LUKOIL

PRESS RELEASE
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LUKOIL HOLDS ANNUAL GENERAL SHAREHOLDERS MEETING

OAO LUKOIL held its Annual General Shareholders Meeting inMoscow today to approve 2007 annual report and financial statements based on the fiscal year results.

The shareholders approved dividend distribution based on the Company's performance in 2007 in the amount of 42 rubles per ordinary share (38 rubles in 2006).

The size of remuneration and compensation of expenses to members of the Board of Directors and the Audit Commission was also approved. ZAO KPMG was approved as LUKOIL's independent auditor. The Annual General Shareholders Meeting also elected the Board of Directors and the Audit Commission and approved interested-party transactions.

The following Board of Directors of OAO LUKOIL was elected by the shareholders:

1.	Vagit Yu. Alekperov	President of OAO LUKOIL
2.	Igor V. Belikov	Director of the Russian Institute of Directors
3.	Donald Evert Wallette, Jr.	President of Russia/Caspian Region, ConocoPhillips
4.	Valery I. Grayfer	General Director of OAO RITEK
5.	Oleg E. Kutafin	President of the Moscow State Academy of Law
6.	Ravil U. Maganov	First Executive Vice President of OAO LUKOIL
7.	Richard H. Matzke	Former Vice Chairman of Chevron Corporation
8.	Sergei A. Mikhailov	General Director of OOO Management-Consulting
9.	Nikolai A. Tsvetkov	Chairman of the Board of Directors of OOO Upravlyayuschaya kompaniya Evolyutsia [Evolution Management Holding Company]

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10.	Igor V. Sherkunov	Chairman of the Board of Directors of ZAO Investitsionnaya Gruppa Kapital [Capital Investment Group]
11.	Alexander N. Shokhin	President of Russian Union of Industrialists and Entrepreneurs (employers)

Valery Grayfer, General Director of OAO RITEK, was elected Chairman of the newly elected Board of Directors at the Board of Directors Meeting held after the Annual General Shareholders Meeting.

In their address to the shareholders, Vagit Alekperov, President of OAO LUKOIL, and Valery Grayfer, Chairman of the Board of Directors, pointed out that 2007 had witnessed outstanding financial results and implementation of new large-scale projects. The Company continued to develop in line with its long-term strategy and to consolidate its competitive positions on the global energy market.

In 2007 the Company's net profit grew by 27.1% to a record level of USD 9.5 billion. Return on average capital employed came to 22.2%. Operating cash flow was significantly higher than in 2006, and came to USD 10.9 billion. This enabled the Company to finance USD 9.1 billion of capital expenditures. Thanks to record financial results in 2007, the shareholders were advised to approve the dividends of 42 rubles (USD 1.80) per share, which is by 10.5% higher than 2006 dividends. Dividend yield will be highest in three years and come to 2.1%.

The favorable price environment, i.e., high oil prices and high oil refining margin were the main factors which accounted for the growth of LUKOIL Group financial results in 2007. Growth of financial results was also supported by enlarged scale of Company business. In particular, the Company achieved significant increase of oil refining volumes. Thus, refining throughputs at Russian refineries rose almost by 8%, loading of Russian refining capacities reached a record-breaking 96%, unprecedented in the Company's history. Besides, unlike most competitors, LUKOIL continued to increase its hydrocarbon production rate. LUKOIL Group production came to 2.18 million boe/day in 2007.

There was positive effect on Company results from work to improve operational and financial efficiency in all areas of activities. The Company continued to maintain strict financial discipline. Given a high inflation rate and considerable US dollar devaluation, LUKOIL exercised efficient control over production costs. This was achieved mainly through centralized interaction with contractors and suppliers, use of tender procedures, energy saving, and increase of labor productivity.

In the Exploration & Production business segment LUKOIL adhered firmly to its strategic goals aimed at increasing production volumes and efficiency, expanding

the resource base to ensure long-term sustainable growth. The Company is continuously expanding its resource base and has completely replaced hydrocarbon production through increase of proved reserves in each of the last 8 years. Large resource potential, launch of production in new major projects and accelerated implementation of gas program make the Company confident that it will achieve its strategic objectives for growth of hydrocarbon production in the medium term.

A particular emphasis should be laid upon development of cooperation with state companies all over the world. As resource volumes available for private oil companies diminish, this cooperation is vital for efficient and stable long-term activities. Partnership with OAO Gazprom and its subsidiaries is of utmost importance. In 2007 LUKOIL established partnership relations with state companies of China, Indonesia and Qatar.

2007 witnessed a considerable increase in hydrocarbon sales efficiency due to improvements in price formulas and optimization of supply routes. Thus, net profit in the gas sector doubled also due to increase in direct sales to end consumers. Besides, high levels of refining margin in Russia led to 7% increase in deliveries of crude oil to the domestic market.

In the Refining & Marketing business segment, the Company set a high priority on increase of capacities and refining throughput, improvement of product quality, and development of sales network. Oil refining volumes at the Group's own refineries increased almost by 7% to a record level of 52 million tons. Due to on-going upgrade of refineries, the share of high-octane gasolines in the total gasoline output almost reached 90%, while the share of environment-friendly diesel fuel reached 70%.

In 2007, the Company commissioned a number of units, which will allow to considerably increase production output of motor fuels compliant with the existing European environmental standards. Beginning of 2008 witnessed adoption of technical regulations according to which on January 1, 2009 Russia is to start using Euro-3 compliant fuel, which will ensure considerable competitive advantages for the Company. Due to efficient marketing policy, enhancement of production quality and expansion of filling stations network, retail fuel sales rose by 14% to 12.8 million tons. In 2007, the Company acquired over 500 filling stations and entered the retail market of Western Europe for the first time in its history.

The Company's structure will be complemented with a new segment called Electricity Generation. Some assets of RAO UES of Russia will become its groundwork, the Company intends to complete their acquisition in 2008. Besides, the new sector will comprise small-scale power industry assets, i.e. power stations located at fields and generating facilities at the Company's refineries. Establishment

of a new segment is aimed at ensuring sustainable power supply to our production facilities and expanding the Company's opportunities for selling natural gas marketing at market prices.

"Achievements of 2007 are proof that LUKOIL does not merely use its existing industrial potential but ensures intensive development of that potential. The Company's strategic task is to strengthen its positions in the global oil and gas sector. This requires? On the one hand, constant enlargement of our business scale and, on the other hand, increase of business efficiency. In 2007 the Company was successful in both tasks. We are confident that we will continue to create value for shareholders, and make further advances on the road to achievement of our goals," Valery Grayfer, Chairman of OAO Board of Directors, and Vagit Alekperov, President of OAO LUKOIL, stated in their address to the shareholders.