PRESS RELEASE
JUNE 25, 2009

LUKOIL HOLDS ANNUAL GENERAL SHAREHOLDERS MEETING

OAO LUKOIL held its Annual General Shareholders Meeting in Moscow today to approve the 2008 Annual Report and financial statements based on the fiscal year results.

The shareholders approved dividend distribution based on the Company's performance in 2008 in the amount of 50 rubles per ordinary share (42 rubles in 2007).

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 approved as LUKOIL's independent auditor. The Annual General Shareholders Meeting also elected the Board of Directors and the Audit Commission and approved an interested-party transaction.

The following Board of Directors of OAO LUKOIL was elected by the shareholders:

1.	Vagit Yu. Alekperov	President of OAO LUKOIL
2.	Victor V. Blazheev	Rector of the Moscow State Academy of Law
3.	Donald Evert Wallette (Jr.)	President of Russia/Caspian Region, ConocoPhillips
4.	Valery I. Grayfer	General Director of OAO RITEK
5.	German O. Gref	Chairman of the Board and CEO of Sberbank (Saving Bank of the Russian Federation)
6.	Igor S. Ivanov	Professor of the Moscow State Institute of International Relations, former RF Foreign Minister and Secretary of RF Security Council

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7.	Ravil U. Maganov,	First Executive Vice President of OAO LUKOIL
8.	Richard H. Matzke	former Vice Chairman of Chevron Corporation
9.	Sergei A. Mikhailov	General Director of OOO Management-Consulting
10.	Nikolai A. Tsvetkov	Chairman of the Board of Directors of OAO URALSIB Financial Corporation
11.	Alexander N. Shokhin	President of the Russian Union of Industrialists and Entrepreneurs (employers), President of the State University – Higher School of Economics

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

In their address to the shareholders, Valery Grayfer and Vagit Alekperov pointed out that 2008 had witnessed an oil price growth in the first half of the year, unprecedented by duration and scale, which was followed by a collapse of prices in the second half. Despite this, LUKOIL achieved strong financial indicators and high levels of operating efficiency and increased production and refining of hydrocarbons.

The net income of the Company in the reporting year was USD 9,144 million, and the return on the average capital employed was 17.4%. The free cash flow was at a record level of USD 3,775 million, which is a considerable achievement in view of large capital expenditures by the Company during the year to support production at mature fields and develop new fields, implement a program of refinery modernization, expand the filling station network and broaden the scale of its operations.

In 2008 LUKOIL began production at Yuzhnaya Khylchuya field, one of the largest in Timan-Pechora, and continued rapid expansion of refining capacities and filling stations network.

LUKOIL achieved growth of hydrocarbon production in 2008 despite the difficulty of maintaining stable production levels in traditional regions. This was made possible by investments in development, which the Company had carried out earlier. The average daily production of marketable hydrocarbons by the Group increased by almost 1% in 2008 to 2.19 million boe. In particular, the Company

increased marketable gas production one and a half times as part of its international projects, mainly thanks to the Kandym-Khauzak-Shady project in Uzbekistan. On the whole, the Group increased hydrocarbons production as part of its international projects by nearly a quarter.

In the Refining & Marketing business segment, the Company set a high priority on the upgrade of its facilities, an increase of its capacities and of the refining throughput, improvement of product quality and production safety, optimization of logistics and expansion of its marketing network. The main event in the Refining & Marketing segment in 2008 was creation, together with ERG S.p.A., of a joint venture to manage the ISAB refining complex in Italy. LUKOIL's stake in the JV is 49% and may be increased in the future. Participation in the joint venture will create a synergy effect for the Group through deliveries of oil for refining and sale of petroleum products on European markets.

The Company continued rapid modernization of its refineries in Russia and abroad in order to raise refining efficiency and product quality. The Odessa Refinery was recommissioned after completion of a three-year modernization. The ongoing modernization of the refineries has already brought the share of high-octane gasoline in the total gasoline production to over 90%, while the share of environmentally friendly diesel fuel in the total diesel output has approached 70%.

In total, the refining throughputs at both the Group refineries and the ISAB refining complex rose by nearly 8% to a record level of 56.3 million tons.

LUKOIL significantly expanded its marketing network in 2008, helping to bring Company products to end-users worldwide. LUKOIL acquired the company Akpet which operates nearly 700 filling stations in Turkey. A number of Russian filling station networks were also acquired. The Company's retail network was expanded by nearly 11% in the course of the year.

A new business sector, Power Generation, was added to the Company structure in 2008. LUKOIL's core asset in the new sector is UGK TGK-8 (TGK-8), which owns power stations in the regions of Astrakhan, Volgograd and Rostov, the territories of Krasnodar and Stavropol and the Republic of Dagestan. Their overall capacity is 3.6 GW. Acquisition of TGK-8 should ensure efficient prices for the Company's gas as well as a major synergy effect from uninterrupted deliveries of natural gas to TGK-8 from LUKOIL fields located in the Northern Caspian and Astrakhan Region.

The Company successfully completed its Program of Environmental Protection for the period of 2004–2008, which included more than 300 environmental protection measures at a total cost of about USD 1.2 billion. We have also developed an

environmental program for the period from 2009 to 2013.

LUKOIL continues to fulfil its commitment to shareholders to maintain dividend payments at levels not lower than 15% of the net income. On April 23, 2009 the Board of Directors recommended that the General Meeting of Shareholders approve dividends of 50 roubles (USD 1.5 as of the date of the Board of Directors meeting) per share for 2008, which is 19% more than for 2007. The dividend rate is established based on the sum allocated for dividend payment amounting to RUR 42,528,163 thousand, which is 15.8% of the net consolidated profit calculated in accordance with US GAAP. The dividend yield will reach 2.8%, which is the highest level in the last 4 years.

The Company's financial situation remains strong thanks to a low credit burden and successful capital management policy. Besides, LUKOIL is also maintaining full financing of new projects, which will provide medium-term production growth. LUKOIL is planning to launch production at Yuri Korchagin field in the Northern Caspian as early as 2009.

"Our goal this year is to secure a steady rate of development of the Company, while maintaining stability and ensuring positive cash flows in any oil price scenario. We believe that LUKOIL will rise confidently above the period of crisis in the world economy, achieve sustainable growth and continue to excel by increasing its shareholder value in the future", Valery Grayfer and Vagit Alekperov said in their address.