

Recommendations of the Board of Directors on the agenda of OAO «LUKOIL» General shareholder meeting

Recommend OAO «LUKOIL» annual General shareholders meeting to make the following decisions:

Agenda item 1:

To approve the Annual Report of OAO «LUKOIL» for 2004, the annual financial statements, including the income statements (profit and loss accounts) of the Company, and also the distribution of profits:

Thousands of RUR

Net profit of OAO «LUKOIL» for distribution for 2004	- 78 027 792
Distribution	- 78 027 792
including:	
payment of dividends for 2004	- 23 815 771
long-term investments, and loans to subsidiaries and associates for investment purposes	- 54 212 021
including:	
for covering long-term investments on the loans issued to subsidiaries and associates for investment purposes which are not secured by own sources	
at 2003 year-end	- 43 994 139
for long-term investments and loans to subsidiaries and associates for investment purposes in 2004	-10 217 882

To pay out dividends based on the results of the financial year in the amount of 28 rubles per equity share. To establish the period of payment of dividends from July to December 2005. To carry out payment of dividends in the monetary form through a payment agent.

To make a list of persons entitled to receive dividends and the list of persons entitled to participate in the annual General shareholders meeting before May 12, 2005.

Proposed decisions are based on recommendations of Strategy and Investment Committee of OAO «LUKOIL» Board of Directors (Minutes No.1 dated April 13, 2005) and OAO «LUKOIL»'s Audit Committee (Minutes No.3 dated May 11, 2005).

OAO «LUKOIL»'s annual report was preliminarily approved by OAO «LUKOIL» Board of Directors (Minutes No.16 dated May 18, 2005).

Agenda item 2:

To elect members of OAO «LUKOIL» Board of Directors from the list of candidates approved by OAO «LUKOIL» Board of Directors on February 4, 2005. (Minutes No. 4), 11 members total.

Agenda item 3:

To elect members of the Audit Commission from the list of candidates approved by OAO «LUKOIL» Board of Directors on February 4, 2005. (Minutes No. 4).

Agenda item 4:

1. To acknowledge reasonable maintaining the level of remuneration of members of the Board of Directors and the Audit Commission approved by the decision of the OAO «LUKOIL» annual General shareholders meeting on June 24, 2004. (Minutes No. 1).

2. To pay out remuneration to members of the Board of Directors for fulfilling obligations of members of the Board of Directors proceeding from the actual period of their work, amounts provided below:

- V. I. Grayfer – 125 000 c.u.
- V. Y. Alekperov – 125 000 c.u.
- M. P. Berezhnoy – 125 000 c.u.
- O. E. Kutafin – 125 000 c.u.
- R. U. Maganov – 125 000 c.u.
- R. Matzke – 125 000 c.u.
- S. A. Mikhailov - – 125 000 c.u.
- N. A. Tsvetkov – 125 000 c.u.
- I. V. Sherkunov – 125 000 c.u.
- K. Meyers – 52 083 c.u.
- A. N. Shokhin – 52 083 c.u.

To pay out remuneration to A. A. Braverman and M. Mobius, members of the Board of Directors, elected at OAO «LUKOIL» annual General shareholders meeting on June 24, 2004 for fulfilling obligations of members of the Board of Directors proceeding from the actual period of their work in the amount of 72 917 c.u. to each member.

3. In accordance with the decision made at the annual General shareholders meeting OAO «LUKOIL» which took place on June 24, 2004 (Minutes No.1) to pay the following amounts to members of the Board of directors in addition to remuneration indicated in clause 2:

- V. I. Grayfer for being Chairman of the Board of Directors, 30 000 c.u.;
- R. Matzke, for being Chairman of Strategy and Investment Committee, 15 000 c.u.;
- O. E. Kutafin, for being Chairman of Audit Committee, 15 000 c.u.;

4. To pay out 8 750 c.u. to M. Mobius and 6 250 c.u. to A. N. Shokhin for being members of the Board of Directors and acting as Chairman of HR and Remuneration Committee proceeding from the actual period of their work in addition to remuneration indicated in clause 2.

5. To pay out compensation to members of the Board of directors in addition to remuneration indicated in clause 2 for personal presence at the meeting of the Committee of the Board of Directors and for personal presence at the meeting of the Board of Directors or the Committee of the Board of Directors which resulted in making a transcontinental flight. The amount of such compensation was established by the decision of OAO «LUKOIL» annual General shareholders meeting which took place on June 24, 2004 (Minutes No.1). To define the exact amount of remuneration subject to payment before June 28, 2005, when OAO «LUKOIL» annual General shareholders meeting takes place in accordance with actual participation of members of the Board of Directors at the meetings.

6. To pay out remuneration to members of OAO «LUKOIL»'s Audit Commission in the amount defined by the decision of OAO «LUKOIL» annual General shareholders meeting which took place on June 24, 2004. (Minutes No.1), 72 500 c.u.

7. To compensate costs to members of the Board of Directors connected with performing their functions. Types of such compensation was defined by the decision of OAO «LUKOIL» annual General shareholders meeting on June 24, 2004 (Minutes No. 1) in the amount of actual and documented costs.

Proposed decisions are based on recommendations of HR and Remuneration Committee of OAO «LUKOIL» Board of Directors (Minutes No. 1 dated April 14, 2005).

Agenda item 5:

To approve Closed joint stock company KPMG as the Company's independent auditor.

The proposed decision is based on recommendations of OAO «LUKOIL»'s Audit Committee (Minutes No. 1 dated February 21, 2005).

Agenda item 6:

To approve the amendments and addenda to the Charter of the Open Joint Stock Company «Oil company «LUKOIL».

Agenda item 7:

To approve the amendments and addenda to the Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO «LUKOIL».

Agenda item 8:

To approve the amendments and addenda to the Regulations on the Board of Directors of OAO «LUKOIL».

Agenda item 9:

To approve the transactions involving interested/related parties.