PRESS RELEASE
DECEMBER 14, 2009

OAO LUKOIL BOARD OF DIRECTORS APPROVES PERFORMANCE INDICATORS FOR LUKOIL GROUP'S 2010-2012 MID-TERM PLAN

The OAO LUKOIL Board of Directors approved basic performance indicators today for the LUKOIL Group Mid-term Plan for 2010-2012.

The document contains both a base case scenario of the plan, elaborated in accordance with the Company's Strategic Development Program for 2010-2019, and a more conservative development scenario.

The Board of Directors also decided that the target values of the Mid-term Plan, as well as the budget and investment program of LUKOIL Group for 2010 would be approved in the first quarter of 2010 in view of the existing macroeconomic trends and an updated net cash flow forecast.

The OAO LUKOIL Board of Directors judged the application practice of investment project certificate for assessing the outlooks for hydrocarbon production and investments in the Exploration and Production business segment to be the most efficient one. This method is used for target selection of certain types of pilot work and innovative techniques aimed at the efficiency enhancement of a particular project.

Thus, the wells of the Kechimovskoye field located in Khanty-Mansi Autonomous District (Yugra) were selected for pilot under-balanced drilling operations. The Tevlinsko-Russkinskoye, Pokachevskoye, Kechimovskoye and Non-Eganskoye fields, located in Western Siberia, were selected for testing and determining the drill mud composition for well construction.

The OAO LUKOIL Board of Directors also approved the regulations "On Long-term Incentives for Employees of OAO LUKOIL and its Subsidiaries for 2010-2012". Under the new regulations, 17,271,000 conditionally fixed shares of OAO LUKOIL shall be distributed among LUKOIL Group employees who did not receive any premiums under the previous three-year program due to a fall of the stock market in 2008-2009.

The long-term incentive program was formulated to encourage continuous and stable motivation on the part of the employees of OAO LUKOIL and its subsidiaries and also ensure their interest in higher value of the company's shares

and its capitalization.