PRESS RELEASE
OCTOBER 30, 2008

OAO LUKOIL BOARD OF DIRECTORS APPROVES BASIC INDICATORS OF LUKOIL GROUP MID-TERM PLAN FOR 2009-2011, BUDGET AND INVESTMENT PROGRAM FOR 2009

Today OAO LUKOIL Board of Directors approved the basic indicators of LUKOIL Group's Mid-Term Plan for 2009-2011, as well as the Budget and Investment Program for 2009.

In view of the crisis witnessed on the global financial markets and the trend for global economic downturn, the Company has taken measures to optimize the plans aimed at ensuring the Company's own surplus funding in 2009-2011, sufficient financing of key development projects, dividend payments in accordance with the Company's dividend policy.

To ensure strict implementation of the targets set by the Board of Directors of OAO LUKOIL it is envisaged in particular to constrain operating and investment costs and reduce the working capital. The capital expenditures are planned in the range from USD 7.5 billion to USD 9 billion.

Lower operating, general and administrative costs and better production efficiency may bring an additional positive effect of almost USD 900 million in 2009 by means of optimization measures in all business segments of the Company.

It is also planned to ensure additional cash flow reserves by means of reviewing the system of account settlement with suppliers and contractors in all business segments and also by lowering the terms and amounts of advance payments. All the above measures are aimed at better management of the working capital and, eventually, at its reduction, and also at ensuring an additional cash flow of USD 1 billion in 2009.

'Such actions, in addition to the scheduled rescue measures, will help provide financial stability of LUKOIL Group given any development scenario of the global and Russian economy', President of OAO LUKOIL Vagit Alekperov said.

Forward-looking Statements

Some statements of this press release are not historical facts, but rather represent expectations or forecasts of future events. Such terms as "consider", "anticipate", "expect", "suppose", "intend", "plan" and other words with similar meaning are

intended to identify forward-looking statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. One should be aware that a number of important factors could cause actual results to differ significantly from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements regarding the future. Such factors include inflation, interest and exchange rate fluctuations, oil price, political impact of the Russian Government and changes ensuing from it, influence of competition in regions of the Company's presence and areas of the Company's business activities etc. The above-indicated list of factors is far from exhaustive. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as of the date on which they are published. Given the unconditional observance of all standing obligations imposed on OAO LUKOIL by the UK Listing Authority, the Company shall not undertake to update or revise any of them, whether as a result of new information, future events or otherwise. OAO LUKOIL does not make any representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved, and such forward-looking statements represent, in each case, only one of the many possible scenarios and should not be viewed as the most likely or standard scenario.