PRESS RELEASE
JUNE 28, 2007

LUKOIL HOLDS ANNUAL GENERAL SHAREHOLDERS MEETING

OAO LUKOIL held its Annual General Shareholders Meeting in Moscow today to approve 2006 annual report and financial statements based on the fiscal year results.

The shareholders approved dividend distribution based on the Company's performance in 2006 in the amount of 38 rubles per ordinary share (33 rubles in 2005). Amendments to the Company's Charter and to Regulations on the Procedure for Preparing and Holding the Annual General Shareholders Meeting were ratified at the meeting.

The meeting also approved a resolution on authorized ordinary shares in the amount of 85 mln shares, with the nominal value of 0.025 RUR each. The resolution enables the Board of Directors to decide whenever necessary upon the issue of additional shares to be used in asset acquisition transactions.

The size of remuneration and compensation of expenses to members of the Board of Directors and the Audit Commission was also approved. ZAO KPMG was recognized as LUKOIL's independent auditor. The Annual General Shareholders Meeting also elected the Board of Directors and the Audit Commission and approved interested-party transactions.

The meeting also approved OAO LUKOIL's membership in the SWIFT Russian National Association.

Valery Grayfer, General Director of OAO RITEK, was elected Chairman of the newly elected Board of Directors at the Meeting of the Board of Directors held after the Annual General Shareholders Meeting.

Addressing the shareholders, Valery Grayfer, Chairman of the Board of Directors, and Vagit Alekperov, President of OAO LUKOIL, pointed out among other things that in 2006 the Company marked its 15th anniversary reaching its all-time high in terms of operational and financial results. Net profit of LUKOIL Group in 2006 amounted to 7,484 mln USD, which exceeds 2005 net profit by 16.2%. Rate of return on invested capital reached 21.5%. In 2006 OAO LUKOIL share price rose by 48.1%. The Company is constantly raising dividend yields. At the end of 2006 dividends reached 38 rubles (1.47 USD) per share, which secures the dividend yield at 1.8% and accounts for 16.8% of net profit. Total shareholder benefit in 2006

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reached 50.1%. Moreover, OAO LUKOIL launched repurchase of own stock worth more than 3 bln USD, which will also increase the shareholder benefit. In 2006 the Company spent over 782 mln USD to repurchase own stock.

2006 was a year of highly favorable global and internal market environment. However, under the Russian legislation most of the export earnings increment received with the oil price exceeding 25 USD/bbl, was levelled off by high export duties and mineral extraction tax. Therefore, operations excellence in all LUKOIL Group business segments was the main factor contributing to operational and financial growth.

In the Upstream segment the Company's efforts were focused on increasing production output and providing sustainable long-term production growth by building up the resource base. In 2006 oil production output of LUKOIL Group grew by 5.8% and amounted to 1,926 thousand bbl/day (95,235 mln tn), commercial gas output grew by 141.6% and amounted to 219 thousand boe/day (13,612 bln cu m). Commercial hydrocarbons output in 2006 became the Company's all-time high and amounted to 234 thousand boe/day.

In 2006 the Company was successfully building up its resource potential by developing geological exploration and making acquisitions. The largest acquisition in 2006 was production assets of Marathon Oil Corporation, an American company, in Khanty-Mansi Autonomous Area. OAO LUKOIL continued to expedite commissioning of new reserves. Production was launched at 11 fields in almost all of the Company's areas of operation. Large potential fields in the Northern Caspian Sea, in Timan-Pechora, the Bolshekhetskaya Depression fields and Uzbekistan continued to undergo preparation for development. The Company has been fully making up for hydrocarbon production by increasing proven reserves for seven years in a row now.

In 2006 LUKOIL was successfully implementing its gas program, which is one of the main factors contributing to the Company's sustainable growth viewed from a long-term perspective. In 2006 gas share in total commercial hydrocarbon output more than doubled, reaching from 4.8% to 10.2% with the strategic target set at 33%. Such a considerable growth is accounted for by the fact that production in the Nakhodka field almost reached its estimated level.

In 2006, as part of its geographic diversification strategy, OAO LUKOIL has been dynamically developing the international sector of the Upstream business segment. The Company achieved considerable success in implementing current projects in Kazakhstan, Uzbekistan, Saudi Arabia and Columbia. The share of international projects in the Company's total commercial hydrocarbon output grew from 5.3 to 6.4%. Moreover, OAO LUKOIL launched operations in Africa after acquiring a

share in PSA for exploration and production in Côte d'Ivoire shelf and signing memorandums of cooperation with the state oil and gas companies in Algeria and Angola.

In the Downstream business segment the Company set a high priority on upgrading its facilities, seeking opportunities to build up refining capacities and develop its retail network. Refining output at own refineries of LUKOIL Group grew by 3.4% and amounted to 48.9 mln tn. High refining margins in Russia and Europe were in part to account for it. The Company was able to offset its refining facilities deficit caused by Odessa refinery shutdown for reconstruction in the second half of 2005, by using third-party refineries, its output in 2006 grew by 75.2% and amounted to 5.0 mln tn.

In 2006 LUKOIL significantly expanded its retail network by signing a contract with ConocoPhillips on the purchase of 376 highly efficient filling stations in six European countries. A share in the network of 100 gas filling stations in Udmurtia was also purchased. Moreover, LUKOIL launched operations in Macedonia where 40 filling stations are to be constructed in four years. The Company's retail network is not only being expanded but is also being improved in terms of its efficiency. It resulted in increased sales volume per filling station, reaching 7.2 tn per day.

In 2006 LUKOIL Group continued to enhance cooperation with ConocoPhillips. The American company increased its share in OAO LUKOIL charter capital to its maximum, reaching 20%. OOO Naryanmarneftegaz, a joint venture, is successfully operating within the strategic partnership framework. The joint venture is developing hydrocarbon reserves in the promising Timan-Pechora oil and gas province. The output of the JV in 2006 came to 500 ths tn of oil (about 10 thousand bbl per day).

In 2006 a new strategy of the Company's development for the next 10 years was adopted. It envisages intensive growth and further expansion of the geographical diversification in all business segments.

'For 15 years LUKOIIL Group has been working hard to create a value-added business. The Company managed to increase its shareholder value manifold, nearly from scratch. We've been able to establish an efficient corporate governance system, expand our resource base, step up hydrocarbon production and develop the Downstream business segment. However much more needs to be accomplished to achieve the ambitious goals set by the Company. The LUKOIL management believes that the Company will successfully cope with the future tasks by using its competitive advantages, which include high quality assets, cutting-edge technologies, talented people and shareholder support', Valery Grayfer, Chairman of the Board of Directors of OAO LUKOIL, and Vagit Alekperov, President of

OAO LUKOIL, said in their address to the shareholders.