PRESS RELEASE
MARCH 24, 2010

LUKOIL NET INCOME REACHED $7.011 BILLION IN 2009

LUKOIL publishes consolidated US GAAP financial accounts for 2009.

The Company's net income before one-off impairment losses (including impairment loss for Anaran project in Iran, which was abandoned due to international sanctions) reached $7,352 million. The Company's net income in 2009 was $7,011 million, 23.3% lower than in 2008. EBITDA in 2009 was $13,475 million, which is only 14.7% lower than in 2008. Revenues from sales were $81,083 million. Free cash flow was $2,360 million in 2009. The change in Company's financial results is significantly better than the change in Urals price, which decreased by 35.5% y-o-y.

The Company's tax expenses totalled $21.5 billion in 2009, including income tax expense of $2.0 billion.

Lifting costs per boe of production in 2009 decreased by 14% y-o-y, to $3.56 from $4.12 in 2008.

Capital expenditures including non-cash transactions in 2009 were $6.5 billion which is 38% lower y-o-y. Reduction of capital expenditures was in line with the anti-crisis program developed by the Company in the beginning of the year.

LUKOIL Group total hydrocarbon production available for sale reached 2,212 th. boe per day in 2009, which is a 0.8% increase

y-o-y. Crude oil production by LUKOIL Group increased by 2.7% y-o-y to 1,972 th. barrels per day.

Crude oil production of LUKOIL Group in 2009 totalled 97.62 mln tons. Crude oil output from the Yuzhnaya Khylchuya field in Timan-Pechora, brought into production in the third quarter of 2008, reached 7 mln tons. Natural and petroleum gas output of LUKOIL Group available for sale decreased by 12.5% to 14.90 bcm: output as part of international projects totalled 4.24 bcm, output in Russia was 10.66 bcm.

Throughputs at the Company's refineries (including its share in oil and petroleum product throughput at the ISAB and TRN refining complexes) increased by 11.4%

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y-o-y in 2009 and reached 62.70 mln tons. Throughputs at the Company's refineries in Russia increased by 0.6% y-o-y, throughputs at the Company's international refineries grew by 50.8% y-o-y.

Crude oil exports in 2009 increased by 6.9% to 42.0 million tons (844 th. barrels per day), thanks mainly to increased exports from the Yuzhnaya Khylchuya field through Varandey oil terminal. Exports of petroleum products grew by 7.7% y-o-y to 27.8 million tons. LUKOIL sold 150.7 million tons of crude oil and petroleum products, which is 11.9% higher y-o-y.

LUKOIL copes with the difficult macroeconomic situation and secures positive free cash flow thanks to implementing measures aimed at higher efficiency which were developed in the beginning of the year.

CONSOLIDATED STATEMENT OF INCOME

(Millions of US dollars, unless otherwise noted)

	2009	2008	2007
Revenues			
Sales (including excise and export tariffs)	81,083	107,680	81,891
Costs and other deductions			
Operating expenses	(7,124)	(8,126)	(6,172)
Cost of purchased crude oil, gas and products	(31,977)	(37,851)	(27,982)
Transportation expenses	(4,83)	(5,46)	(4,457)
Selling, general and administrative expenses	(3,306)	(3,860)	(3,207)
Depreciation, depletion and amortization	(3,937)	(2,958)	(2,172)
Taxes other than income taxes	(6,474)	(13,464)	(9,367)
Excise and export tariffs	(13,058)	(21,34)	(15,033)
Exploration expenses	(218)	(487)	(307)
Loss on disposals and impairments of assets	(381)	(425)	(123)
Income from operating activities	**9,778**	**13,709**	**13,071**
Interest expense	(667)	(391)	(333)
Interest and dividend income	134	163	135

Equity share in income of affiliates	351	375	347
Currency translation (loss) gain	(520_	(918)	35
Other non-operating expense	(13)	(244)	(240)
Income before income tax	**9,063**	**12,694**	**13,015**
Current income taxes	(1,922)	(4,167)	(3,41)
Deferred income taxes	(72)	700	(39)
Total income tax expense	**(1,994)**	**(3,467)**	**(3,449)**
Net income	**7,069**	**9,227**	**9,566**
Less: net income attributable to non-controlling interests	(58)	(83)	(55)
Net income attributable to OAO LUKOIL	**7,011**	**9,144**	**9,511**
Basic and diluted earnings per share of common stock (US dollars) attributable to OAO LUKOIL:	8.28	10.88	11.48

Full consolidated US GAAP financial accounts of LUKOIL for 2009 are available on the Company's web sites: www.lukoil.com and www.lukoil.ru.