PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS SUMMARIZES PRELIMINARY RESULTS OF COMPANY OPERATION IN 2008 AND SETS OBJECTIVES FOR 2009. LUKOIL GROUP BECOMES RUSSIA'S BIGGEST TAXPAYER

A meeting of the OAO LUKOIL Board of Directors was held in Moscow today to summarize preliminary results of LUKOIL Group operation in 2008 and set objectives for 2009 and the near future.

2008 witnessed the discovery of eight fields in Perm region, Volgograd region, Komi Republic, Yamalo-Nenets Autonomous District, Tatarstan, and the Caspian offshore area. Besides, 15 deposits were discovered at the previously discovered fields. The total recoverable reserves in the C1+C2 categories at the newly discovered fields and deposits came to 107 million tons of reference fuel.

In 2008 the hydrocarbons production volume of LUKOIL Group (production by subsidiaries and share in production by affiliates) amounted to 114.6 million tons of reference fuel, which exceeds the figure of 2007 by 1.5 million tons of reference fuel.

In order to make up for the decrease in oil production in the traditional regions efficient opening-up was conducted in 2008 at the new fields in Timan-Pechora Oil and Gas Province and at the Caspian shelf. In August, 2008, industrial production started at the first stage of Yuzhno-Khylchuyu field located in Yamalo-Nenets Autonomous District. December of 2008 witnessed completion of the second stage of the field.

Refining of oil stock by the Company's refineries in 2008, basing on preliminary data, is expected at the level of 55.8 million tons. The total refining volume rose by 7% as compared with 2007.

Production of high-octane automobile gasolines rose by 13%, jet fuel – by 6% and diesel fuel – by 9% as compared with 2007. The share of the automobile gasoline compliant with the EURO-3 and EURO-4 standards is expected at the level of 82% of the total gasoline production volume.

In 2008, the total sales volume of LUKOIL branded oils is expected at the level of 147.6 thousand tons, thus exceeding the figure of 2007 by 30%.

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

In 2008, the total volume of petroleum product retail sales via the sales network is expected at the level of 15 million tons, thus exceeding the figure of 2007 by 11%.

Preliminary data suggest that in 2008 the amount of the taxes and customs duties paid by LUKOIL Group to the organizations at all levels of the RF budget system, exceeded RUR 800 billion, or USD 33 billion, which makes LUKOIL Group Russia's biggest tax-payer.

The OAO LUKOIL Board of Directors has set the following objectives for 2009 and the near future:

- implementation of a geological exploration program and realization of a program of taking geological and technical activities aimed at ensuring oil and gas production;

- further field development at the Caspian Sea shelf, production of the first commercial oil at Yu. Korchagin field;

- implementation of the development program and commissioning of Pyakyakhinskoye oil and gas condensate field;

- raising the annual oil production at Yuzhno-Khylchuyu field to 7.5 million tons;

- implementation of the program aimed at the development of production and marketing of branded products and the launching of EKTO-98 automobile gasoline to the market;

- transition to production of EURO-5 compliant fuels at the Company's overseas refineries Petrotel LUKOIL and LUKOIL Neftokhim Burgas;

- integration of Akpet sales assets;

- maintenance of social stability in the Company's work collectives.

Information provided in this press release presents expected results of OAO LUKOIL operation in 2008. It was generated based on the latest preliminary operational and financial data which haven't been financially audited. The information represents preliminary assessment only, which can be adjusted after statistical, financial, fiscal and business reporting becomes available. The information on LUKOIL Group operating results in this press release depends on many external factors and therefore, provided all continuing obligations imposed by the London Stock Exchange listing rules are unconditionally observed, cannot qualify for accuracy and completeness and should not be regarded as an invitation

for investment. Therefore, the results and indicators actually achieved may significantly differ from any declared or forecast operation results in 2008. OAO LUKOIL assumes no obligation (and expressly declares that it has no such obligation) to update or change any declarations concerning any future results, both due to new information obtained, any future events or for any other reasons.