PRESS RELEASE
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LUKOIL COMMISSIONS VISBREAKING UNIT AT NIZHNY NOVGOROD REFINERY

A presentation on OAO LUKOIL's activities in the Volga Federal District of theRussian Federation was held in the city of Nizhny Novgorod on 9 September.

All business segments of the Company are well presented in the Volga Federal District, including hydrocarbon exploration and production, refining, petrochemistry and marketing of petroleum products.

LUKOIL's facilities play an important role in the development of the fuel and energy complex of the region: they account for 12% of the oil production and 31% of the refining. The Company's share in the petroleum products wholesale market of the Volga Federal District comes to 25%, and in the retail market to 21%. Results of the first six months of 2008 suggest that tax payments of the Company's subsidiaries into regional budgets (excluding excise tax and unified social tax) were estimated at RUR 9.3 billion. From January to June of 2008 the Company's investments into the Volga Federal District came to RUR 12.3 billion, while commissioning of investment facilities reached RUR 6.9 billion.

Also today, in Kstovo (Nizhny Novgorod Oblast), Vagit Alekperov, President of OAO LUKOIL, and Valery Shantsev, Nizhny Novgorod Oblast Governor, participated in commissioning a tar visbreaking unit at the OOO LUKOIL-Nizhegorodnefteorgsintez refinery.

Rated capacity of the unit is 2.4 million tons of raw materials per annum, with the investments at RUR 2.35 billion.

The tar visbreaking unit considerably improves efficiency of the refinery, i.e. the residual fuel oil output is reduced by 930 thousand tons per annum, while the vacuum gas oil output is increased by 860 thousand tons per annum. The project implementation enhances the refining depth and production efficiency.

'On behalf of the Company's management I extend to all our employees my heartfelt congratulations on the 50th anniversary of the refinery. The commissioning of the tar visbreaking unit is a significant stage of a large-scale upgrading. The next stage is construction of a catalytic cracking complex which is to be commissioned in 2010. Thus, the share of high-octane gasolines in the total

gasoline output of the refinery will come to 100% and the refinery will become one of the best companies across the industry sector', Vagit Alekperov said.