

PRESS RELEASE  
OCTOBER 06, 2010

**LUKOIL BEGINS RETAIL SALES OF EURO 5 COMPLIANT DIESEL FUEL IN RUSSIA**

LUKOIL has launched retail trade in Euro-5 compliant diesel fuel in Russia.

The fuel is produced by the Company's refineries in the cities of Nizhny Novgorod, Perm and Ukhta and is sold under the "EKTO Diesel" brand at LUKOIL filling stations within the regions of Russia where the company has subsidiaries dealing in petroleum-product supplies. The addresses of the gas stations selling this fuel can be found at the website <http://www.lukoil.ru/back/azs/azs.asp>.

Previously, LUKOIL was mainly exporting this kind of fuel. To switch to production of EURO-5 compliant diesel fuel the Company has invested heavily in the construction of new processing capacities, such as a vacuum gasoil hydrocracking complex at OOO LUKOIL-Permnefteorgsintez, and also in the reconstruction of a diesel-fuel hydrotreatment unit at LUKOIL-Nizhegorodnefteorgsintez, as well as a number of other processing units employing cutting-edge catalyst systems.

Due to a high cetane number, Euro-5 compliant diesel fuel can optimize the burning out of the fuel blend, reduce noise and vibration, prevent corrosion, facilitate ignition and reduce specific fuel consumption. In addition, Euro-5 compliant fuel prevents premature engine wear and allows for the extension of the lifetime of the exhaust gas neutralization system, the cylinder- piston block and fuel equipment.

Euro-5 is an environmental standard regulating the quality of fuel and the content of harmful substances in the exhaust gases of vehicles. Today the Euro-5 standard is an obligatory fuel-quality standard for the EU countries. This kind of fuel is characterized by a low content of aromatic polycyclic hydrocarbons and sulfur, which reduces exhaust smokiness along with the atmospheric emissions of combustion products, particularly, solid particles, nitrogen oxides, carbon oxide and unburned hydrocarbons.