



YUKOS OIL COMPANY ONCE AGAIN RECEIVES SELECTIVE AND RETROSPECTIVE TREATMENT FROM GENERAL PROSECUTOR OVER EMPLOYEE REMUNERATION

Moscow, August 2, 2005: YUKOS Oil Company made it known today that the General Prosecutor has begun an investigation into the remuneration of 1600 individual members of staff during the years 2001, 2002 and 2003. The Company understands that the General Prosecutor's Office is alleging that the methods used by the Company to pay its staff were unlawful. The Company's position is that the General Prosecutor's request for information on the remuneration for staff at YUKOS's Moscow offices is inappropriate and the Company refutes such allegations. The investigations suggest that YUKOS and its employees are once again subject to potentially selective and retrospective legal claims as part of an on-going campaign to discredit the Company and damage employee morale.

YUKOS Oil Company confirms that during that period staff benefited from widely marketed life insurance products offered by Russian insurance companies as part of a standard remuneration package. This is a widespread practice in Russia and is made available to hundreds of thousands of the country's employees. YUKOS strongly believes that other beneficiaries of such insurance products included the General Prosecutor's Office, government officials, the Russian Tax Service, local and regional tax inspectors and a range of Russian corporations. Independent investigation will confirm this and will show that once again YUKOS has been singled-out for special treatment by the Russian authorities.

Commenting on the latest investigations a YUKOS Oil Company spokesperson said: "There is no doubt that YUKOS takes its employee remuneration very seriously, this was also the case in 2001, 2002, and 2003. The Company is sure that the life insurance products offered by insurance companies to its employees met with the wide-spread business customs and the exacting standards of the Russian Tax Service, which along with the General Prosecutor's Office, used identical remuneration mechanisms for its own staff. Once again the Company is suffering from the General Prosecutor's double standards as it elects to ignore the actions of many other companies and government ministries and pin-point its investigations on YUKOS.

"We can only speculate on their motives as they apparently seek to undermine the Company's reputation and create confusion and concern amongst staff. The Company

will provide support to present and former employees who may become victims of selective claims by the General Prosecutor's Office."