PRESS RELEASE
MARCH 12, 2009

LUKOIL AND NOVOLIPETSK METALLURGICAL COMPLEX PROMOTE COOPERATION

Vagit Alekperov, OAO LUKOIL President, and Vladimir Lisin, Chairman of the Board of Directors of OAO Novolipetsk Metallurgical Complex (NLMC), signed a cooperation and technical-partnership agreement between the two companies in Moscow today.

The agreement envisages a uniform engineering policy in the development of lubricants and special-purpose liquids to ensure their full compliance with the up-to-date international requirements in terms of performance properties and environmental safety.

One of the priorities in this cooperation is joint elaboration and introduction of a program of replacing the lubricants and special-purpose liquids imported by the NLMC with LUKOIL products which have permits and approval certificates of the leading global manufacturers of industrial and mobile equipment.

Under the agreement, LUKOIL shall provide NLMC and its subdivisions with lubricants and special-purpose liquids in the amount and within the terms required for trouble-free operation of the engineering equipment. LUKOIL also guarantees adequate or superior quality of its lubricants and special-purpose liquids as compared with those utilized by the complex at present.

The two companies shall establish a working group which is to define major activities aimed at the program implementation. The measures shall be taken jointly with Russian R&D institutions specializing in the oil-refining business and the Federal Agency on Technical Regulation and Metrology. The program provides for training and effective consulting of OAO NLMC specialists.

For OAO LUKOIL, the economic efficiency of the agreement shall be achieved through supplies of new high-tech oils developed on the basis of the Import Substitution Program formulated specially for the metallurgy industry.

For OAO NLMC, the economic efficiency of the agreement manifests itself in reduced expenses on the manufacture of end products due to regular and guaranteed supplies of high-quality lubricants by OAO LUKOIL on more favorable terms as compared with the market terms and also due to better quality of the

products purchased.

Implementation of the Import Substitution Program shall be ensured by OOO LLC-International, a 100%-owned subsidiary of OAO LUKOIL, having its own research and technology base and specializing in the development of promising lubricants in accordance with the customer's individual programs. In 2007, OOO LLC-International supplied 3,500 tons of lubricants and special-purpose liquids (out of the 5,200 tons consumed annually) to OAO NLMC in the amount of approximately RUR 70 million. In 2008, the volume of supplies came to 3,070 tons.

OOO Trading Company NLMC, a commercial subdivision of the Group ensuring consolidated purchases of raw and other materials, shall act as a coordinator on the part of NLMC.

The agreement shall be valid for three years.

‘The agreement with OAO NLMC fits well with our plans to promote cooperation between LUKOIL and Russia’s major consumers of lubricants and engine fuels. The agreement signed today is chiefly aimed at enhancing economic efficiency of both enterprises’, Mr. Alekperov commented.

As was noted by Vladimir Lisin, Chairman of the Board of Directors of OAO NLMC, ‘The agreement will enable us to save on lubricants purchased, enhance delivery efficiency, ensure continuous quality improvement of the oils purchased and improve the operational efficiency of NLMC equipment – all on the basis of cooperation between the parties in the development of new products’.