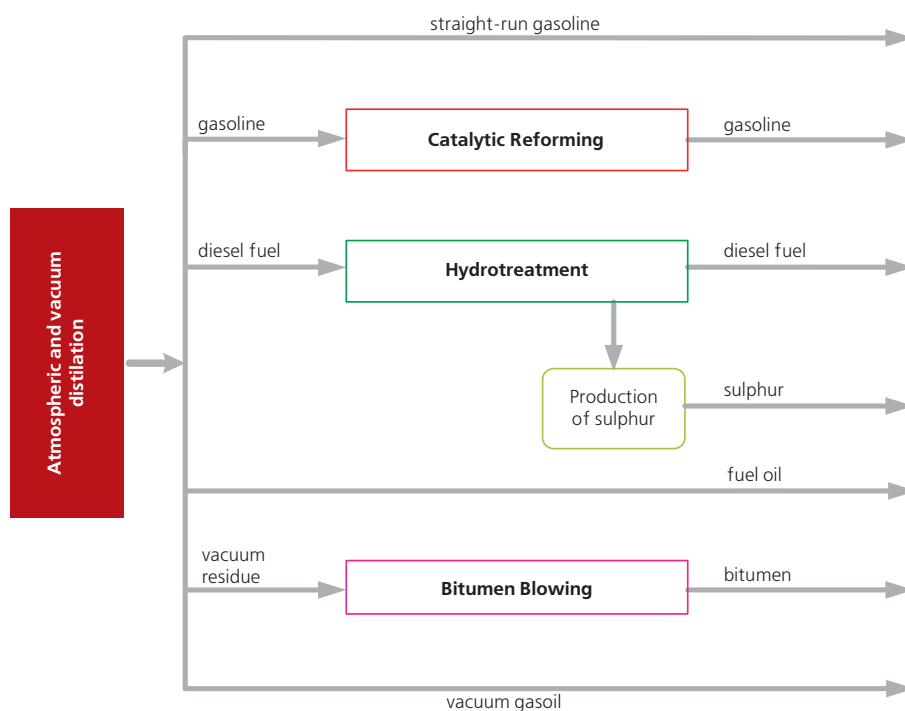
Refinery throughput, mln tons



Share of high-octane gasolines in total output of motor gasolines, %



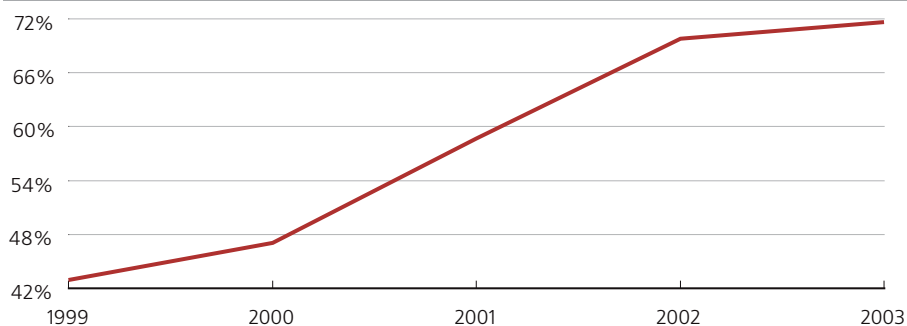
Ukhta Refinery



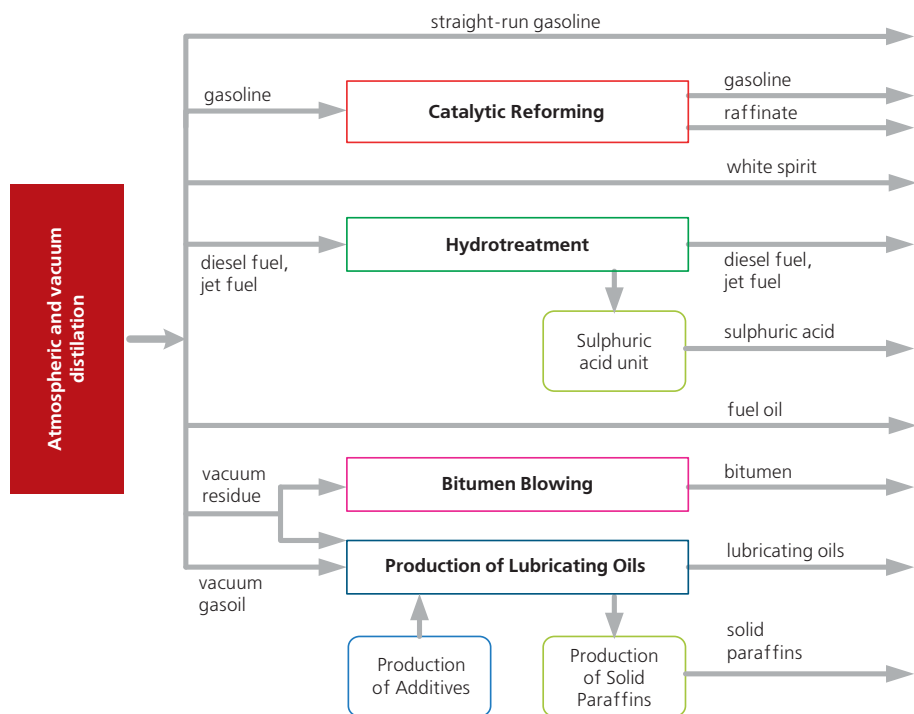
Petroleum product output, %

	1999	2000	2001	2002	2003
Motor gasoline	15.5	10.3	9.6	9.7	9.6
Diesel fuel	24.8	18.4	25.0	26.2	26.7
Jet fuel	0.0	0.0	0.0	0.1	0.5
Ship fuel	0.0	0.0	7.0	14.8	13.4
Heating oil	0.1	0.5	1.0	0.3	0.7
Vacuum gasoil	0.0	6.7	6.3	6.9	9.1
Non-motor gasoline	0.0	3.6	2.6	2.1	2.7
Fuel oil	58.7	56.2	43.9	36.1	34.2
Bitumen	0.0	3.4	4.0	3.2	2.5
Lubricants	0.0	0.0	0.0	0.0	0.0
Oil coke	0.0	0.0	0.0	0.0	0.0
Other	1.0	1.0	0.6	0.5	0.6

Depth of refining, %



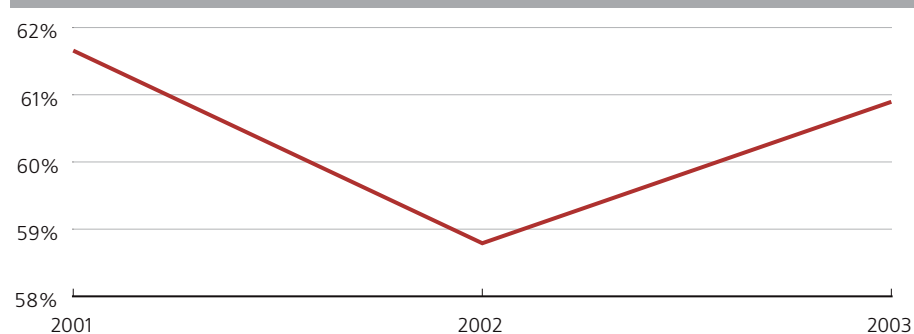
Nizhny Novgorod Refinery



Petroleum product output, %

	1999	2000	2001	2002	2003
Motor gasoline	—	—	13.3	12.2	11.3
Diesel fuel	—	—	25.9	28.1	27.9
Jet fuel	—	—	8.0	4.2	4.1
Ship fuel	—	—	0.0	1.1	3.0
Heating oil	—	—	0.3	0.1	0.1
Vacuum gasoil	—	—	1.3	2.4	2.9
Non-motor gasoline	—	—	0.0	2.2	2.4
Fuel oil	—	—	40.1	42.4	40.3
Bitumen	—	—	7.4	4.2	4.1
Lubricants	—	—	2.7	2.4	2.4
Oil coke	—	—	0.0	0.0	0.0
Other	—	—	0.9	0.8	1.5

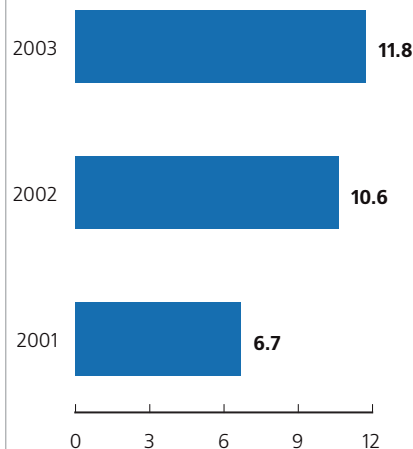
Depth of refining, %



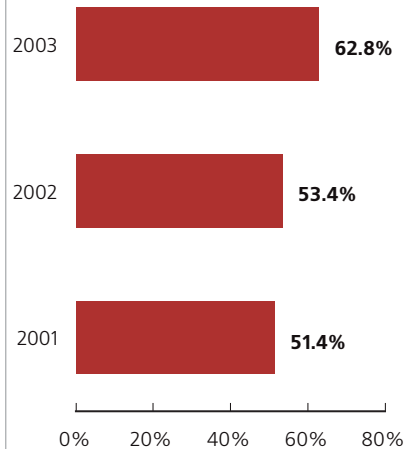
"LUKOIL-Nizhegorodnefteorgsintez"

- The refinery produces fuels, lubricants and petrochemicals
- Put into operation in **1958**
- Belongs to LUKOIL Group since the end of **2001**
- Crude oil is delivered to the refinery by pipelines **Almetyevsk-Nizhny Novgorod** and **Surgut-Polotsk**
- Petroleum products are shipped by rail, river and motor transport and also by oil-products pipeline
- **Capacity – 15 mln tons per year**

Refinery throughput, mln tons

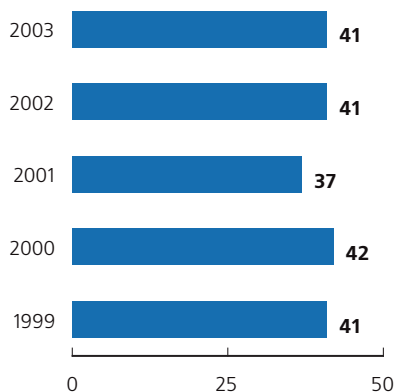


Share of high-octane gasolines in total output of motor gasolines, %



"Urayneftegas"

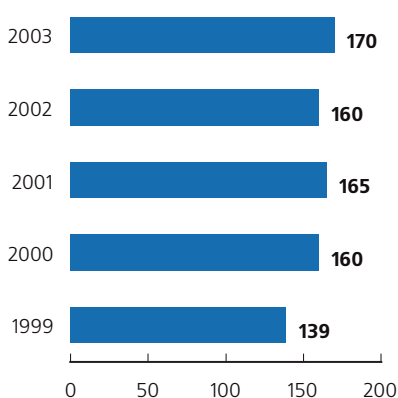
- The refinery produces fuels
- Put into operation in **1995**
- Belongs to LUKOIL Group since **1995**
- **Capacity** – 0.1 mln tons per year

Refinery throughput*, mln tons

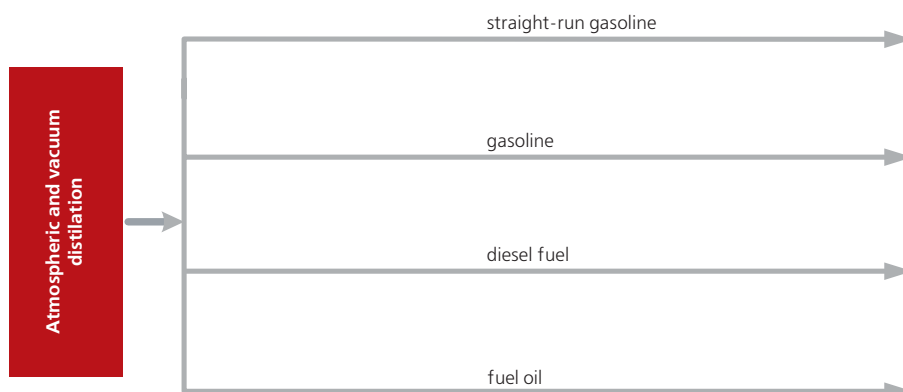
* Excluding petroleum tailings returned to oil.

"Kogalymneftegas"

- The refinery produces fuels
- Put into operation in **1997**
- Belongs to LUKOIL Group since **1997**
- **Capacity** – 0.3 mln tons per year

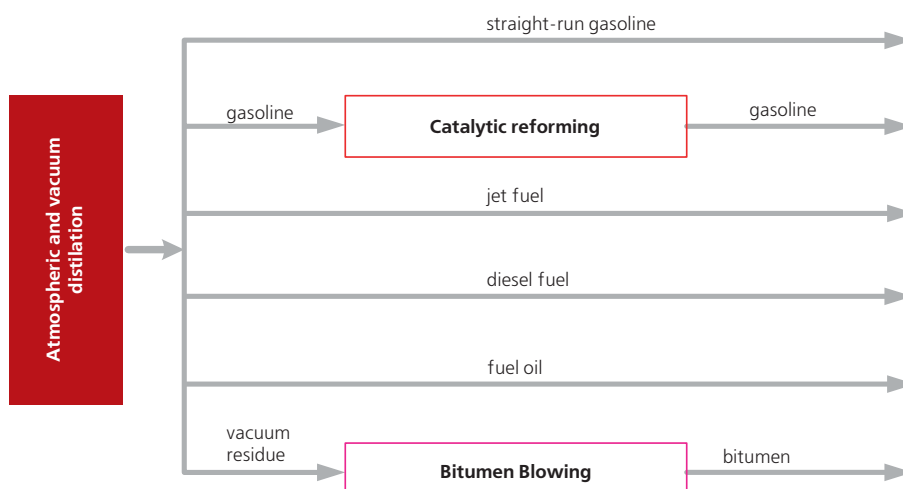
Refinery throughput*, mln tons

* Excluding petroleum tailings returned to oil.

Mini-Refinery in Uray**Petroleum product output**, %**

	1999	2000	2001	2002	2003
Motor gasoline	14.4	14.1	10.0	15.6	13.1
Diesel fuel	23.1	23.6	22.0	22.7	22.0
Non-motor gasoline	0.0	2.0	2.4	0.9	4.8
Other	0.0	0.0	0.0	0.0	0.0

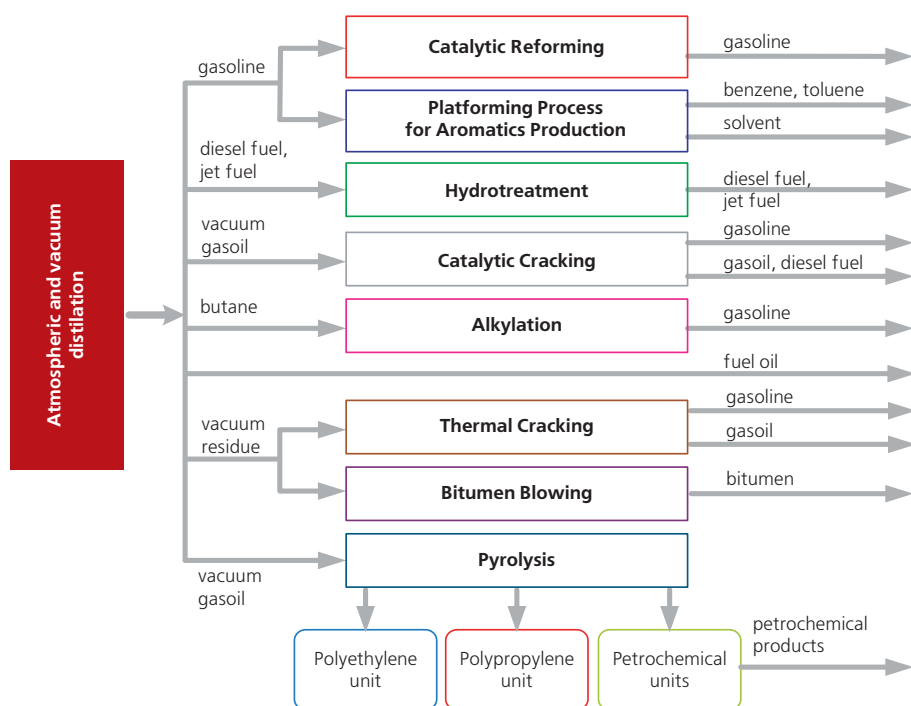
** Petroleum tailings are returned to oil.

Mini-Refinery in Kogalym**Petroleum product output**, %**

	1999	2000	2001	2002	2003
Motor gasoline	4.5	3.5	9.9	6.1	6.7
Diesel fuel	18.7	20.8	20.6	20.7	23.1
Jet fuel	5.4	6.7	6.7	6.9	7.4
Non-motor gasoline	9.6	10.6	5.2	9.2	10.1
Bitumen	5.7	6.7	6.5	2.3	3.0
Other	0.0	0.0	0.0	0.0	0.0

** Petroleum tailings are returned to oil.

Burgas Refinery



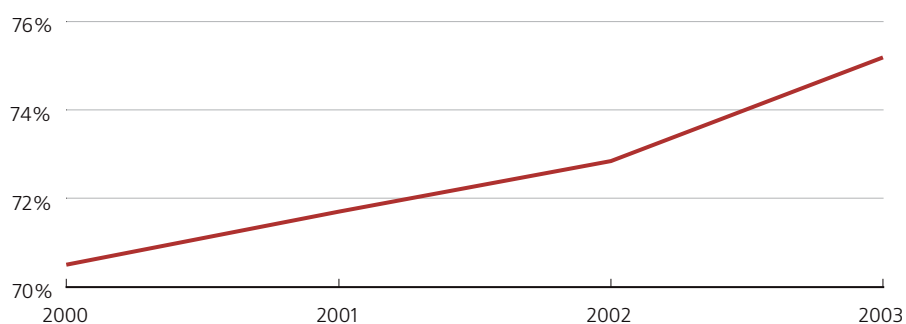
"LUKOIL-Neftokhim Burgas", Bulgaria

- The refinery produces fuels and petrochemicals
- Put into operation in **1964**
- Belongs to LUKOIL Group since the end of **1999**
- Crude oil is delivered to the refinery from the port of **Burgas**
- Petroleum products are shipped by rail, sea and motor transport and also by oil-products pipelines **Burgas-Sofia** and **Burgas-Varna**
- **Capacity – 10.7** mln tons per year

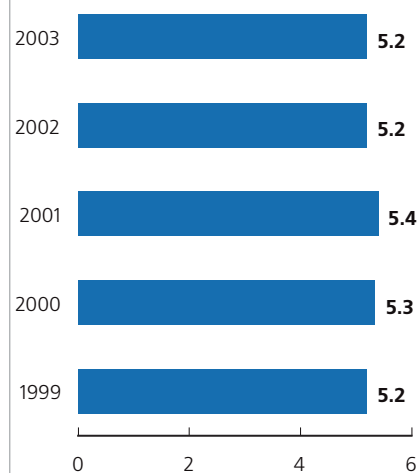
Petroleum product output, %

	1999	2000	2001	2002	2003
Motor gasoline	–	20.4	24.0	22.7	24.8
Diesel fuel	–	37.0	36.8	37.3	39.4
Jet fuel	–	2.4	3.2	2.7	3.3
Ship fuel	–	0.0	0.0	0.0	0.0
Heating oil	–	3.3	4.1	3.5	2.8
Vacuum gasoil	–	0.0	0.0	0.0	0.0
Non-motor gasoline	–	0.0	0.0	0.0	0.0
Fuel oil	–	22.4	17.3	19.5	16.0
Bitumen	–	2.7	3.5	2.0	2.8
Lubricants	–	0.0	0.0	0.0	0.0
Oil coke	–	0.0	0.0	0.0	0.0
Other	–	11.8	11.2	12.3	10.9

Depth of refining, %

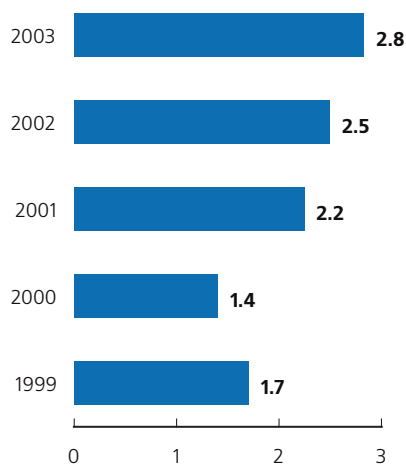
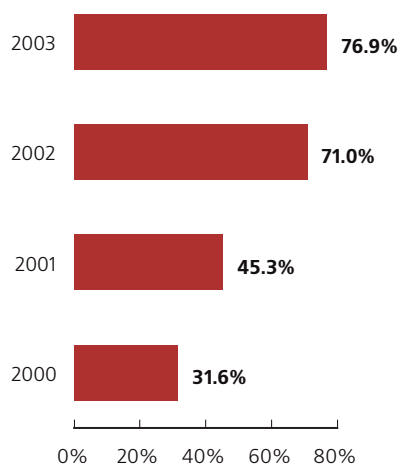
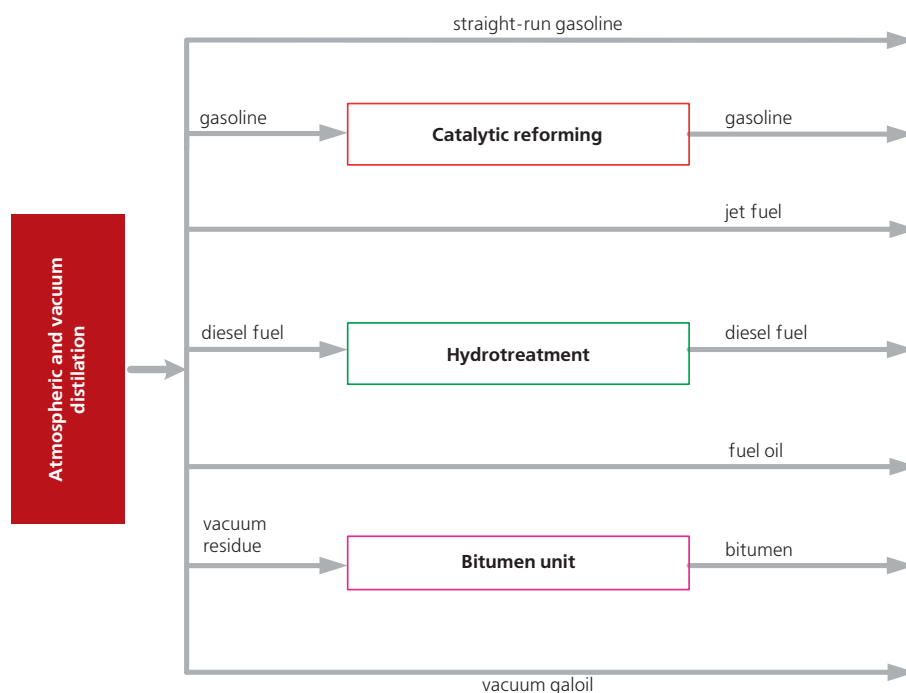


Refinery throughput, mln tons

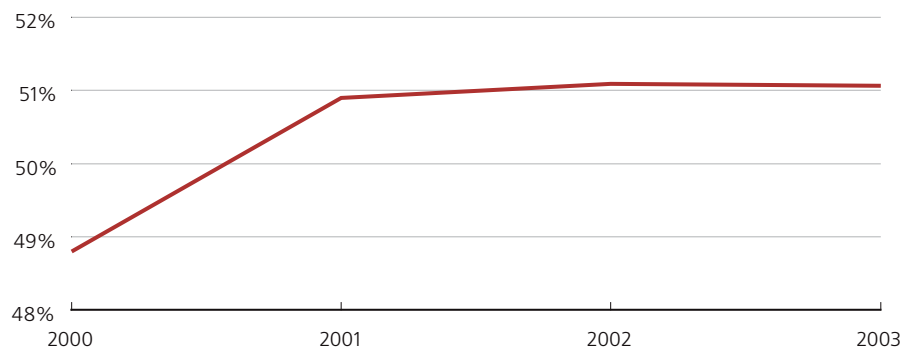


"LUKOIL-Odessky NPZ", Ukraine

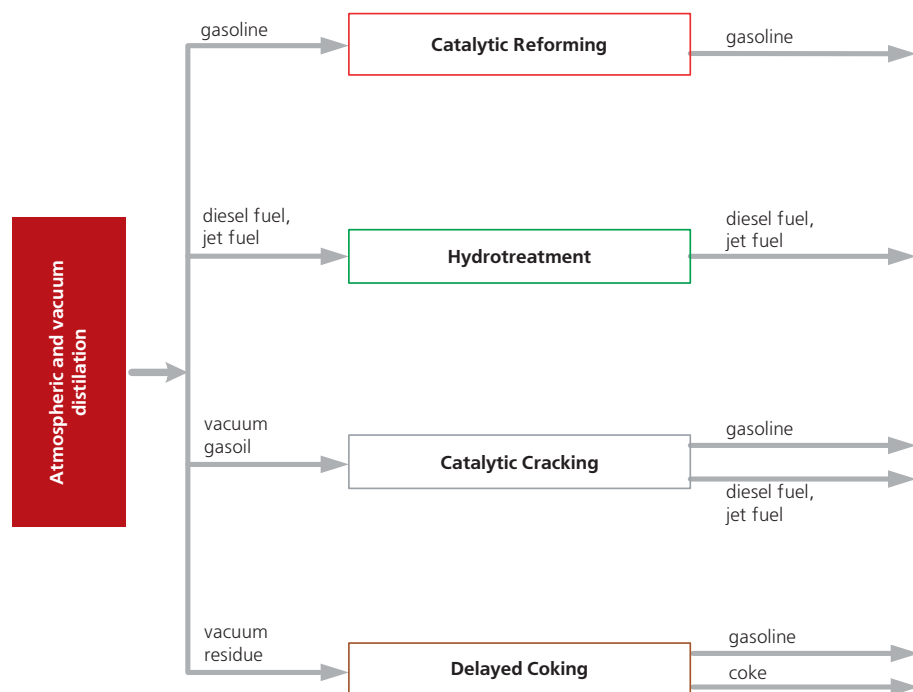
- The refinery produces fuels
- Put into operation in **1937**
- Belongs to LUKOIL Group since mid-**2000**
- Crude oil is delivered to the refinery by pipeline from **Russia**
- Petroleum products are shipped by rail and motor transport and also by oil-products pipeline
- **Capacity**– 3.6 mln tons per year

Refinery throughput, mln tons**Share of high-octane gasolines in total output of motor gasolines, %****Odessa Refinery****Petroleum product output, %**

	1999	2000	2001	2002	2003
Motor gasoline	–	16.4	14.1	11.1	11.1
Diesel fuel	–	28.8	29.0	29.6	28.4
Jet fuel	–	1.8	1.7	1.5	2.5
Ship fuel	–	0.0	0.0	0.0	0.0
Heating oil	–	0.0	0.0	0.0	0.0
Vacuum gasoil	–	0.0	2.2	2.5	1.9
Non-motor gasoline	–	0.0	0.0	2.8	2.6
Fuel oil	–	51.0	49.3	48.8	49.6
Bitumen	–	1.1	1.8	3.0	3.2
Lubricants	–	0.0	0.0	0.0	0.0
Oil coke	–	0.0	0.0	0.0	0.0
Other	–	0.9	1.9	0.8	0.7

Depth of refining, %

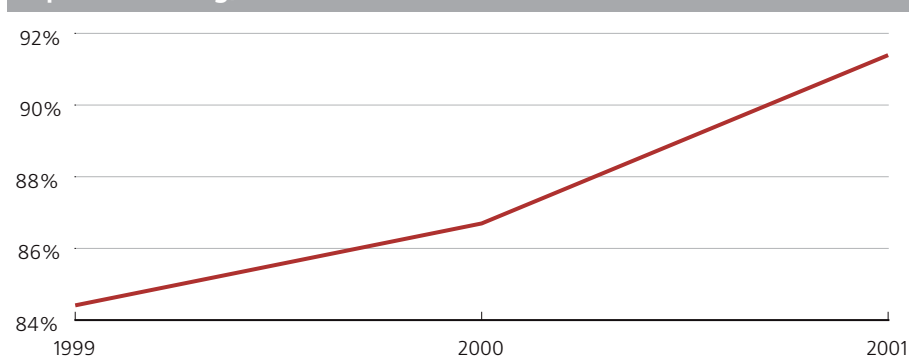
Ploiesti Refinery



Petroleum product output, %

	1999	2000	2001	2002	2003
Motor gasoline	38.0	37.7	34.9	—	—
Diesel fuel	40.9	42.6	42.6	—	—
Jet fuel	0.0	0.0	0.0	—	—
Ship fuel	0.0	0.0	0.0	—	—
Heating oil	0.0	0.0	0.0	—	—
Vacuum gasoil	0.0	0.0	0.0	—	—
Non-motor gasoline	0.0	0.0	0.0	—	—
Fuel oil	7.0	2.7	5.7	—	—
Bitumen	0.0	0.0	0.0	—	—
Lubricants	0.0	0.0	1.1	—	—
Oil coke	5.1	7.6	8.2	—	—
Other	9.0	9.4	7.5	—	—

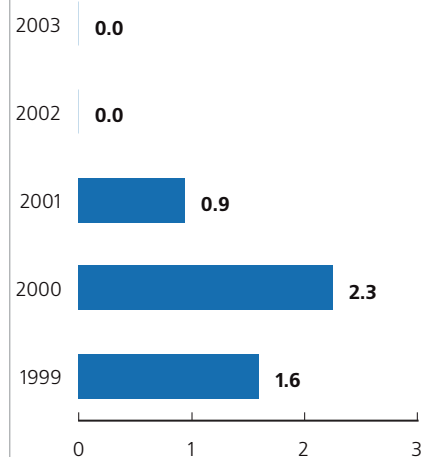
Depth of refining, %



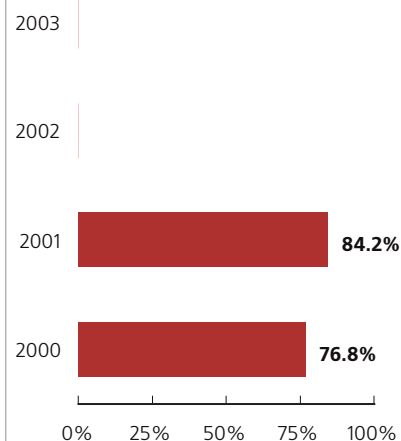
"Petrotel-LUKOIL", Romania

- The refinery produces fuels and petrochemicals
- Put into operation in **1927**
- Belongs to LUKOIL Group since **1999**
- Crude oil is delivered to the refinery by pipeline from the **Black Sea port of Constantza and by rail**
- Petroleum products are shipped by rail and motor transport and also by oil-products pipeline
- **Capacity – 3.5** mln tons per year
- The refinery was **closed in 2001 for reconstruction**

Refinery throughput, mln tons

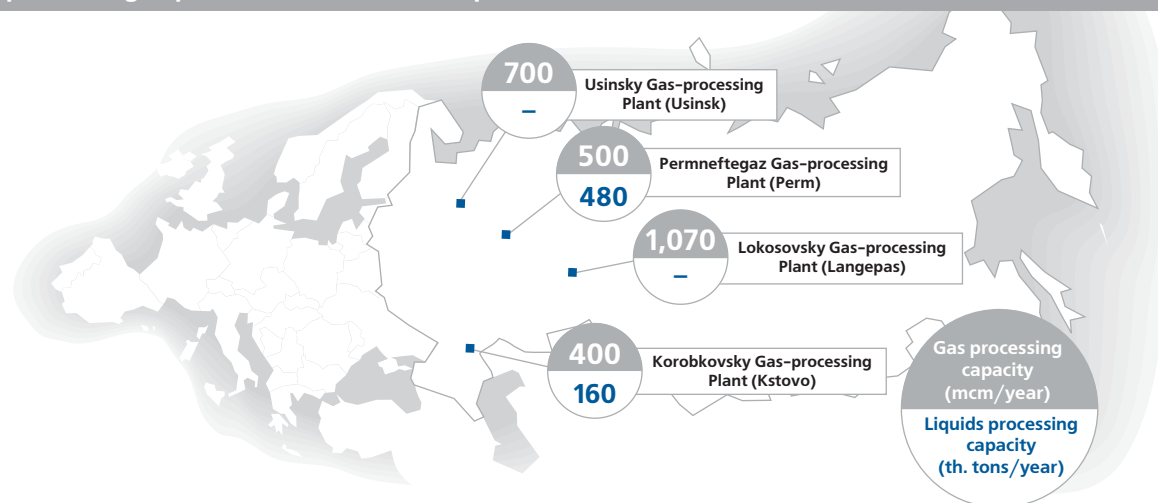


Share of high-octane gasolines in total output of motor gasolines, %



Gas Processing

Gas processing capacities of LUKOIL Group



Gas processing and product output at Korobkovsky Gas-processing Plant

	1999	2000	2001	2002	2003
<i>Processing, th. tons</i>	346	424	422	408	418
Product output					
Liquefied hydrocarbon gases, th. tons	65	69	75	73	73
Stable gas gasoline, th. tons	46	52	48	44	46
Stripped gas, mcm	263	343	310	299	293

Gas processing and product output at Permneftegaz Gas-processing Plant

	1999	2000	2001	2002	2003
<i>Processing, th. tons</i>	—	621	630	736	807
Product output					
Liquefied hydrocarbon gases, th. tons	—	259	250	327	376
Stable gas gasoline, th. tons	—	45	51	83	88
Stripped gas, mcm	—	315	321	290	329

Gas processing and product output at Usinsky Gas-processing Plant

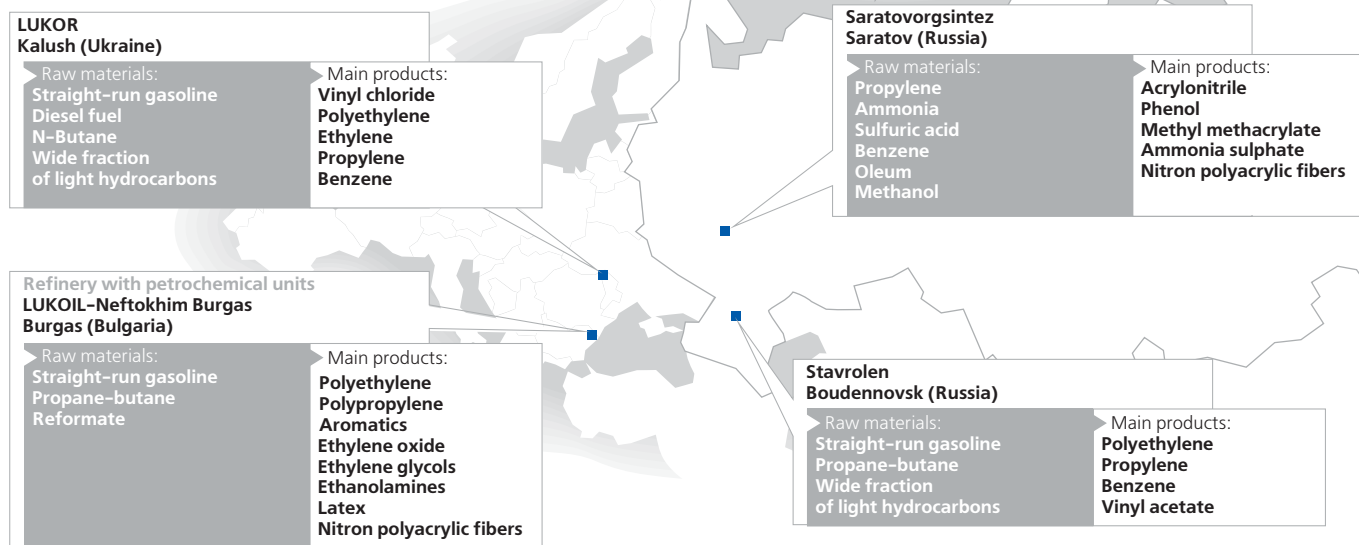
	1999	2000	2001	2002	2003
<i>Processing, mcm</i>	—	414	526	464	419
Product output					
Stripped gas, mcm	—	203	299	446	402

Gas processing and product output at Lokosovsky Gas-processing Plant

	1999	2000	2001	2002	2003
<i>Processing, mcm</i>	—	—	—	896	1,017
Product output					
Stripped gas, mcm	—	—	—	704	816

Petrochemicals

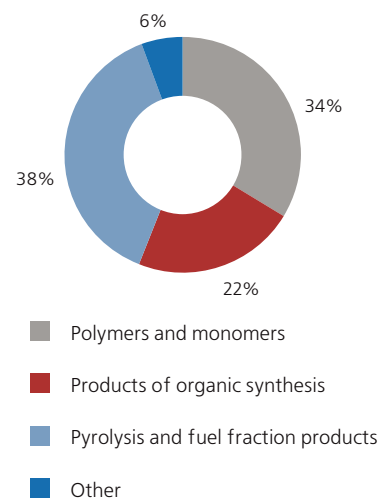
LUKOIL petrochemical facilities



LUKOIL is now the Russian, CIS and East European leader in the petrochemicals sector. Its leading positions are as follows:

- * Biggest East European producer of olefins (total annual capacity over 1 mln tons).
- * Biggest East European producer of polyethylene (total annual capacity over 480,000 tons).
- * Biggest producer in East Europe, and sole producer in Russia of acrylonitrile, which is used in production of synthetic fibers (fourth in Europe by capacities).
- * Owner of Europe's largest vinyl chloride-monomer plant with annual capacity of 370,000 tons.
- * Only Russian producer of nitron polyacrylic fibers.
- * Biggest Russian producer of methyl methacrylate.

Output structure of petrochemical products at petrochemical plants of LUKOIL Group* (2003)



* Excluding "LUKOIL-Neftokhim Burgas".

Processing and petrochemical product output at petrochemical plants of LUKOIL Group*, th. tons

	1999	2000	2001	2002	2003
<i>Processing</i>	805.4	1,141.3	1,605.2	2,138.0	2,262.4
Petrochemical product output	614.2	864.2	1,194.9	1,632.2	1,763.8
Polymers and monomers:					
polyethylene	210.1	252.9	298.1	366.5	356.3
synthetic fibre	1.4	9.3	11.6	13.5	21.2
vinyl acetate	20.5	0.0	0.0	30.7	42.5
vinyl chloride	0.0	9.5	70.7	120.7	173.2
Products of organic synthesis:					
benzene	0.0	20.3	118.7	151.1	156.7
phenol, acetone	15.3	43.2	39.6	31.1	36.8
methyl methacrylate	2.4	19.8	20.6	20.7	23.8
acrylonitrile	12.1	72.7	83.5	122.2	117.7
ammonia sulphate	5.7	48.9	56.5	50.3	60.7
Pyrolysis and fuel fraction products:					
propylene	93.1	118.2	162.0	220.7	233.1
saleable ethylene	0.0	1.6	32.4	47.5	52.6
butadiene butylene fraction	68.8	82.2	106.6	143.7	147.6
fraction C ₅ +C ₉	41.5	45.4	71.2	101.6	108.4
heavy oil tar	37.5	46.4	86.2	127.2	133.7
Other	105.8	93.8	37.2	84.7	99.5

* Excluding "LUKOIL-Neftokhim Burgas".

"LUKOIL-Neftokhim Burgas", Bulgaria

- The petrochemical complex was put into operation in **1968**
- Belongs to LUKOIL Group since the end of **1999**
- Petrochemical capacities – **500,000** tons per year

Petrochemical product output at "LUKOIL Neftokhim Burgas" plant, th. tons

	1999	2000	2001	2002	2003
<i>Petrochemical products</i>	183.5	407.9	333.3	328.5	375.3
Polyethylene	76.4	70.2	68.9	64.4	71.6
Polypropylene	55.5	53.4	61.6	56.3	64.3
Acrylonitrile	0.0	18.8	16.6	17.3	18.0
Synthetic fibre	0.0	9.8	11.7	9.6	11.3
Styrene	0.0	13.0	13.2	12.8	13.8
Polystyrene	6.0	9.5	9.8	8.3	9.3
Latex	14.2	0.0	0.0	12.8	12.2
Industrial rubber	20.3	18.4	0.0	17.2	32.1
Ethylene glycol	0.0	59.8	73.4	63.1	69.1
Ethanolamine	7.3	11.0	12.9	10.7	12.8
Benzene	0.0	28.9	9.7	6.2	10.8
Toluene	0.0	26.6	28.6	26.0	25.3
Xylene	0.0	16.8	17.8	14.6	14.9
Other	3.8	71.7	9.1	9.2	9.8

Petrochemical product output at "Stavrolen" plant, th. tons

	1999	2000	2001	2002	2003
<i>Processing</i>	747.8	826.4	788.5	889.8	914.4
Petrochemical products:	573.1	634.5	581.0	671.2	686.6
Propylene	93.1	115.2	109.8	128.7	129.0
Polyethylene	208.1	252.6	245.8	267.8	263.9
Benzene	0.0	19.0	70.4	75.9	78.2
Vinyl acetate	20.5	0.0	0.0	30.7	42.5
Heavy fuel	37.5	38.3	35.5	32.7	33.9
Liquid pyrolysis fractions	213.9	209.4	119.5	135.4	139.1

Petrochemical product output at "Saratovorgsintez" plant, th. tons

	1999	2000	2001	2002	2003
<i>Processing</i>	57.5	278.8	305.2	373.2	401.6
Petrochemical products:	41.1	201.7	218.0	244.0	269.5
Phenol	13.4	35.6	33.3	28.4	33.3
Acetone	8.4	7.5	6.3	2.7	3.5
Acrylonitrile	10.4	72.7	83.4	122.2	117.7
Fiber	1.0	9.3	11.6	13.5	21.2
Acetone cyanogen hydride	0.2	3.2	2.6	0.5	2.8
Methyl methacrylate	1.8	19.8	20.6	20.7	23.8
Ammonia sulphate	4.2	48.9	56.5	50.3	60.7
Other	1.7	4.7	3.7	5.7	6.5

Petrochemical product output at "LUKOR" plant, th. tons

	1999	2000	2001	2002	2003
<i>Processing</i>	—	36.1	511.5	875.0	946.4
Petrochemical products:	—	28.0	395.9	717.0	807.7
Saleable ethylene	—	1.6	32.4	47.5	52.6
Propylene	—	3.0	52.1	92.0	104.1
Benzene	—	1.2	48.3	75.7	79.8
Polyethylene	—	0.2	52.3	98.7	92.3
Vinyl chloride	—	9.5	70.7	120.7	173.2
Liquid pyrolysis fractions	—	4.3	65.1	117.5	124.2
Pyrolysis tar	—	8.2	50.7	94.6	99.9
Other	—	0.0	24.3	70.3	81.6

"Stavrolen"

- Put into operation in **1981**
- Belongs to LUKOIL Group since **1998**
- Capacity — **1,050,000** tons per year

"Saratovorgsintez"

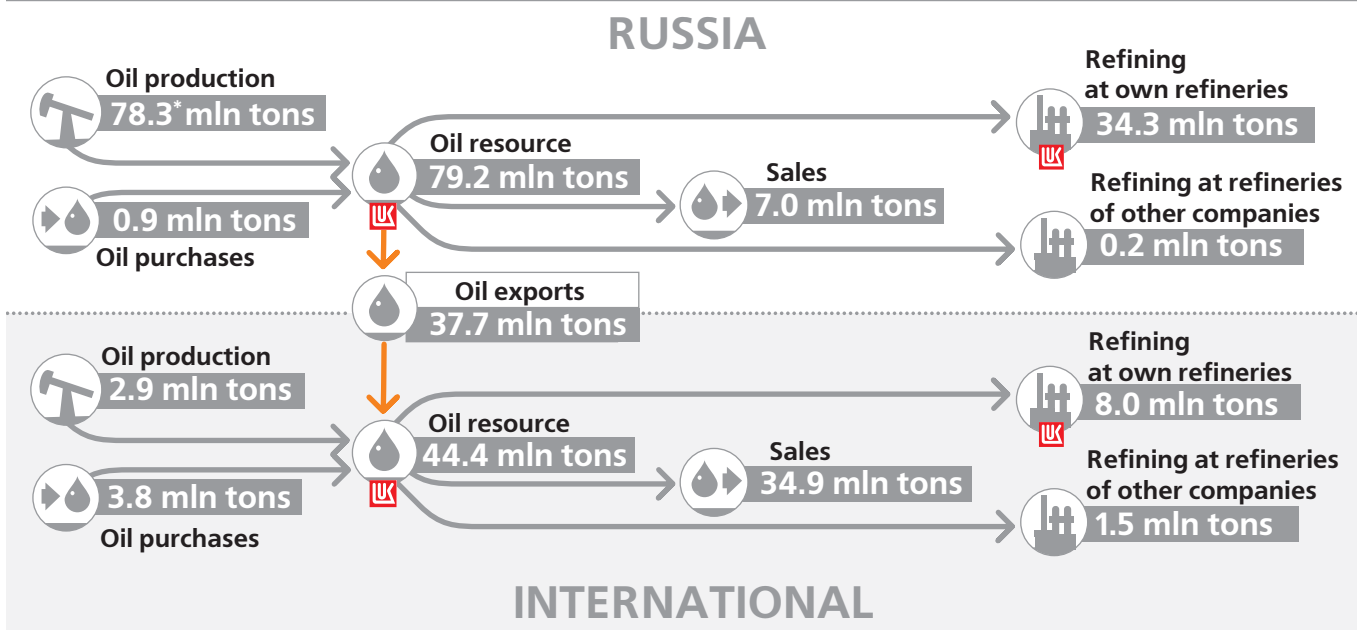
- Put into operation in **1957**
- Belongs to LUKOIL Group since July **1999**
- Capacity — **490,000** tons per year

"LUKOR", Ukraine

- Put into operation in early **1970s**
- Joint venture of LUKOIL and "Oriana" since **2000**
- Capacity — **1,330,000** tons per year

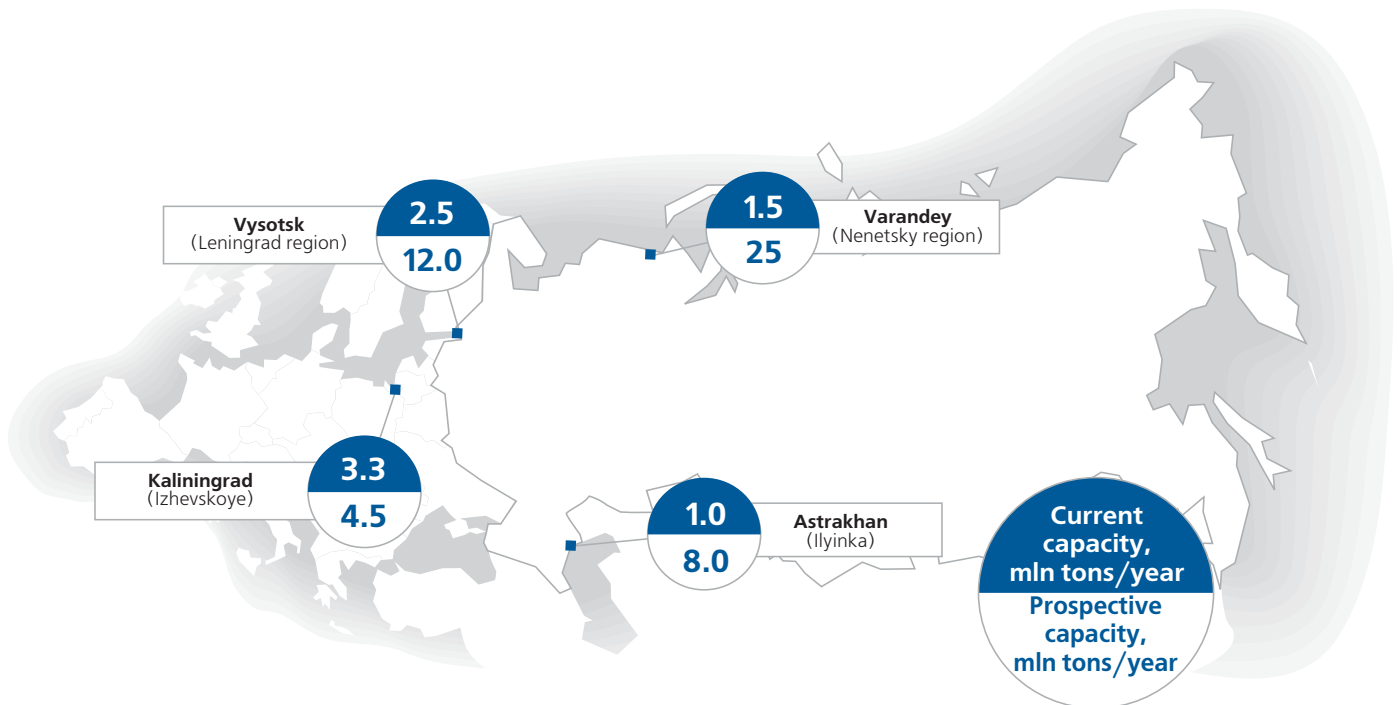
Oil Supplies

Oil supplies in 2003



* Oil production excluding transportation losses.

Export terminals of LUKOIL Group



Oil exports, mln tons

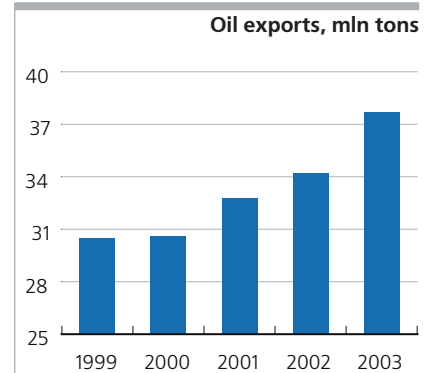
	1999	2000	2001	2002	2003
Total exports	30.5	30.6	32.8	34.2	37.7
Including:					
beyond CIS countries	28.0	28.1	29.3	28.8	30.2
CIS countries	2.5	2.5	3.5	5.4	7.5
<i>Sales of oil produced in international projects</i>	1.7	2.1	2.2	2.9	2.9

Oil exports beyond CIS countries (2003)

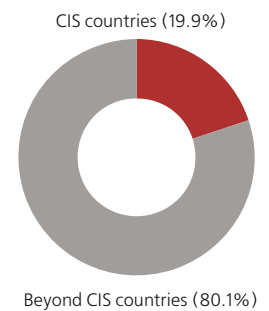
	Mln tons	Share, %
Total exports	30.2	100
Including:		
Deliveries by sea ports	17.8	58.9
<i>Novorossiysk</i>	7.5	24.8
<i>Baltic ports</i>	2.9	9.6
<i>Primorsk</i>	2.9	9.6
<i>Tuapse</i>	1.5	5.0
<i>Odessa</i>	1.4	4.6
<i>Vitino</i>	0.7	2.3
<i>Astrakhan</i>	0.5	1.7
<i>Varandey</i>	0.4	1.3
Deliveries by «Druzhba» pipeline	9.6	31.8
<i>Germany</i>	5.7	18.9
<i>Poland</i>	1.4	4.6
<i>Czech Republic</i>	0.8	2.7
<i>Slovakia</i>	1.0	3.3
<i>Hungary</i>	0.7	2.3
Other	2.8	9.3

Oil exports to CIS countries (2003)

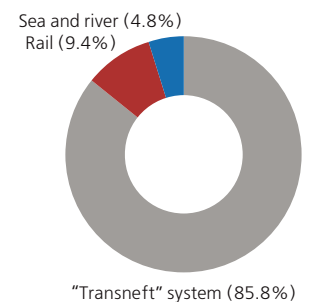
	Mln tons	Share, %
Total exports	7.5	100.0
Including:		
Ukraine	4.6	61.3
Belarus	1.6	21.4
Kazakhstan	1.3	17.3



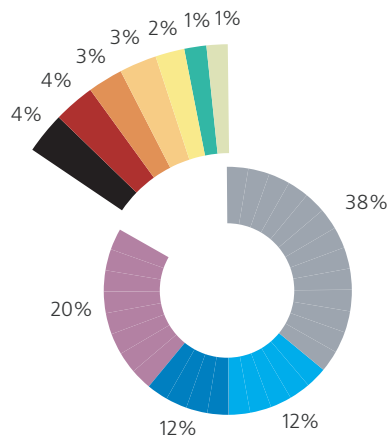
Distribution of oil exports by directions (2003)



Distribution of oil exports by transport types (2003)



Petroleum product sales by LUKOIL companies outside Russia in 2003 (wholesale and retail)



Petroleum Product Marketing

Retail network of LUKOIL Group* (end of year), filling stations

	1999	2000	2001	2002	2003
Total	868	2,647	3,745	4,076	4,599
Including:					
Russia:	868	1,217	1,585	1,691	1,732
own	621	924	1,384	1,428	1,456
franchised	247	293	201	263	276
Europe	–	34	553	679	1,063
Baltics	–	73	146	154	175
CIS	–	63	184	266	304
USA	–	1,260	1,277	1,286	1,325

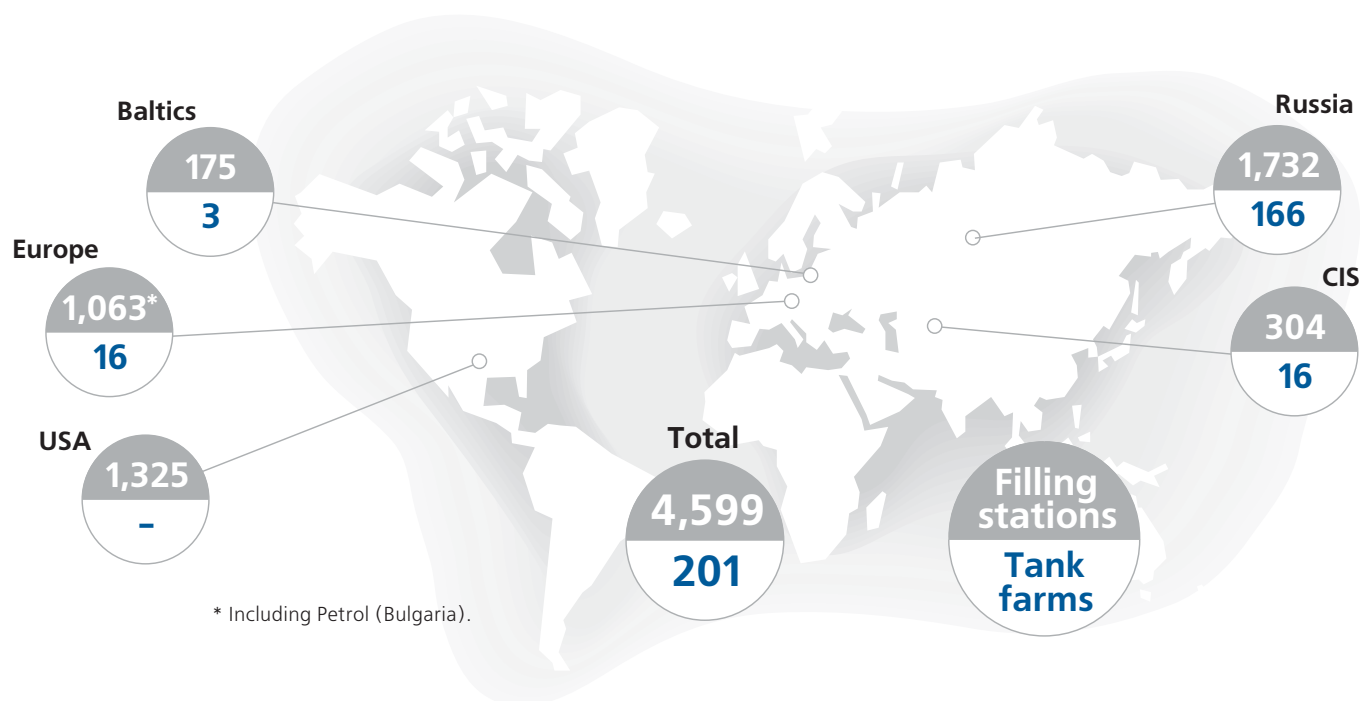
*Own and franchised.

Retail sales of petroleum products*, th. tons

	1999	2000	2001	2002	2003
Total	811	1,305	5,544	5,757	6,652
Russia	811	805	2,019	2,433	2,779
International	0	500	3,526	3,325	3,873

*Own and franchised.

Retail network of the Company (end of 2003)



LUKOIL share in petroleum product markets of Russian federal districts, %

	Share in wholesale market			Share in retail market		
	2001	2002	2003	2001	2002	2003
Central	n.a.	3.6	5.2	n.a.	1.3	3.0
North-West	14.1	17.5	17.4	6.8	9.6	12.2
Urals	24.0	28.4	27.2	12.5	15.0	20.0
South	13.4	16.3	17.8	10.4	11.5	12.9
Volga	2.0	12.8	13.4	2.1	11.5	14.6

Petroleum product exports, mln tons

	1999	2000	2001	2002	2003
Petroleum product exports	4.1	7.8	10.8	14.2	13.5

Distribution of petroleum product exports by transport types, %

	1999	2000	2001	2002	2003
Rail	71.7	75.2	68.4	70.5	62.5
River	28.3	20.0	20.2	17.5	18.4
Pipeline	0.0	4.8	11.4	12.0	19.1

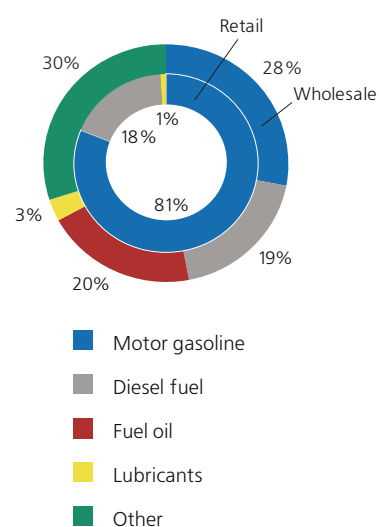
Petrochemical Product Marketing

Petrochemical product sales*, th.

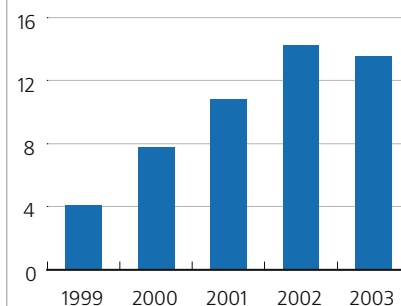
	1999	2000	2001	2002	2003
Petrochemical product sales in Russia and CIS countries	394	531	639	640	776
Petrochemical product exports beyond CIS countries	220	333	556	992	988

*Excluding "LUKOIL-Neftokhim Burgas"

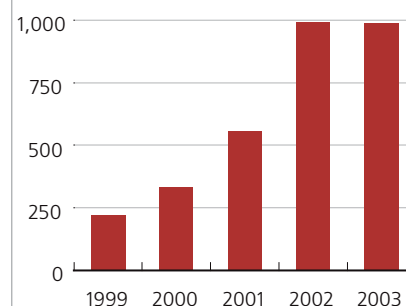
Structure of petroleum product sales by Company marketing units in 2003 (wholesale and retail)



Petroleum product exports, mln tons



Petrochemical product exports, th. tons



Corporate Management Structure



Board of Directors Committees

Board of Directors

Audit Committee

O. E. Kutafin
S. A. Mikhailov
M. P. Berezhnoi

Purpose:

analysis of internal control efficiency and the efficiency of corporate accounts audit and preparation of relevant proposals to the BoD

Functions:

Preparation of proposals to the BoD as regards:

- selection of auditor (an international accounting major with excellent credentials);
- supervision of competition (tender) for selection of auditor if such competition (tender) is held;
- analysis and discussion with auditor of substantial issues arising during the audit process;
- determination of remuneration to the auditor and the range of his services;
- inspection of auditor report before its presentation to shareholders at the AGM;
- inspection of most significant corrections made to Company accounts after the audit procedure;
- efficiency of the Company's internal control system;
- supervision of the Company's risk management system;
- preliminary approval of the Company's annual report by the BoD;
- control over audit procedures and the observance by the auditor of independence and objectivity.

Strategy and Investment Committee

R.H. Matzke
R. U. Maganov
I. V. Sherkunof

Purpose:

assistance to the BoD concerning designation of strategic goals and the development of strategy

Functions:

Preparation of proposals to the BoD as regards:

- analysis of concepts, programs and plans for LUKOIL strategic development;
- evaluation of shareholder and investor relations policy;
- determination of recommended dividend size and dividend payment procedure;
- assignment of Company profit and loss for the financial year;
- Company policy on treasury stock;
- participation in holdings, financial-industrial groups, associations and other groupings of business organizations;
- expediting major deals (deals worth 25-50% of the balance-sheet value of Company assets);
- approval of deals in which there is commitment;
- creation and liquidation of branches and representative offices of the Company in Russia and abroad;
- utilization of the reserve fund and other funds of the Company;
- utilization of non-specialized assets of the Company;
- changes in the structure of Company asset management.

Personnel and Remuneration Committee

M. Mobius
N. A. Tsvetkov
S. A. Mikhailov

Purpose:

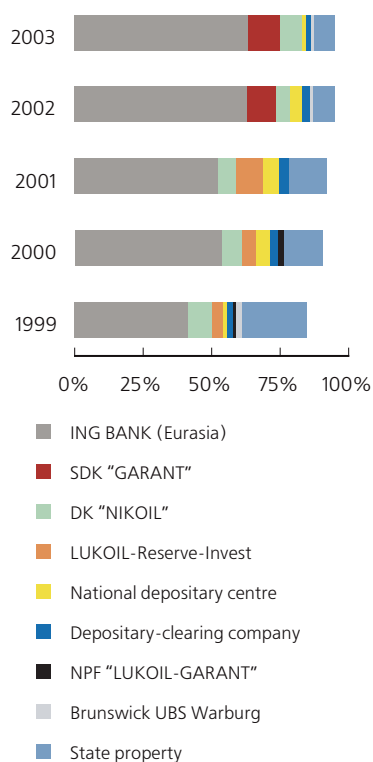
preparation of proposals to the BoD concerning personnel policy and remuneration of management and members of Revision commission of the Company

Functions:

Preparation of proposals to the BoD as regards:

- design of personnel policy and remuneration of management and members of Company's Supervisory Commission;
- preliminary evaluation of candidates to responsible positions in the Company;
- timely notification of shareholders on terms and procedures set out in the charter and other internal documents of the Company concerning appointments to responsible positions in the Company;
- development of criteria to assure independence of BoD directors;
- analysis of the results of activity of managers and members of the Supervisory Commission, including analysis of increases in their remuneration and the use of other incentives;
- determination of remuneration of Revision commission members;
- proposals to the BoD concerning reappointment of Company managers;
- development of long-term remuneration programs for Company staff.

Main shareholders of LUKOIL



LUKOIL Shares

LUKOIL treasury stock

Number of shares	Common shares	Preferred shares
December 31, 1998	669,351,391	77,211,864
Issuance of preferred shares (face-value of 0.15 rub.)		11,500,000
Converting of preferred shares*	69,000,000	(11,500,000)
December 31, 1999	738,351,391	77,211,864
No changes		
December 31, 2000	738,351,391	77,211,864
Issuance of common shares (face-value of 0.025 rub.)	18,431,061	
Issuance of common shares (face-value of 0.025 rub.)	16,568,939	
Converting of preferred shares**	77,211,864	(77,211,864)
December 31, 2001	850,563,255	0
No changes		
December 31, 2002	850,563,255	0
No changes		
December 31, 2003	850,563,255	0

* 1 preferred share = 6 common shares

** 1 preferred share = 1 common share

Main shareholders of common stock** (end of year)

Shareholder's name	1999	2000	2001	2002	2003
ING BANK (Eurasia) (ADRs and GDRs)*	303,140,400	406,039,385	444,703,835	534,070,827	541,249,388
SDK "GARANT"**	—	—	—	90,773,746	99,268,415
DK "NIKOIL"**	57,078,976	45,521,796	55,140,681	44,630,737	66,162,144
LUKOIL-Reserve-Invest*	30,165,061	36,792,062	87,003,566	—	—
National depository centre*	9,227,176	38,231,431	50,079,368	37,239,863	12,410,284
Depository-clearing company*	17,569,226	19,836,720	29,044,914	24,798,519	16,463,743
NPF "LUKOIL-GARANT"**	7,670,346	19,970,446	—	—	—
Brunswick UBS Warburg*	15,538,963	—	—	10,296,442	9,158,298
State property	193,535,031	114,639,290	114,639,090	64,638,729	64,638,729

* Nominee.

** More than 1% of shares.

Main shareholders of preferred stock** (end of year)

Shareholder's name	1999	2000	2001	2002	2003
ING BANK (Eurasia) (ADRs and GDRs)*	34,547,844	33,515,420	—	—	—
DK "NIKOIL"**	15,385,776	14,976,868	—	—	—
National depository centre*	817,260	1,955,400	—	—	—
LUKOIL-Reserve-Invest*	2,669,041	3,901,717	—	—	—
Brunswick UBS Warburg*	1,181,717	—	—	—	—
Depository-clearing company*	2,322,458	4,932,103	—	—	—

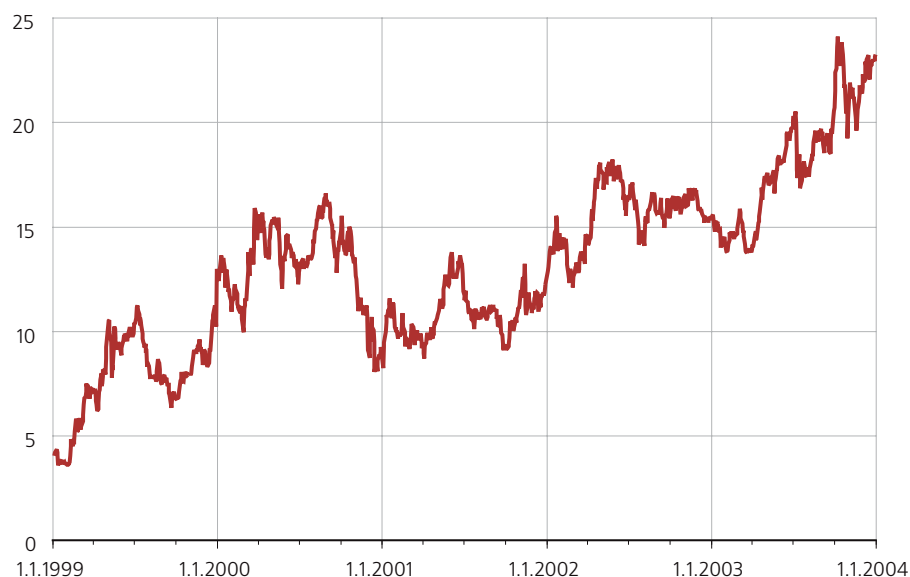
* Nominee.

** More than 1% of shares.

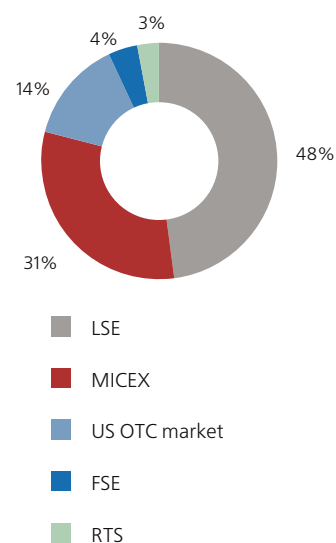
LUKOIL common share prices on the RTS, USD

	1999		2000		2001		2002		2003	
	min	max	min	max	min	max	min	max	min	max
1Q	3.54	7.75	9.95	17.07	8.10	11.84	12.05	15.65	13.61	16.09
2Q	5.95	10.75	11.15	15.95	8.55	14.21	13.75	18.62	13.84	19.88
3Q	6.25	11.39	12.45	16.77	9.12	12.05	13.60	17.32	16.75	20.68
4Q	6.77	13.00	7.90	15.56	9.05	13.65	15.13	17.02	19.15	24.55

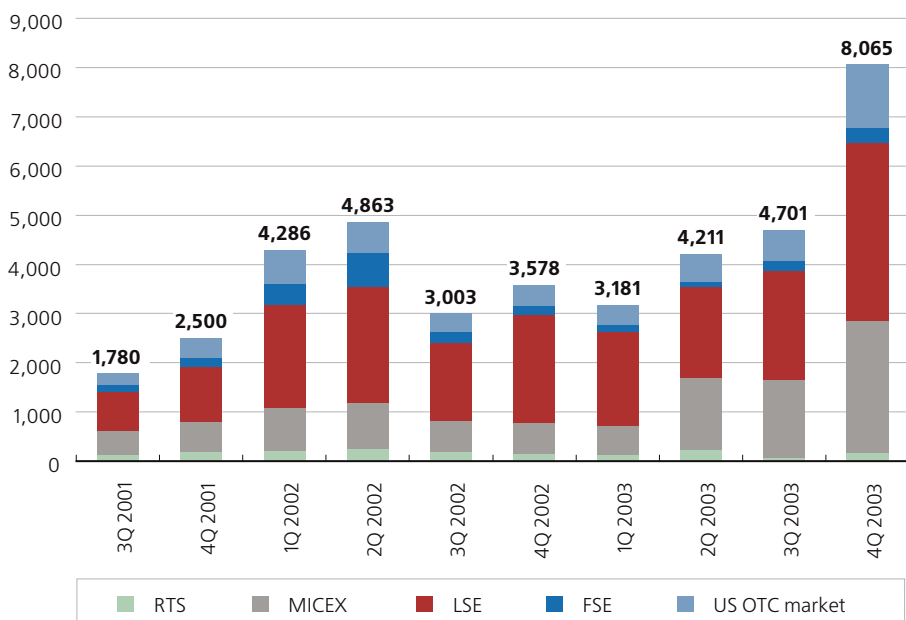
LUKOIL common share prices on the RTS, USD



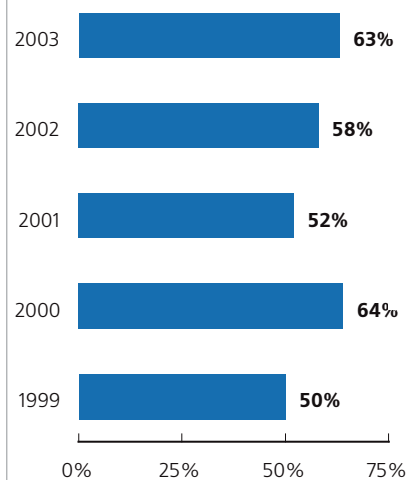
Distribution of trade volumes of LUKOIL shares and depository receipts (2003)



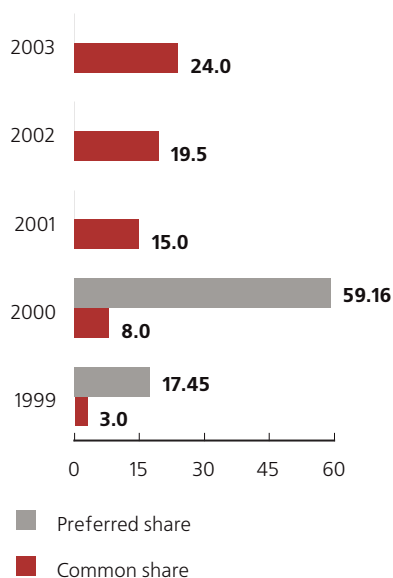
Distribution of trade volumes of LUKOIL shares and depository receipts, mln USD



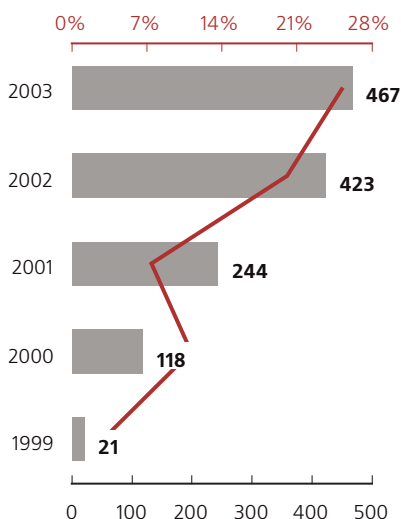
Share of common shares converted into ADRs and GDRs



Dividend per share, rub.



Overall dividends paid (mln USD) and share of dividends paid in net income of respective year (%)



Tickers of LUKOIL common shares

Ticker	Market
LKOH	RTS (Russian Trading System)
LKOH	MICEX (Moscow Interbank Currency Exchange)
LKOD	LSE (London Stock Exchange)*
LUK	FSE (Frankfurt Stock Exchange)*
LUKOY	US OTC* (US over-the-counter market)

* LUKOIL ADRs.

LUKOIL capitalization (end of year)

	1999	2000	2001	2002	2003
Common share price on RTS, USD	13.00	9.25	12.23	15.42	23.25
Number of common shares (mln)	738.4	738.4	850.5	850.5	850.5
Preferred share price on MICEX, USD*	5.00	9.19	-	-	-
Number of preferred shares (mln)	77.2	77.2	-	-	-
Capitalization (mln USD)	10,602	7,543	10,402	13,115	19,774

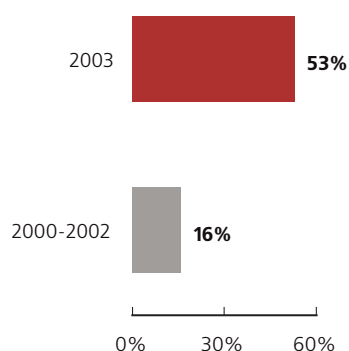
* Preferred share price is converted into USD at the exchange rate of the Central Bank of Russia at the end of year.

Overall dividends paid*, mln rub.

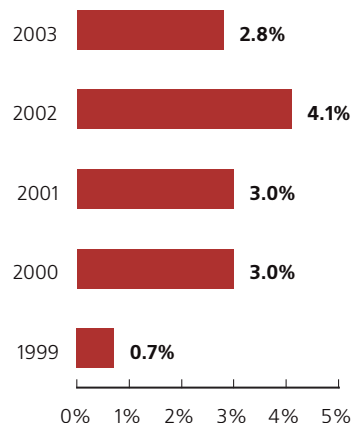
	1999	2000	2001	2002	2003
Common shares	167	2,215	6,054	12,758	16,586
Preferred shares	206	1,347	4,568	0	0
Total	373	3,562	10,622	12,758	16,586

* The dividend data are for the overall number of placed shares at the date when the list of shareholders having the right to participate in the AGM and receive dividends for the respective year was drawn up.

Total shareholders' return



Dividend yield



Consolidated Financial Statements

Consolidated income statements, mln USD

	1999	2000	2001	2002	2003
REVENUES					
Sales (including excise and export tariffs)	7,544	13,210	13,426	15,334	22,118
Equity share in income of affiliates	88	230	136	115	181
Total revenues	7,632	13,440	13,562	15,449	22,299
COSTS AND OTHER DEDUCTIONS					
Operating expenses	(2,622)	(1,628)	(2,584)	(2,403)	(2,546)
Cost of purchased crude oil and petroleum products	–	(2,597)	(2,087)	(2,693)	(5,909)
Transportation expenses	–	(735)	(919)	(1,414)	(2,052)
Selling, general and administrative expenses	(1,623)	(1,221)	(1,375)	(1,313)	(1,800)
Depreciation, depletion and amortization	(598)	(838)	(886)	(824)	(920)
Taxes other than income taxes	(527)	(1,050)	(1,010)	(1,972)	(2,456)
Excise and export tariffs	(460)	(932)	(1,456)	(1,996)	(2,954)
Exploration expense	(61)	(130)	(144)	(89)	(136)
Gain from sale of interest in Azeri Chirag Gyuneshli	–	–	–	–	1 130
Loss on disposal and impairment of assets	(49)	(247)	(153)	(83)	(69)
Income from operating activities	1,692	4,062	2,948	2,662	4,587
Interest expense	(192)	(198)	(257)	(222)	(273)
Interest and dividend income	73	209	146	160	139
Currency translation gain (loss)	(34)	1	(33)	40	148
Other non-operating income	(168)	71	31	11	11
Minority interest	(34)	(61)	(52)	(69)	(36)
Income before income taxes	1,337	4,084	2,783	2,582	4,576
Current income taxes	(390)	(790)	(861)	(834)	(939)
Deferred income taxes	115	18	187	95	(68)
Total income tax expense	(275)	(772)	(674)	(739)	(1,007)
Cumulative effect of change in accounting principle, net of tax	–	–	–	–	132
Net income	1,062	3,312	2,109	1,843	3,701
Dividends declared on preferred stock	(8)	(47)	(157)	–	–
Net income available for common shareholders	1,054	3,265	1,952	1,843	3,701
Net income per share of common stock (US dollars)					
Basic	1.69	4.83	2.68	2.26	4.52
Diluted	1.69	4.73	2.66	2.26	4.45

Consolidated balance sheets (as of December 31), mln USD

	1998	1999	2000	2001	2002	2003
A S S E T S						
Current assets						
Cash and cash equivalents	93	537	1,137	1,170	1,252	1,435
Short-term investments	65	137	253	218	278	251
Accounts and notes receivable, net	1,209	1,598	2,948	2,230	2,511	3,790
Inventories	341	530	719	829	1,063	1,243
Prepaid taxes and other expenses	195	133	675	889	736	818
Other current assets	25	147	362	340	356	334
Assets held for sale	–	–	–	–	279	52
Total current assets	1,928	3,082	6,094	5,676	6,475	7,923
Investments	603	750	423	770	934	594
Property, plant and equipment	6,756	8,129	9,906	12,296	13,499	16,639
Deferred income tax assets	150	79	201	291	206	117
Goodwill and other intangible assets	90	251	278	485	399	523
Other non-current assets	116	212	207	424	488	778
Total assets	9,643	12,503	17,109	19,942	22,001	26,574
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities						
Accounts payable	948	1,479	2,221	1,402	1,293	1,564
Short-term borrowings and current portion of long-term debt	591	728	829	1,031	1,772	1,412
Customer deposits and other borrowings of banking subsidiaries	–	–	–	449	755	1,007
Taxes payable	443	569	404	522	640	943
Other current liabilities	202	110	238	421	337	345
Total current liabilities	2,184	2,886	3,692	3,825	4,797	5,271
Long-term debt	1,483	1,769	1,483	1,948	1,666	2,392
Deferred income tax liabilities	219	146	284	390	261	497
Asset retirement obligations	–	–	–	–	–	210
Other long-term liabilities	100	145	147	463	397	249
Minority interest in subsidiary companies	72	484	984	931	880	483
Total liabilities	4,058	5,430	6,590	7,557	8,001	9,102
Stockholders' equity						
Common stock	14	14	14	15	15	15
Preferred stock	1	1	1	–	–	–
Treasury stock, at cost	(426)	(549)	(376)	(403)	(428)	(435)
Additional paid-in capital	2,245	2,816	2,895	3,044	3,229	3,522
Retained earnings	3,756	4,803	7,994	9,738	11,186	14,371
Accumulated other comprehensive loss	(5)	(12)	(9)	(9)	(2)	(1)
Total stockholders' equity	5,585	7,073	10,519	12,385	14,000	17,472
Total liabilities and stockholders' equity	9,643	12,503	17,109	19,942	22,001	26,574

Consolidated statements of cash flows, mln USD

	1999	2000	2001	2002	2003
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	1,062	3,312	2,109	1,843	3,701
Adjustments for non-cash items:					
Cumulative effect of change in accounting principle	—	—	—	—	(132)
Depreciation, depletion and amortization	598	838	886	824	920
Equity share in income of affiliates	(88)	(230)	(136)	(100)	(122)
Gain from sale of interest in Azeri Chirag Gyuneshli	—	—	—	—	(1,130)
Loss on disposal and impairment of assets	49	247	153	83	69
Deferred income taxes	(115)	(18)	(187)	(95)	68
Non-cash currency translation loss (gain)	(37)	(29)	24	(21)	17
Non-cash investing activities	(92)	(177)	(96)	(72)	(64)
All other items, net	49	155	181	78	80
Changes in operating assets and liabilities:					
Accounts and notes receivable	(139)	(1,142)	931	(125)	(797)
Short-term loans receivable of banking subsidiaries	(70)	(71)	(95)	39	(223)
Net movements of short-term borrowings of banking subsidiaries	140	102	208	171	341
Inventories	(25)	(50)	(56)	(201)	(153)
Accounts payable	147	541	(1,077)	(273)	186
Taxes payable	(71)	(195)	109	30	284
Other current assets and liabilities	32	(515)	(281)	215	(109)
Net cash provided by operating activities	1,440	2,768	2,673	2,396	2,936
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(766)	(1,674)	(2,521)	(2,072)	(2,881)
Proceeds from sale of property, plant and equipment	41	10	45	34	62
Purchases of investments	(390)	(197)	(314)	(302)	(459)
Proceeds from sale of investments	250	47	228	118	374
Proceeds from sale of interest in Azeri Chirag Gyuneshli	—	—	—	—	1,337
Acquisitions of subsidiaries, net of cash acquired	(10)	(98)	(499)	(168)	(1,225)
Net cash used in investing activities	(875)	(1,912)	(3,061)	(2,390)	(2,792)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net movements of short-term borrowings	(400)	11	121	203	220
Proceeds from issuance of long-term debt	549	291	938	879	1,445
Principal payments of long-term debt	(189)	(439)	(349)	(579)	(1,124)
Dividends paid	(21)	(118)	(244)	(423)	(467)
Financing received from stockholders under privatization tender	102	50	—	—	—
Proceeds from issuance of common stock	—	—	—	18	—
Purchase of treasury stock	(150)	(1,021)	(185)	(326)	(368)
Proceeds from sale of treasury stock	27	1,005	158	316	290
Other – net	(6)	(7)	32	8	—
Net cash provided by (used in) financing activities	(88)	(228)	471	96	(4)
Effect of exchange rate changes on cash and cash equivalents	(33)	(28)	(50)	(20)	43
Net increase in cash and cash equivalents	444	600	33	82	183
Cash and cash equivalents at beginning of year	93	537	1,137	1,170	1,252
Cash and cash equivalents at end of year	537	1,137	1,170	1,252	1,435

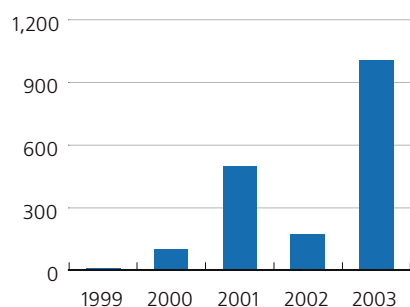
Capital expenditures, mln USD

	1999	2000	2001	2002	2003
CAPITAL EXPENDITURES					
<i>Exploration and production</i>	388	945	1,789	1,411	1,324
Russia	332	648	1,543	1,078	1,106
International	56	297	246	333	218
<i>Refining, marketing and distribution</i>	470	922	828	793	855
Russia	385	738	645	683	673
International	85	184	183	110	182
Total	858	1,867	2,617	2,204	2,179

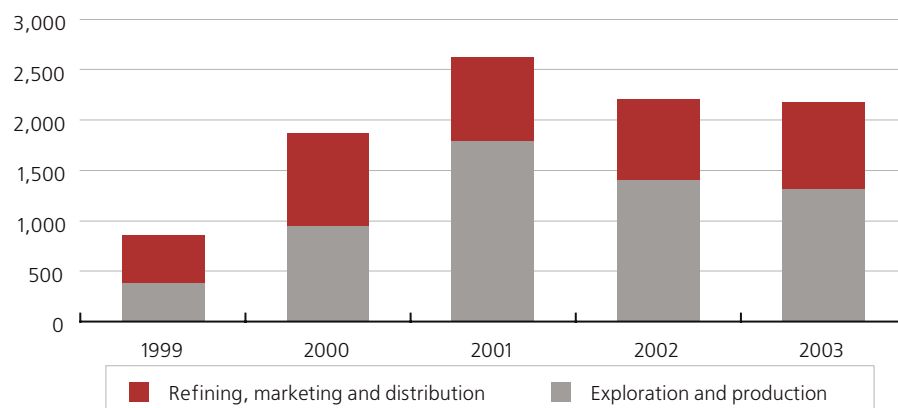
Acquisitions of subsidiaries

<i>Exploration and production</i>	3	45	467	67	876
Russia	3	45	467	67	876
International	0	0	0	0	0
<i>Refining, marketing and distribution</i>	81	118	94	110	172
Russia	0	0	35	53	24
International	81	118	59	57	148
<i>Less cash acquired</i>	(74)	(65)	(62)	(4)	(40)
Total	10	98	499	173	1,008

Acquisitions of subsidiaries, mln USD

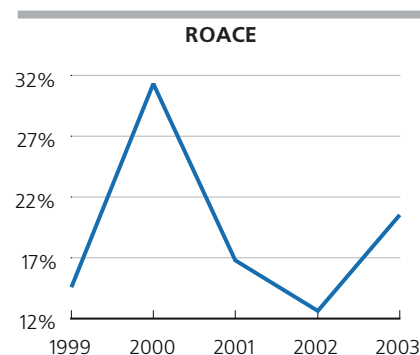
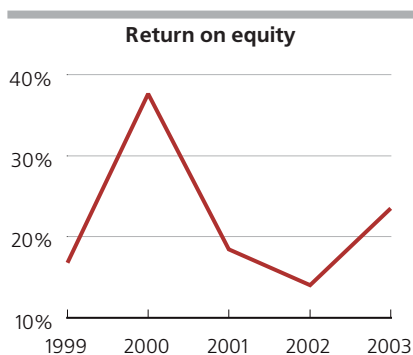
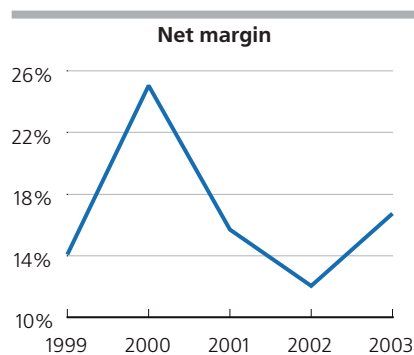


Capital expenditures, mln USD



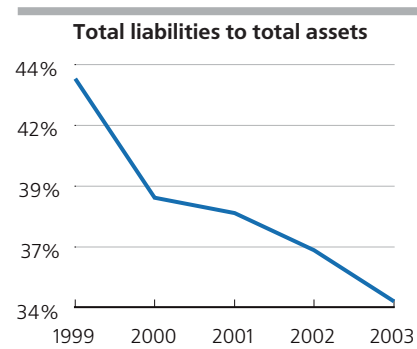
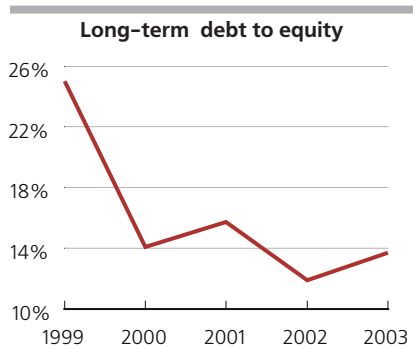
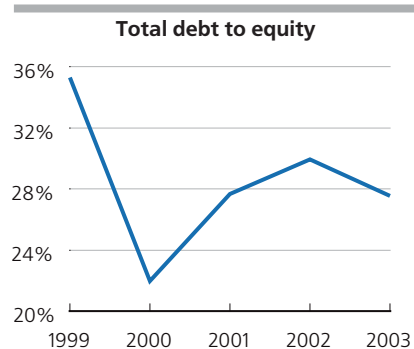
Profitability ratios

	1999	2000	2001	2002	2003
Net income, mln USD	1,062	3,312	2,109	1,843	3,701
EBIT, mln USD	1,456	4,073	2,894	2,644	4,710
EBITDA, mln USD	2,054	4,911	3,780	3,468	5,630
Operating margin, %	22.4	30.7	22.0	17.4	20.7
Pretax margin, %	17.7	30.9	20.7	16.8	20.7
Net margin, %	14.1	25.1	15.7	12.0	16.7
Return on equity, %	16.8	37.7	18.4	14.0	23.5
Return on total assets, %	9.6	22.4	11.4	8.8	15.2
Return on non-current assets, %	12.4	32.4	16.7	12.4	21.7
ROACE, %	14.6	31.3	16.8	12.6	20.5



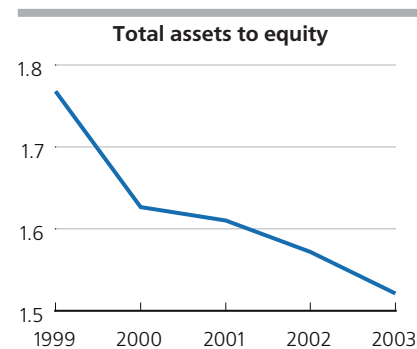
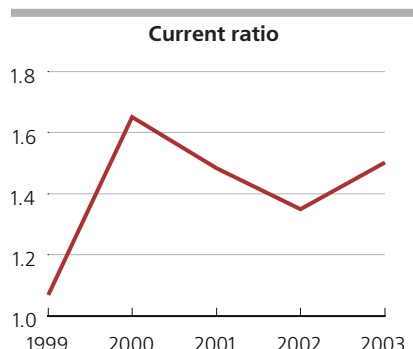
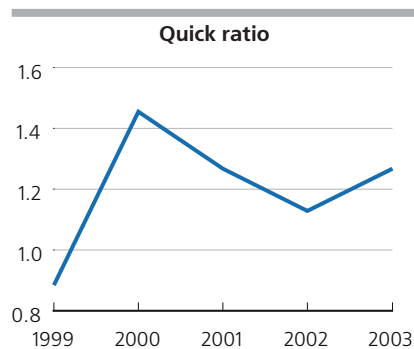
Gearing ratios (as of December 31)

	1999	2000	2001	2002	2003
Net debt, mln USD	1,960	1,175	2,258	2,941	3,376
Total debt to equity, %	35.3	22.0	27.7	30.0	27.5
Long-term debt to equity, %	25.0	14.1	15.7	11.9	13.7
Total net debt to net cash flow provided by operating activities, %	136.1	42.4	84.5	122.7	115.0
Total liabilities to total assets, %	43.4	38.5	37.9	36.4	34.3
Total liabilities to equity, %	76.8	62.6	61.0	57.2	52.1
EV/DACF	7.9	3.0	4.3	6.0	7.0



Liquidity ratios (as of December 31)

	1999	2000	2001	2002	2003
Quick ratio	0.88	1.46	1.27	1.13	1.27
Current ratio	1.07	1.65	1.48	1.35	1.50
Total assets to equity	1.77	1.63	1.61	1.57	1.52



Reference Information

More information about the company is available at LUKOIL's website at www.lukoil.ru (Russian version) or www.lukoil.com (English version).

By visiting our site you can find out more about LUKOIL's main businesses and company results, as well as staying informed of current company news across the spectrum of LUKOIL activities. The site also provides information about company policy and involvement in social and environmental affairs.

A section of the site for investors and shareholders provides the company's financial results, history of dividend payments, share prices and accounts. A number of presentations for the investment community are also available through this section of the site.

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LUKOIL Publications

An electronic version of the following financial reports for 2003 are available in the Investor Center of the company web site (www.lukoil.com/ir)

1. Annual Report.
2. Consolidated Financial Accounts.
3. Quarterly Consolidated Financial Accounts.
4. Management Discussion of Company Performance.

All data in the Document are at 1 January, 2004. Any changes which have occurred after this date are not covered by the Document.

Concepts and Terms Used in the Document

The references to LUKOIL, LUKOIL Group, 'the company', 'we' and 'our' in this document all refer to LUKOIL and/or its subsidiary enterprises, depending upon the context, in which the terms are used.

Sources of information

Data from the following sources are used in this document:

- Information provided by the Ministry of Industry and Energy of Russia
- Information provided by the State Committee of the Russian Federation of Statistics
- Annual reports of major international private oil companies
- Statistical Review of World Energy 2003 (British Petroleum)
- Annual Statistical Bulletin (OPEC)
- Worldwide Refineries-Capacities as of January 1, 2004 (Oil&Gas Journal)

Abbreviations

USD – United States Dollars

boe – barrel of oil equivalent (1 boe = 6,000 cft of gas)