PRESS RELEASE
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OAO LUKOIL BOARD OF DIRECTORS APPROVES LUKOIL GROUP STRATEGIC DEVELOPMENT PROGRAM FOR 2010-2019

Today, OAO LUKOIL Board of Directors held a meeting in Moscow to approve the LUKOIL Group Strategic Development Program for 2010-2019. The program is a revised version of the LUKOIL Group Strategic Development Program for 2008 – 2017 approved by the Board of Directors in 2007. The Program was amended to reflect the updated macroeconomic and marketing forecasts in the RF and foreign countries for 2010 – 2019 in view of the global financial and economic crisis. Considering the economic recession, the ensuing decline in feedstock demand and the instability of the financial and consumer markets, the Company resolved to focus on the growth of free cash flow rather than production growth. The Program's ultimate objective is to ensure competitive profitability through the selection of the most efficient projects.

The Strategic Development Program envisages the following top-priority goals and objectives for LUKOIL Group:

• stable growth of the free cash flow;

• growing hydrocarbon production;

• full compensation of production with new reserves at costs below the competitive level;

• geographical diversification of hydrocarbon production;

• spin-off of low-efficiency assets from the Exploration and Production business segment into a specialized company;

• monetization of gas reserves including utilization of associated gas, synergy with the power generation and petrochemistry industries;

• modernization of refining capacities, primarily in Russia, to increase process complexity and light products output;

• selective development of sales networks in priority regions, improved efficiency in traditional regions through asset modernization and brand promotion;

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

Improved labor performance, enhanced energy efficiency, implicit discipline of capital investments, full-scale deployment of the Company's research and engineering potential, further simplification of the organizational structure and spin-off of non-core activities shall be the key tools for attaining the set objectives.

The return on capital employed matching the leading global oil companies' levels remains a key financial indicator for progress evaluation of the Company's strategy implementation.

The Company plans to use the amplified free cash flow to raise shareholder revenue through larger dividend payments and share buybacks.

The Company will announce the details of the Strategic Development Program upon the expiration of the time period prescribed by the international law which restricts the publication of LUKOIL Group's plans and outlooks. The Company will make the respective statement in December of 2009.

The Board of Directors also discussed measures aimed at consolidation of the Company's resource base for 2010 – 2019. These measures are focused on the implicit execution of the geological exploration programs of LUKOIL Group enterprises for 2010 – 2019 which ensure a 100% compensation of production with incremental hydrocarbon reserves.

Among others, the following measures are identified as crucial for this purpose:

• Execution of the target scope of geological exploration activities under the current geological exploration projects in Russia and abroad as defined in the Industry Development Program;

• Implementation of new projects in Russia and abroad, including:

- Participation in the contests for the right of subsoil use of new fields, which are part of the RF unallocated pool, conduct works under the licenses for exploration in promising regions;

- Purchase assets from the allocated subsoil pool.

To attain the defined tasks, the efforts of the respective structural units and subsidiaries of the Company will be concentrated around the selection of highly efficient projects in the Russian Federation and abroad with the aim to achieve full compensation of production with incremental hydrocarbon reserves.

The Board of Directors also approved the Shareholder Relations Policy of OAO

LUKOIL. According to the Policy, the Company guarantees protection of shareholders' rights established by the RF effective legislation, internal regulations of OAO LUKOIL arising from the Company's obligations in connection with trading of its securities at Russian and international stock exchanges, as well as those voluntarily granted by the Company to its shareholders within the framework of OAO LUKOIL's adherence to the best standards of the international corporate governance practice. The full version of OAO LUKOIL interaction strategy with shareholders can be found at the Company's website at http://www.lukoil.ru/static_6_5id_2230_.html or http://www.lukoil.com/static_6_5id_2176_.html .

The Board of Directors also resolved to elaborate the Shareholder Relations Program of OAO LUKOIL for 2010-2014.