



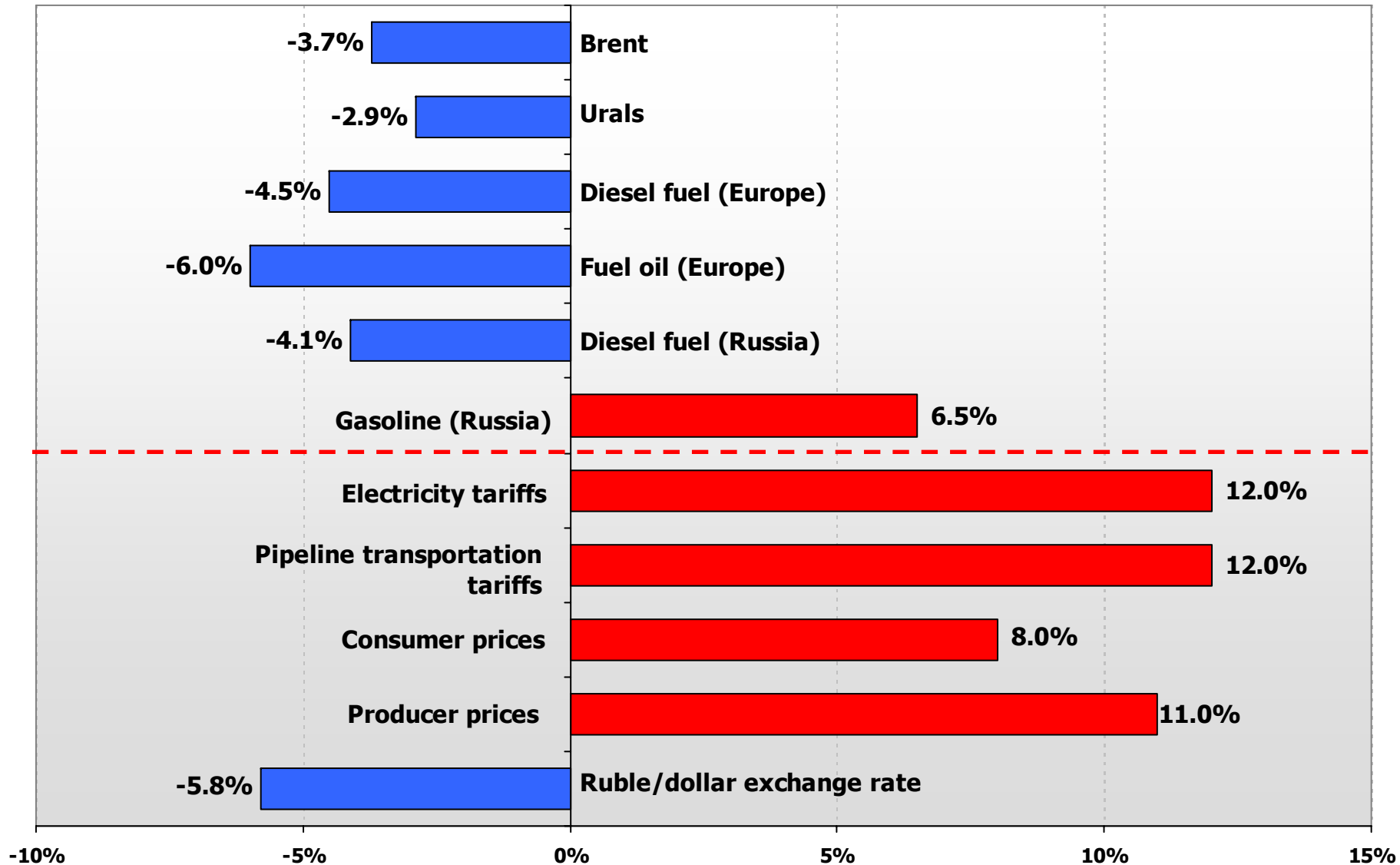
1H 2007 Financial Results (US GAAP)

September 2007



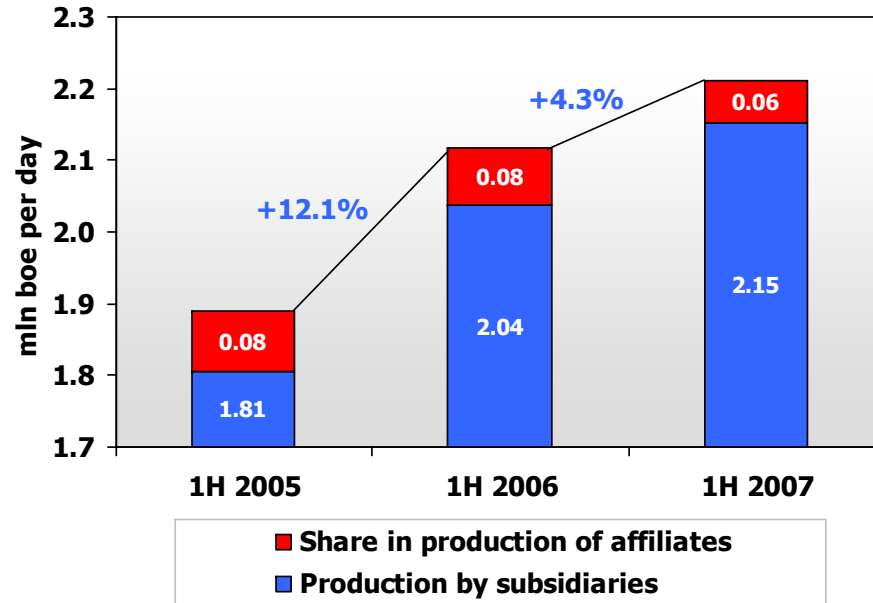
Macroeconomic Environment

Macroeconomic environment
(1H 2007 to 1H 2006)



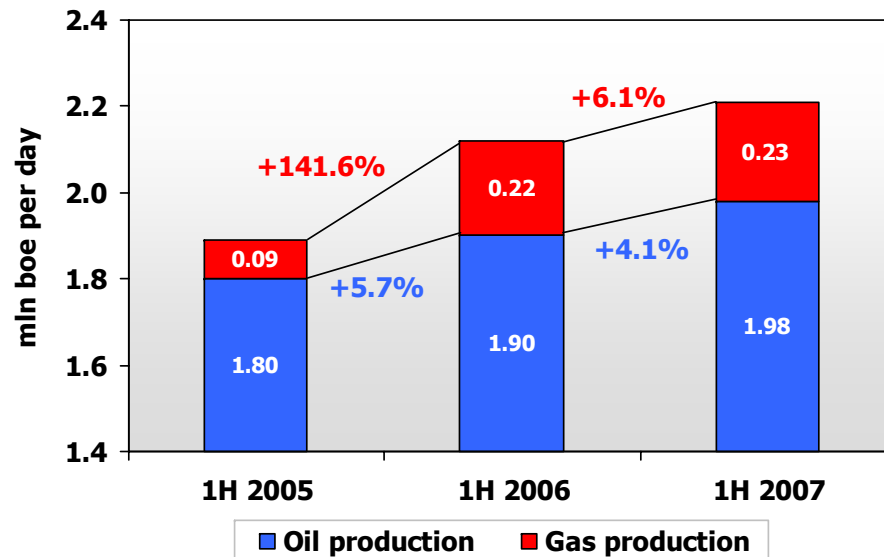


Marketable Hydrocarbon Production

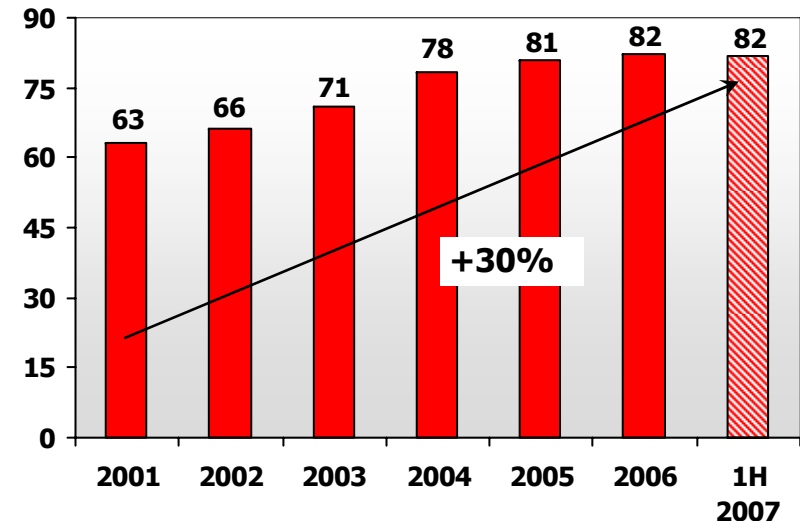


In 1H 2007 production of crude oil reached to 358.5 mln barrels (48.5 mln tons), which is **4.1%** higher y-o-y.

Production of marketable natural and associated gas increased by **6.1%**, up to 7.0 bcm.

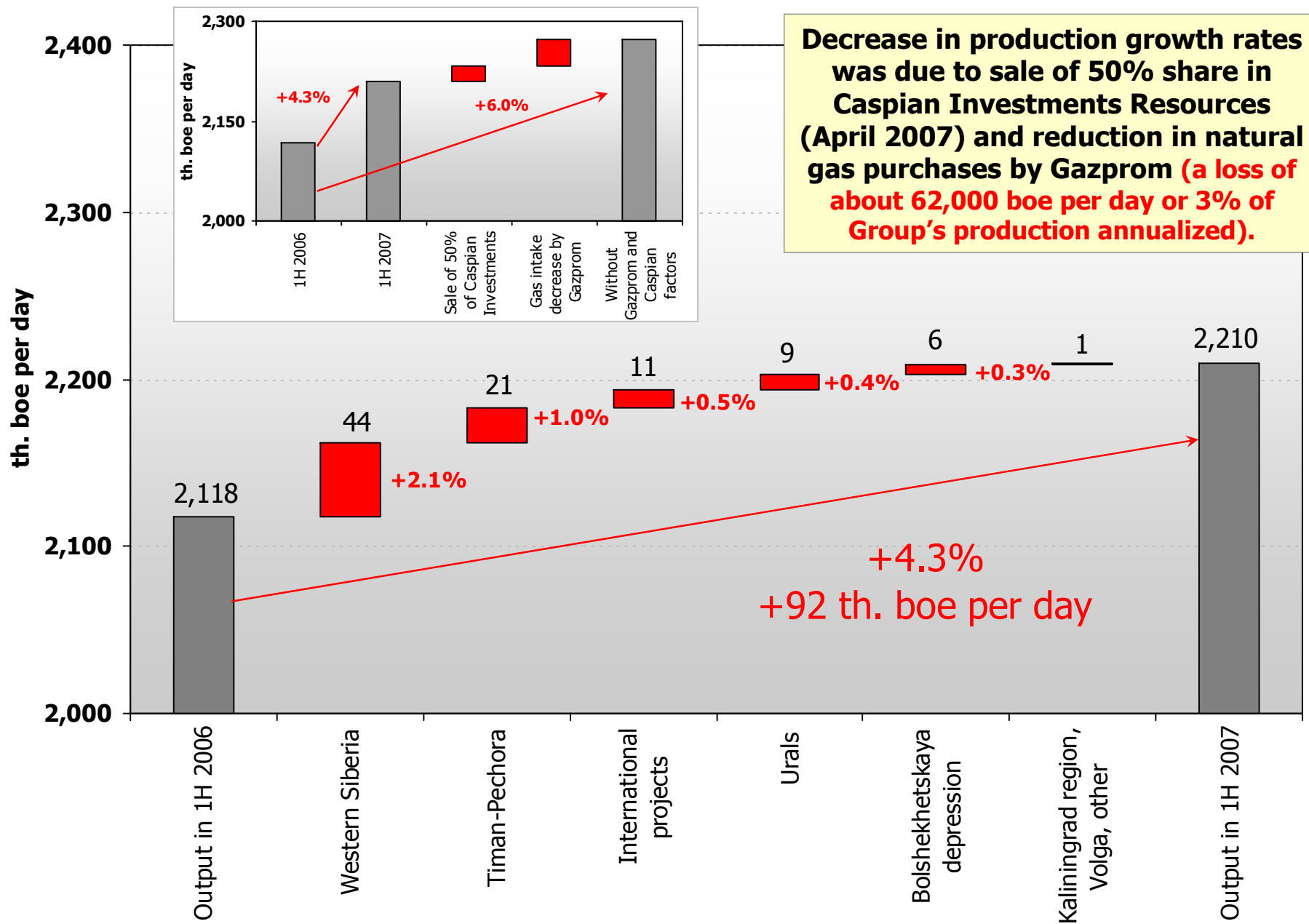


Average flow rate of oil production wells at Russian fields of the Group, barrels per day





Marketable Hydrocarbon Output Reconciliation (y-o-y)



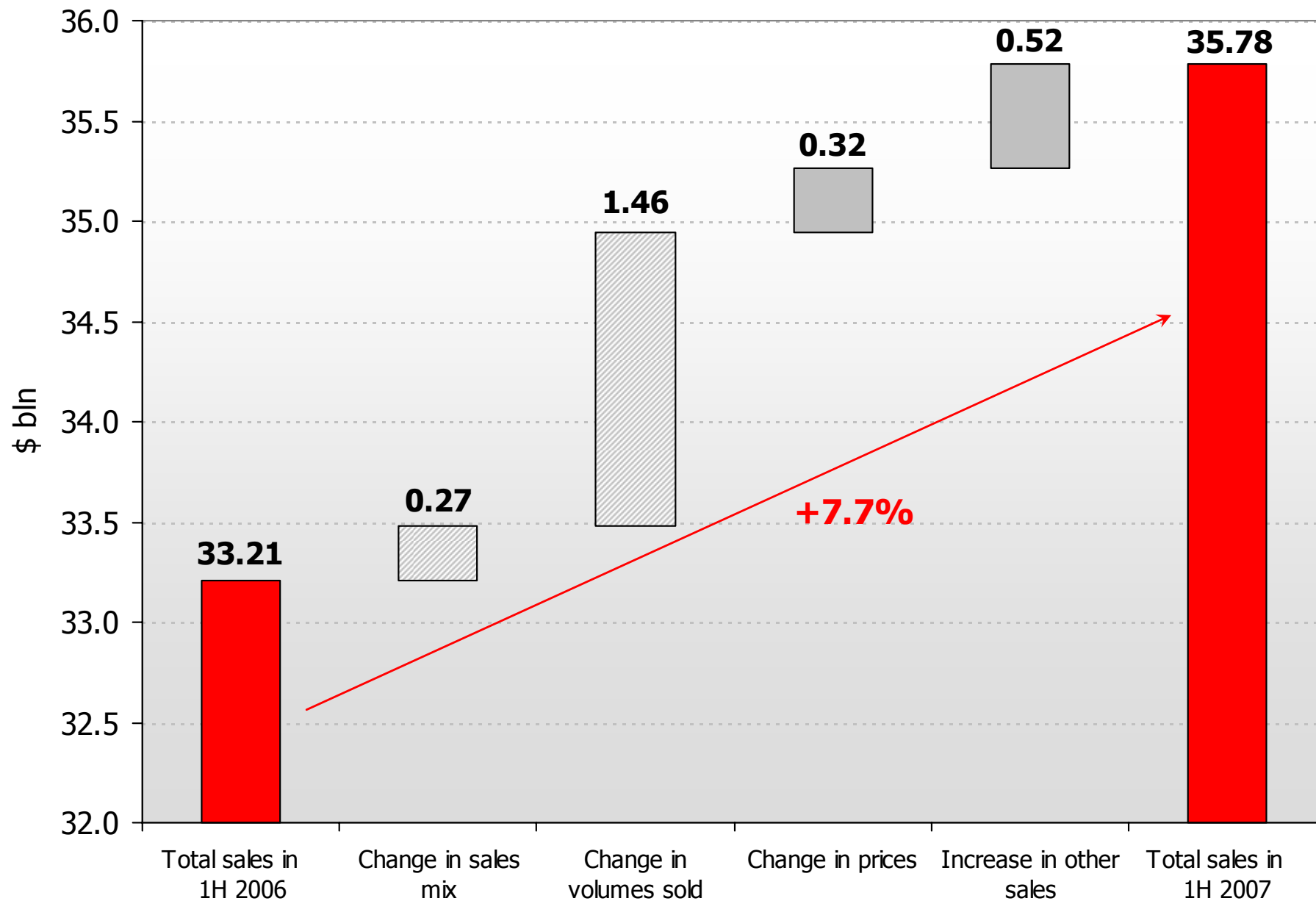


Financial Results

2Q 2007	1Q 2007	Δ, %	\$ mln	1H 2007	1H 2006	Δ, %
20,196	15,736	+28.3	Total revenue	35,932	33,420	+7.5
(1,471)	(1,443)	+1.9	Operating expenses	(2,914)	(2,233)	+30.5
(5,615)	(5,097)	+10.2	Taxes other than income taxes (including excise and export tariffs)	(10,712)	(9,787)	+9.5
3,448	1,876	+83.8	Income from operating activities	5,324	5,516	-3.5
3,306	1,837	+80.0	Income before income taxes	5,143	5,518	-6.8
2,517	1,299	+93.8	Net income	3,816	4,010	-4.8
3.03	1.56	+93.6	Basic EPS, \$	4.59	4.85	-5.2
3,917	2,432	+61.1	EBITDA	6,349	6,464	-1.8



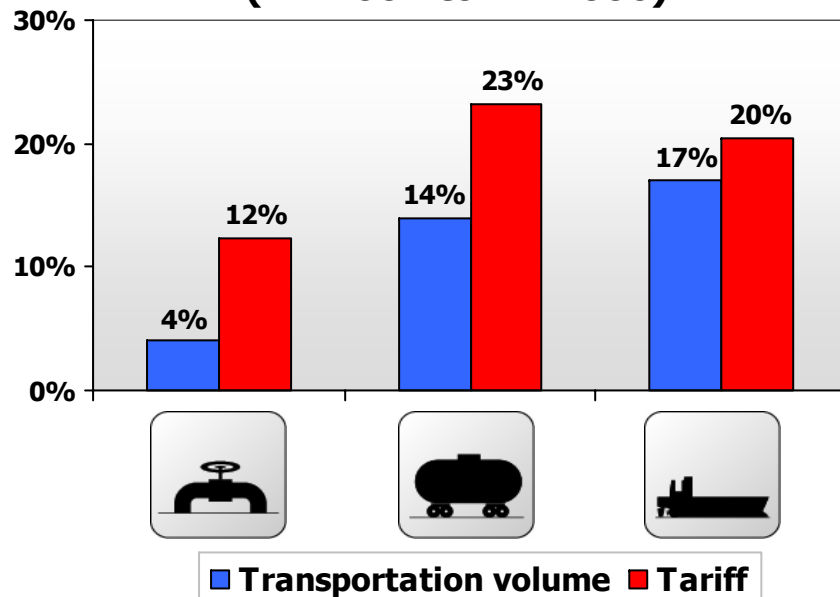
Sales Reconciliation



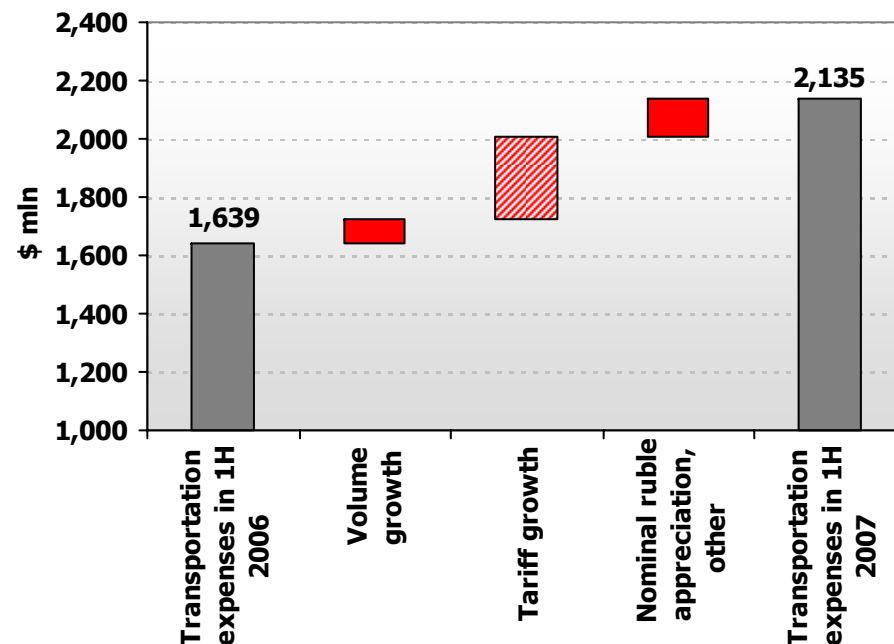


SG&A and Transportation Expenses

Transportation expenses (1H 2007 to 1H 2006)



Transportation expenses reconciliation



2Q 2007	1Q 2007	Δ, %	\$ mln	1H 2007	1H 2006	Δ, %
1,148	987	+16.3	Transportation expenses	2,135	1,639	+30.3
800	663	+20.7	Other selling, general and administrative expenses	1,463	1,498	-2.3
1,948	1,650	+18.1	Total	3,598	3,137	+14.7

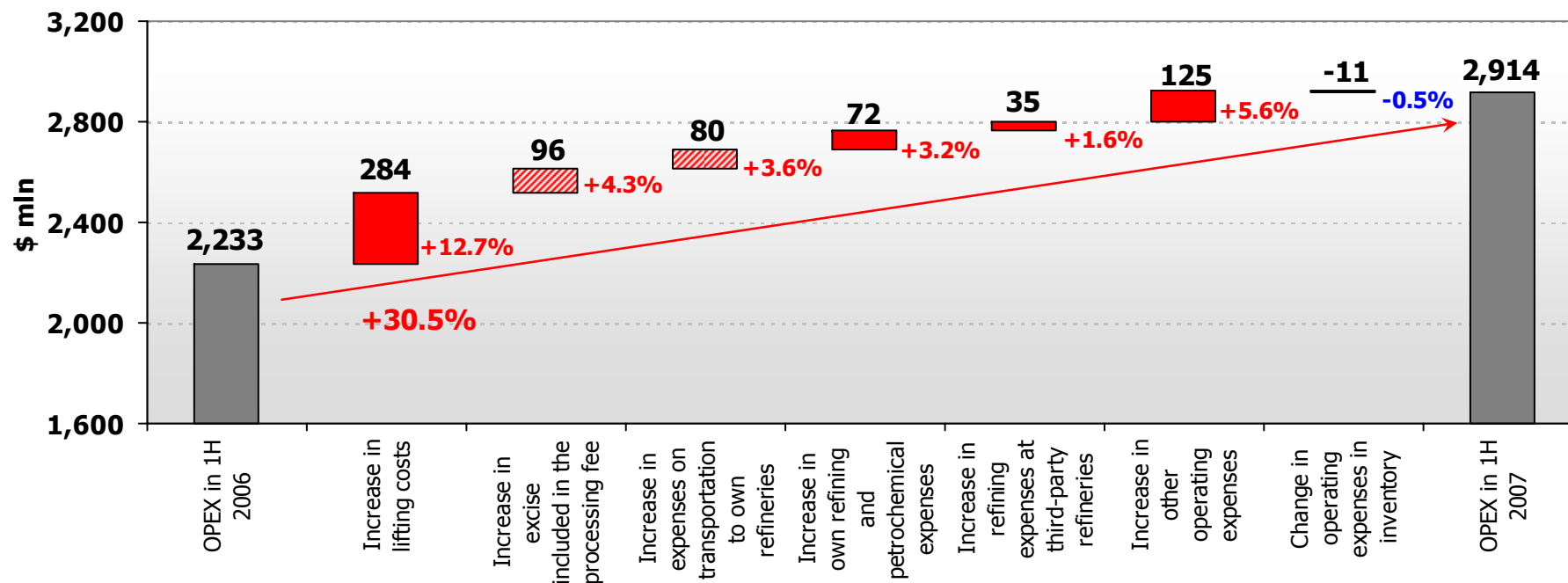


Operating Expenses

2Q 2007	1Q 2007	Δ, %	\$ mln	1H 2007	1H 2006	Δ, %
699	651	+7.4	Hydrocarbon lifting costs	1,350	1,066	+26.6
218	192	+13.5	Own refining expenses	410	343	+19.5
55	66	-16.7	Refining expenses at third-party refineries	121	86	+40.7
48	48	0.0	Excise included in processing fee paid to third-party refineries	96	–	–
70	64	+9.4	Petrochemical expenses	134	129	+3.9
222	189	+17.5	Crude oil transportation to own refineries	411	331	+24.2
299	217	+37.8	Other operating expenses	516	391	+32.0
(140)	16	–	Change in operating expenses in crude oil and refined products inventory originated within the Group	(124)	(113)	–
1,471	1,443	+1.9	Total	2,914	2,233	+30.5
7,070	5,050	+40.0	Cost of purchased crude oil, gas and products	12,120	11,805	+2.7



Operating Expenses Reconciliation

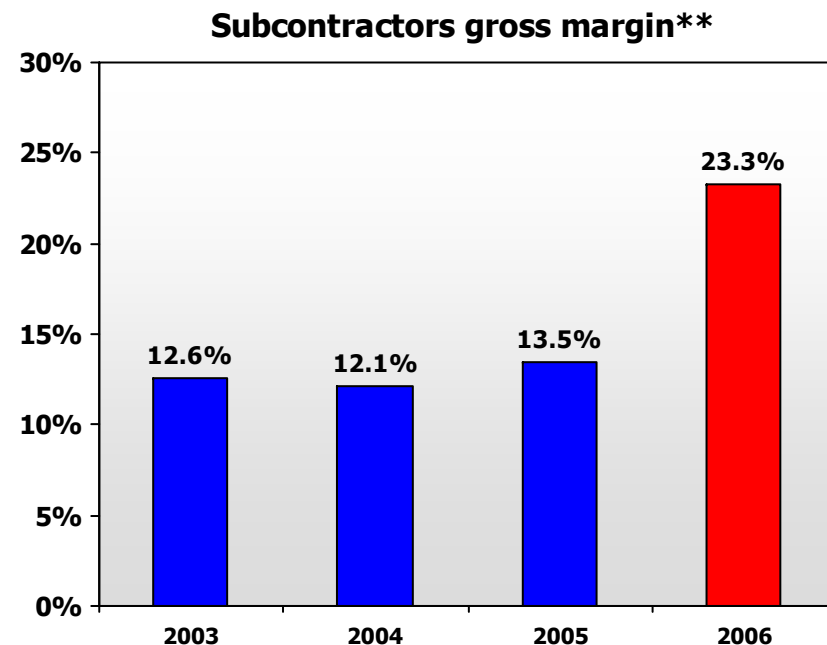
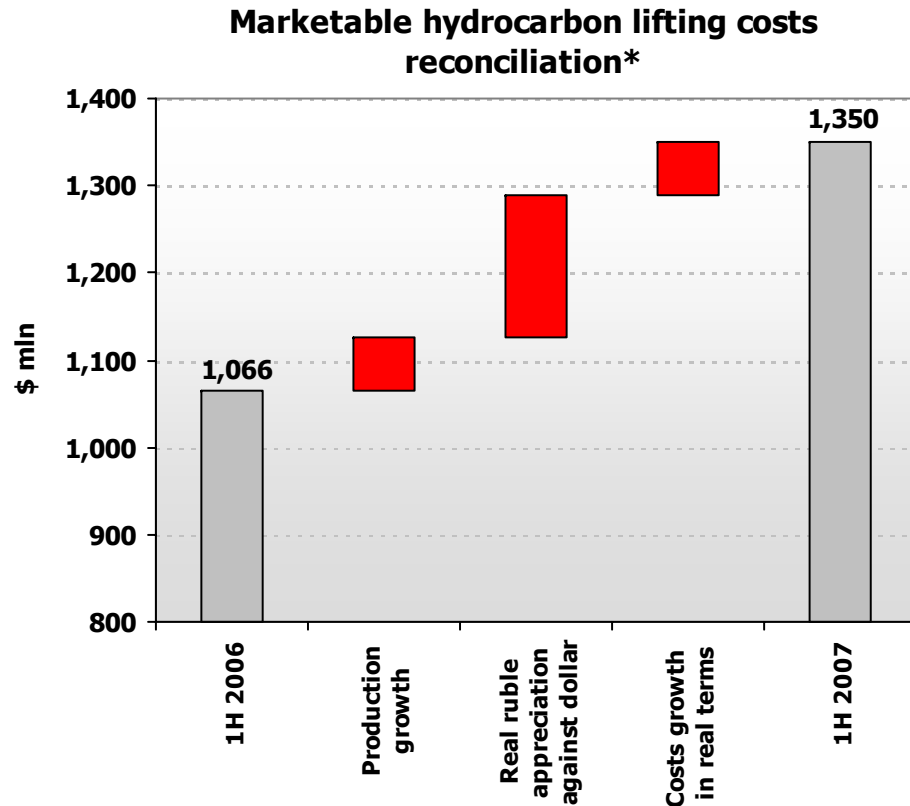


The substantial growth of operating expenses y-o-y was caused by the following factors:

- **real ruble appreciation**, which reached 14.6% y-o-y in the first half of 2007 and affected all operating expense items
- **increase in refining expenses at third-party refineries due to amendments to Russian legislation** (excise for petroleum products is now included in processing fee paid to third-party refineries)
- **increase in lifting costs** which was caused by production growth, new assets acquisition and other factors
- increase in transportation expenses due to increase in refinery throughputs and tariffs escalation



Dynamics of Hydrocarbon Lifting Costs



In 1H 2007 lifting costs per boe of production increased by 20.3% y-o-y. Real ruble appreciation against dollar was 14.6% y-o-y.

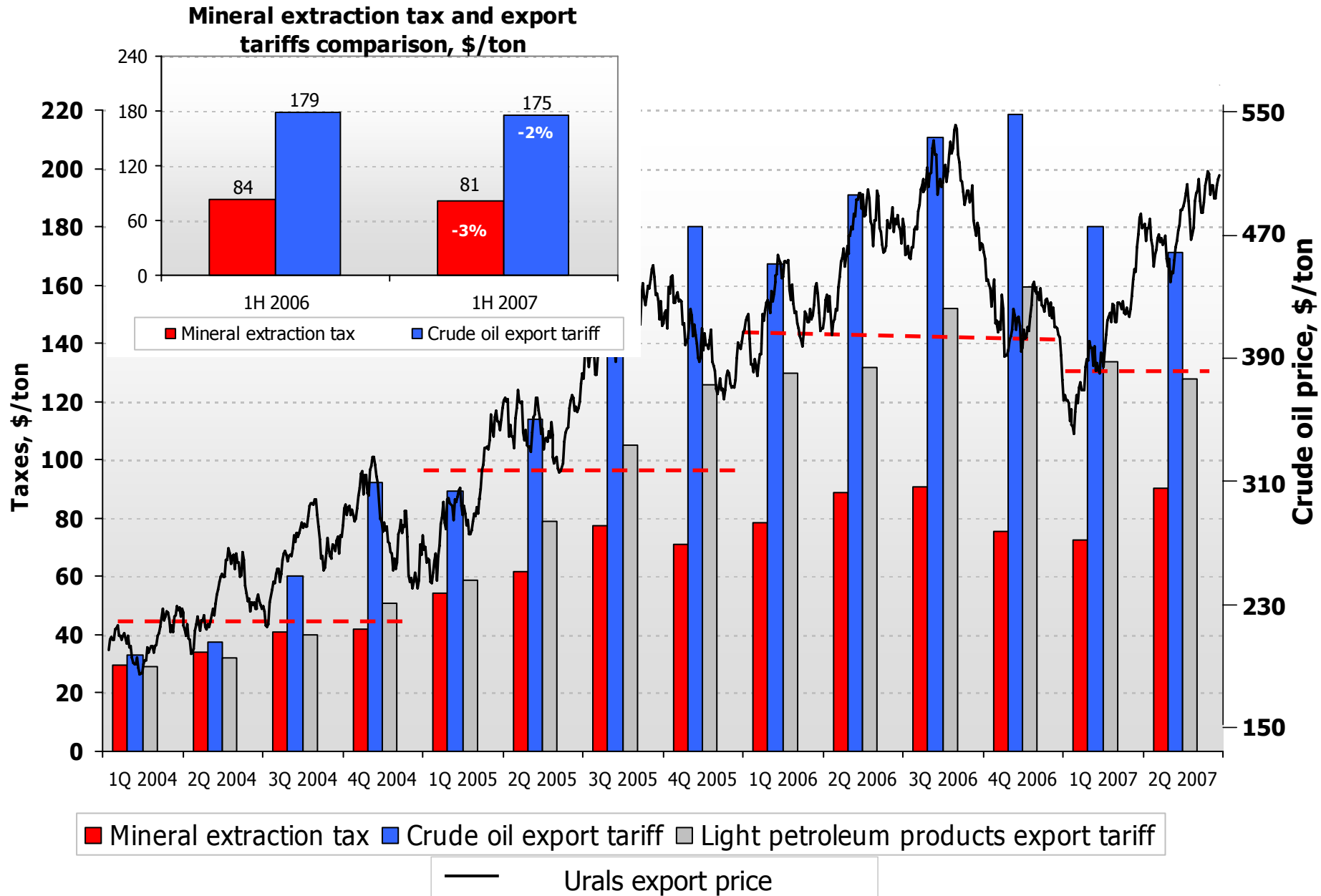
Lifting costs in real terms increased approximately by 6% y-o-y due to sharp rise in the suppliers and subcontractors prices.

* Crude oil, liquids, marketable natural and associated gas.

** BK «Evraziya», BORETS, ALNAS, LEMAZ, NOVOMET-PERM, VZBT.

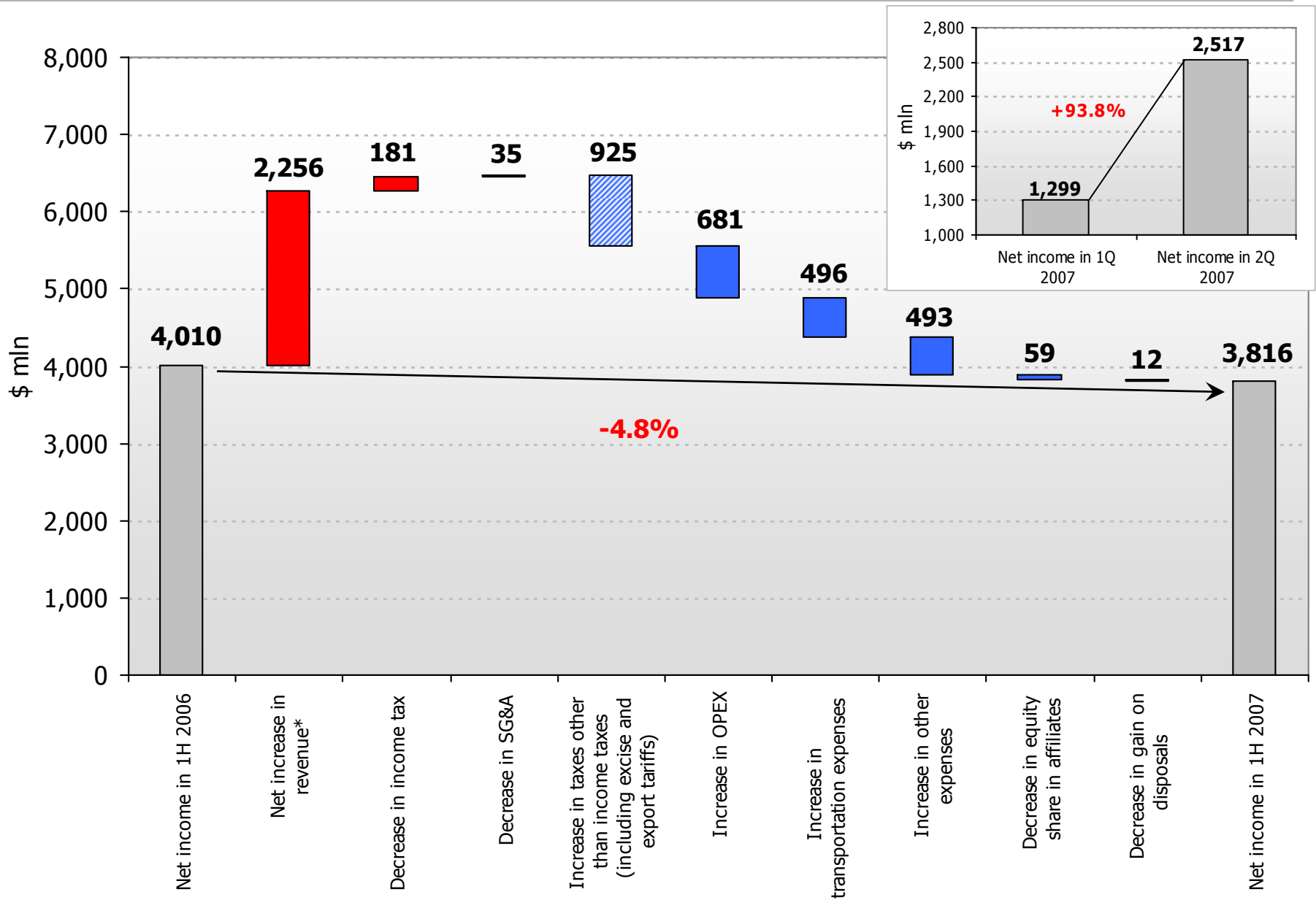


Tax Burden





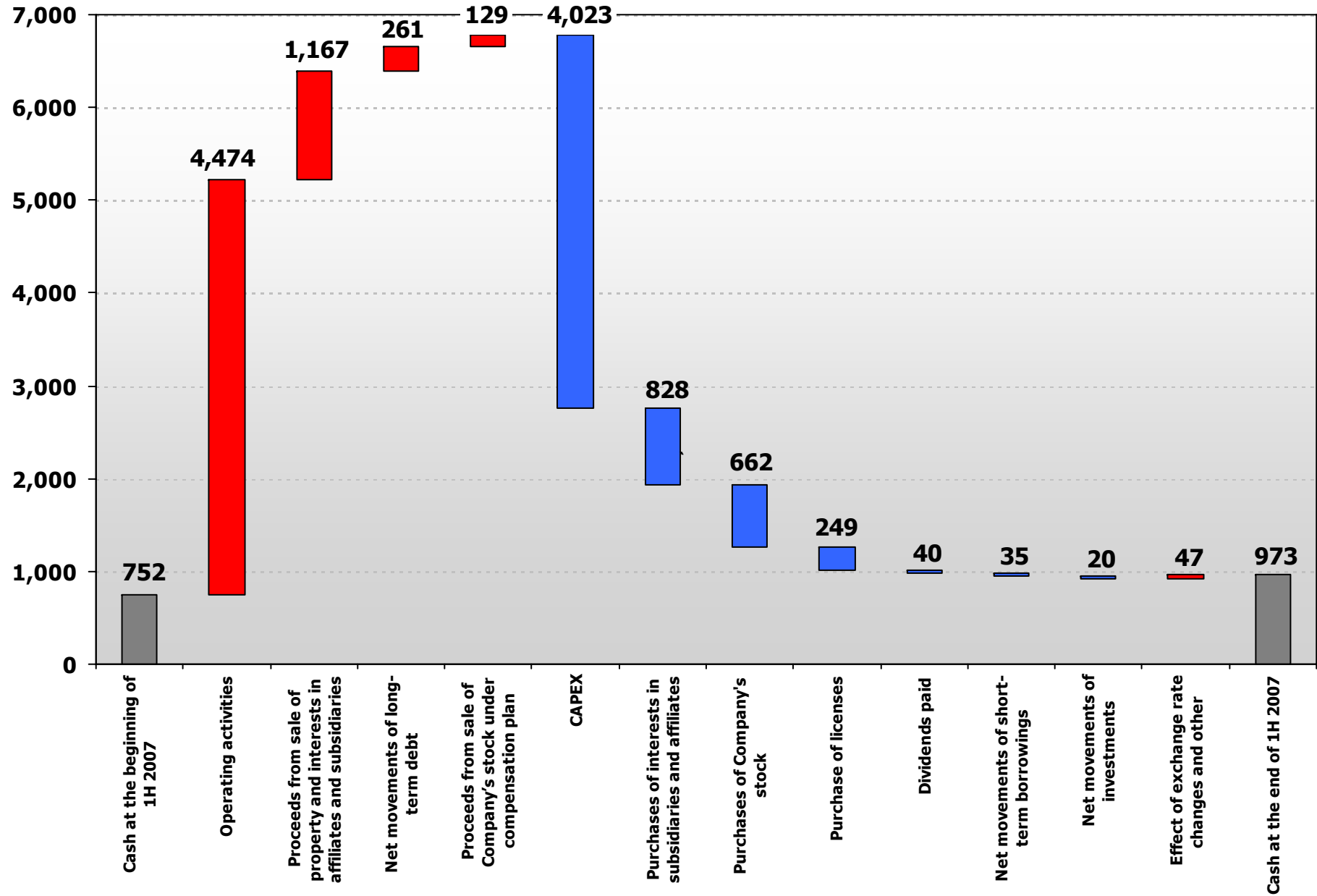
Net Income Reconciliation



* Increase in revenue less purchases of oil and petroleum products.



1H 2007 Cash Flow Reconciliation





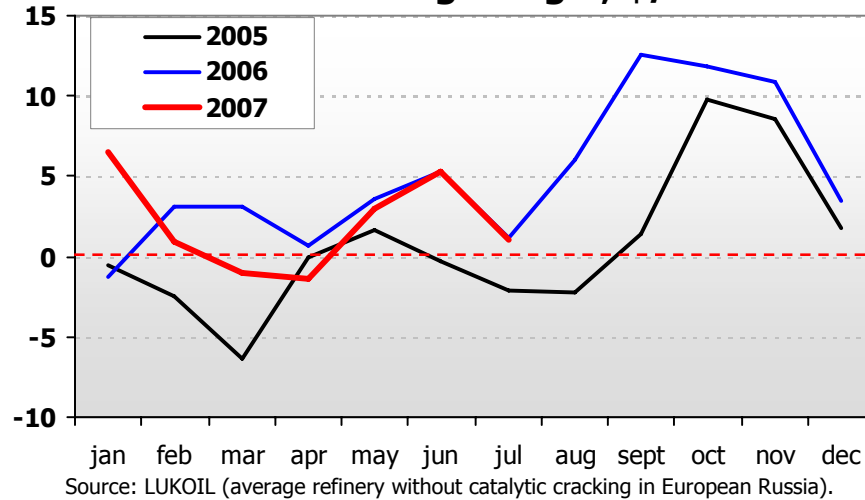
CAPEX Breakdown

2Q 2007	1Q 2007	Δ, %	\$ mln	1H 2007	1H 2006	Δ, %
1,669	1,716	-2.7	Exploration and production	3,385	1,920	+76.3
<i>1,475</i>	<i>1,565</i>	<i>-5.8</i>	<i>Russia</i>	<i>3,040</i>	<i>1,691</i>	<i>+79.8</i>
<i>194</i>	<i>151</i>	<i>+28.5</i>	<i>International</i>	<i>345</i>	<i>229</i>	<i>+50.7</i>
390	277	+40.8	Refining and marketing	667	619	+7.8
<i>261</i>	<i>149</i>	<i>+75.2</i>	<i>Russia</i>	<i>410</i>	<i>392</i>	<i>+4.6</i>
<i>129</i>	<i>128</i>	<i>+0.8</i>	<i>International</i>	<i>257</i>	<i>227</i>	<i>+13.2</i>
45	44	+2.3	Petrochemicals	89	75	+18.7
<i>37</i>	<i>18</i>	<i>+105.6</i>	<i>Russia</i>	<i>55</i>	<i>55</i>	<i>+0.0</i>
<i>8</i>	<i>26</i>	<i>-69.2</i>	<i>International</i>	<i>34</i>	<i>20</i>	<i>+70.0</i>
9	25	-64.0	Other	34	33	+3.0
2,113	2,062	+2.5	Total (cash and non-cash)	4,175	2,647	+57.7

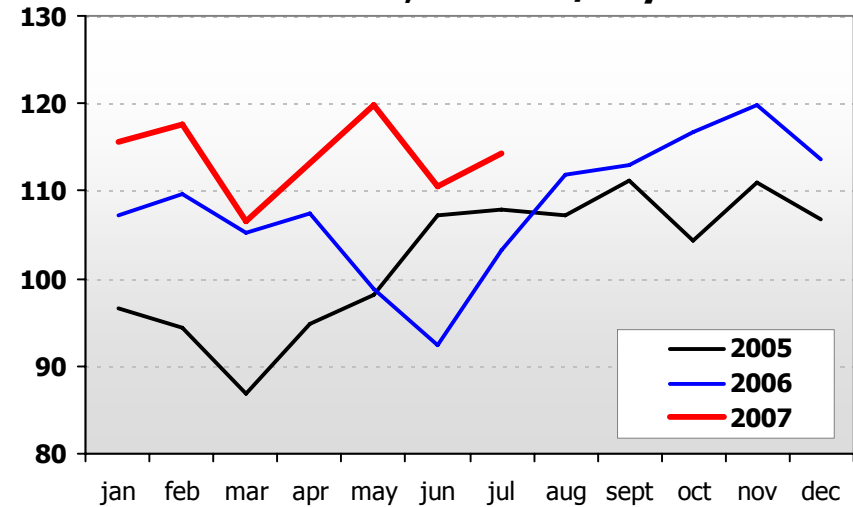


Crude Refining in Russia and Retail Sales of Petroleum Products

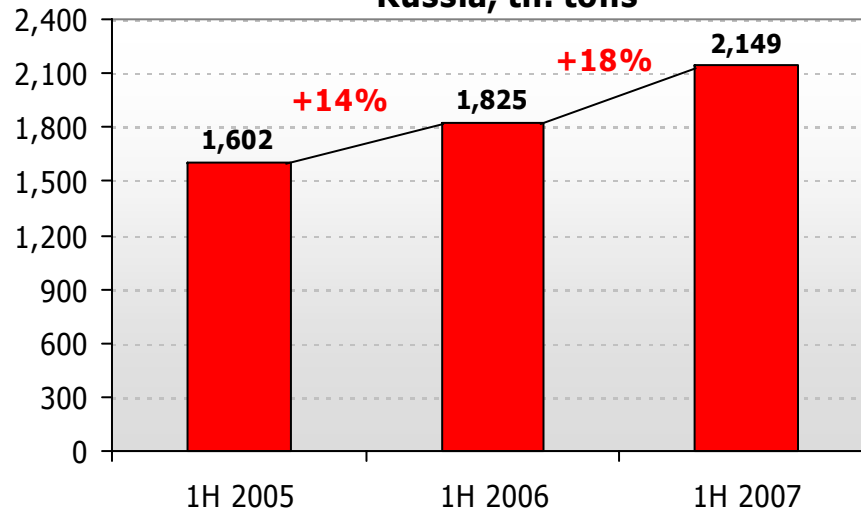
Russian refining margin, \$/barrel



Throughputs at LUKOIL refineries in Russia, th. tons/day



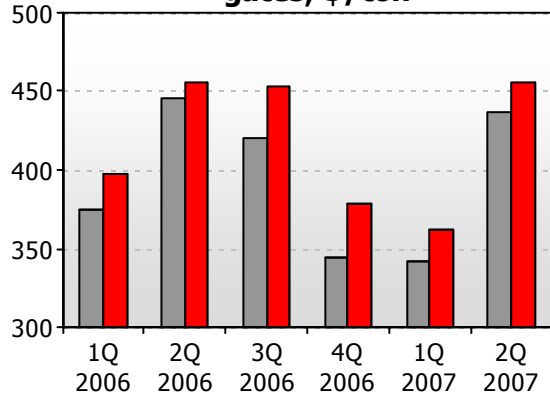
Retail sales of petroleum products in Russia, th. tons



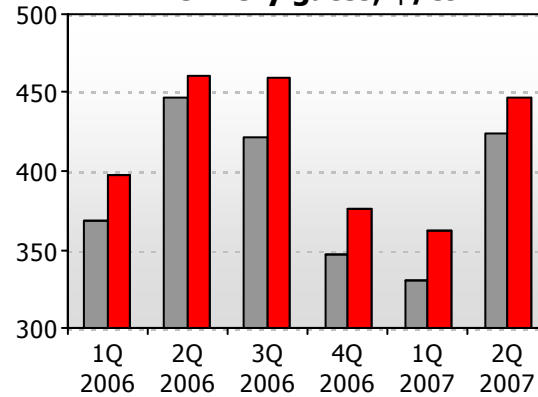


High Attractiveness of Russian Market

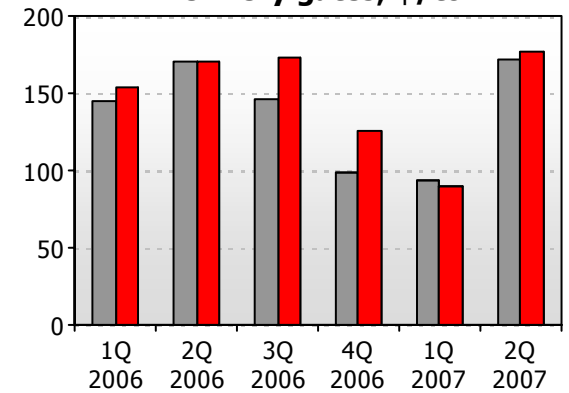
Diesel price at Volgograd Refinery gates, \$/ton



Diesel price at Nizhny Novgorod Refinery gates, \$/ton

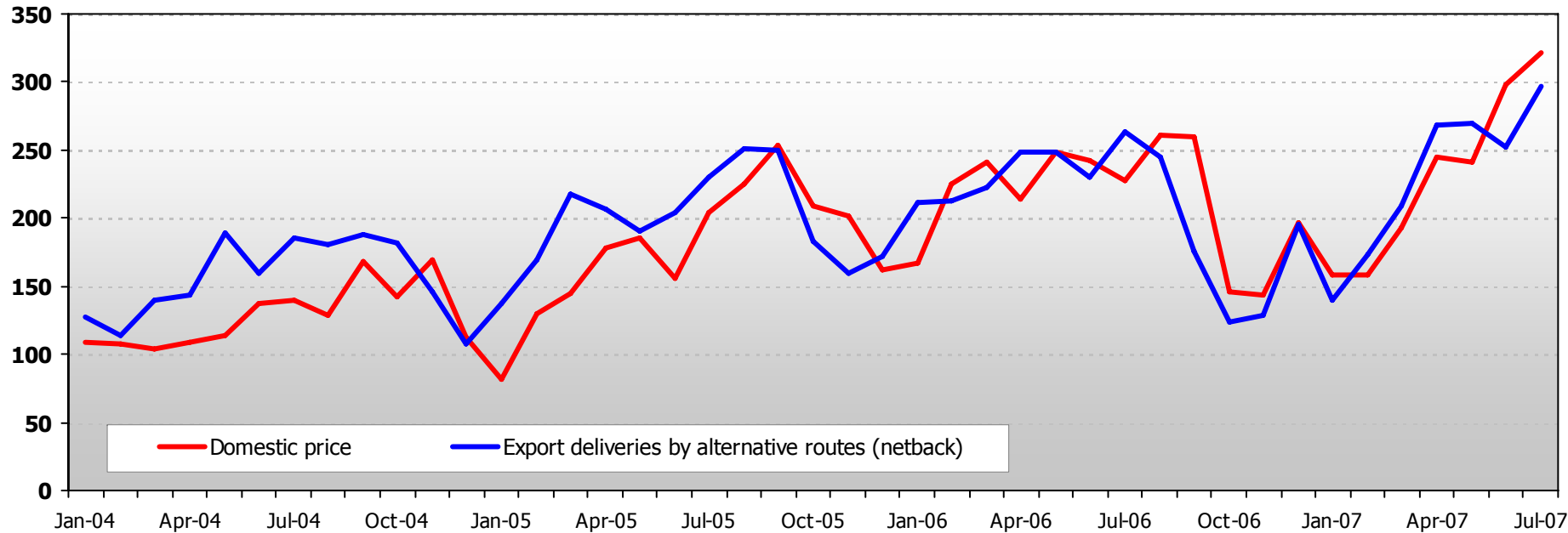


Fuel oil price at Nizhny Novgorod Refinery gates, \$/ton



■ Exports ■ Domestic sales

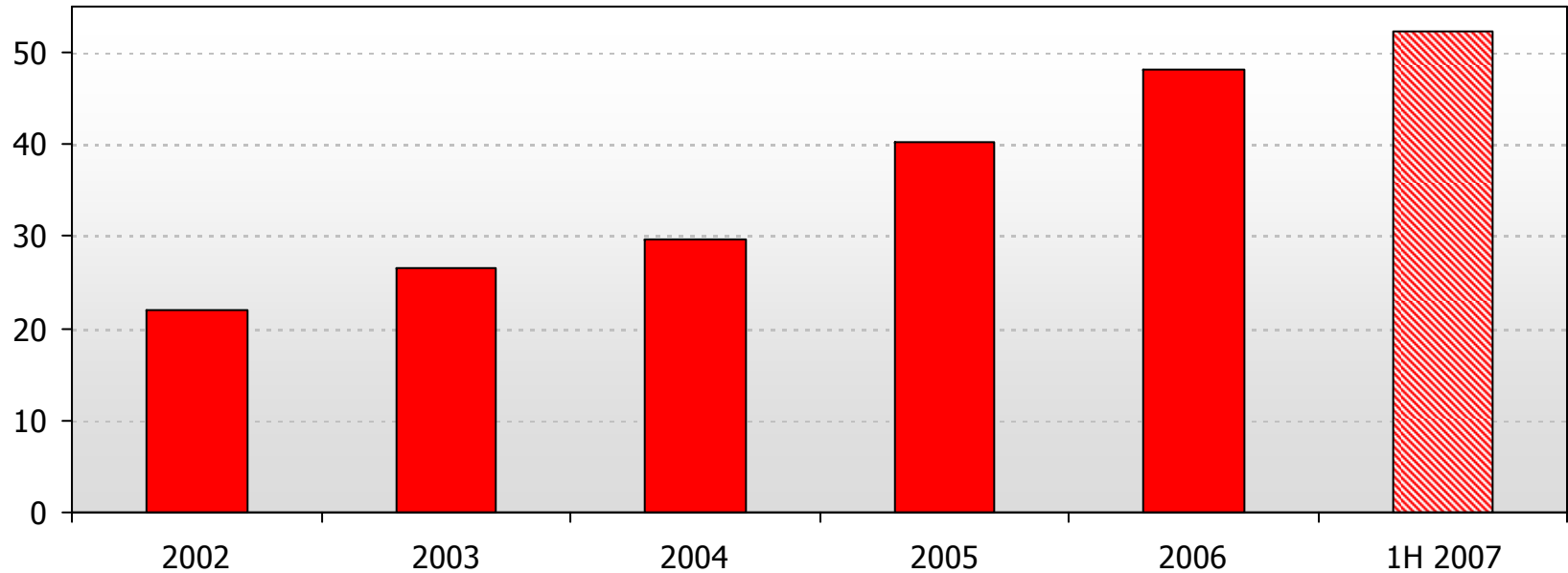
Crude oil price comparison (domestic sales vs. export sales), \$/ton





Investment in Future Growth

Assets of LUKOIL Group, \$ bln



Strategic goals of LUKOIL Group :

- investment in highly efficient assets
- high production growth rates
- strict cost control
- shareholder value growth



Forward-Looking Statements

- Certain statements in this presentation are not historical facts and are “forward-looking”. Examples of such forward-looking statements include, but are not limited to:
 - projections or expectations of revenues, income (or loss), earnings (or loss) per share, dividends, capital structure or other financial items or ratios;
 - statements of our plans, objectives or goals, including those related to products or services;
 - statements of future economic performance; and
 - statements of assumptions underlying such statements.
- Words such as “believes,” “anticipates,” “expects,” “estimates”, “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.
- By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including our ability to execute our restructuring and cost reduction program.
- When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.