PRESS RELEASE
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OAO LUKOIL BOARD OF DIRECTORS APPROVES 2010 ANNUAL REPORT

Today the OAO LUKOIL Board of Directors has granted a tentative approval to the OAO LUKOIL 2010 Annual Report in accordance with the Federal Law of the Russian Federation “On Joint-Stock Companies" and the Charter of the Company.

The report is recommended for approval at the General Shareholders Meeting which will take place on June 23, 2011 in Moscow.

The Corporate Governance Report for 2010 was also approved at the meeting. It is the first time the Company has prepared the Corporate Governance Report in accordance with the new requirements of the UK Financial Services Authority which apply to OAO LUKOIL as a foreign listed company in UK.

The performance of the Board of Directors and its committees in 2010-2011 received a positive appraisal in accordance with the performance evaluation criteria approved by the Board of Directors in 2010. This appraisal is also confirmed by positive development dynamics of LUKOIL Group in complicated macroeconomic conditions, which is reflected in the data in the Annual Report of OAO LUKOIL for 2010.

The acting Board of Directors of OAO LUKOIL was elected during the Annual General Shareholders Meeting on June 24, 2010, and totals 11 members. The Board of Directors is represented by 2 executive directors, 2 non-executive directors (including the Chairman of the Board of Directors), 7 members of the Board of Directors meet the independence criteria set by the Corporate Governance Code which was approved by the Government of the Russian Federation at its meeting on November 28, 2001, and recommended by the Federal Commission on the Securities Market of Russia.

In 2010 the Board of Directors arranged 8 meetings in presentia and 17 absentee meetings.

Setting priority guidelines for the Company, strategic, medium-term and annual planning are major functions of the Board of Directors. The Board of Directors performs other functions determined by the Company Charter and legislation of the Russian Federation.

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Most of the issues submitted for consideration of the Board of Directors are first studied and worked through by a respective committee. The Strategy and Investment Committee arranged 3 meetings in presentia and one absentee voting, the Audit Committee held 5 meetings in presentia, and the HR and Compensation Committee held 5 meetings in presentia and 1 absentee voting.

In July of 2010 the Board of Directors also approved the Code of Business Conduct and Ethics of OAO LUKOIL.