PRESS RELEASE
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# LUKOIL DEVELOPS ENVIRONMENTAL SAFETY PROGRAM FOR 2009-2013 AND FORECAST UNTIL 2017

LUKOIL elaborated draft of the "Environmental Safety Program for 2009-2013 and a Forecast until 2017".

The document is developed in accordance with LUKOIL Group Strategic Development Program for 2008-2017.

The Program is aimed at improving the environmental management system and minimizing the negative environmental impact caused by the Company's operations.

The Program includes activities aimed at utilization of oil and associated gas, realization of the Kyoto Protocol mechanisms, production enhancement of environmentally friendly Euro 4- and Euro 5-compliant fuels, and also ensuring that the environmental impact is within the requirements of the national and international legislations.

Within the program framework, the project will cover the following areas:

- Clear air

- Clean water

- Waste

- Recultivation of land plots and liquidation of slurry ponds

- Research in environmental protection

- Environmental management and ensuring compliance with the international standards ISO 14001

- Industrial environmental monitoring.

LUKOIL Group Environmental Safety Program for 2009-2013 includes 494 activities totaling RUR 57.5 billion. The basic share of financing will be allocated for environmental measures in the business sector "Oil and Gas Production", which

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is primarily conditioned by implementation of large-scale costly projects on associated oil gas utilization.

The following objectives are expected to be achieved upon the Program implementation:

- A 644,900-ton cut of pollutant emissions into the atmosphere

- Water consumption decrease by 10 million cubic meters

- A 40,000-ton cut of pollutant sewage discharge

- Waste management volume – 1,690 thousand tons

- Rehabilitation of 5,700 hectares of disturbed and contaminated lands.

Estimates of LUKOIL experts suggest that the economic effect of the Program realization may come to over RUR 12 billion.

The program also includes prognosis estimates of the environmental impact until 2017 caused by LUKOIL Group operations in Russia and in other countries. The forecast is based on the optimistic and pessimistic scenarios. Moreover, strengthening of the legislative requirements, increased expenses for environmental measures and increased production output are the key factors which produce an integral impact upon the prognosis estimate.

At present, the Company is completing realization of the “Environmental Safety Program for 2004-2008” elaborated within the framework of the Industrial, Labor and Environmental Safety System certified to comply with the requirements of the ISO 14001 International Standard and the OHSAS 18001 Standard. The program includes over 400 activities totaling about USD1.2 billion.

The Company’s experience suggests that elaboration of an environmental safety program based on target-oriented approach is the most efficient tool for environmental protection management.

LUKOIL intends to present the “Environmental Safety Program of the LUKOIL Group Organizations for 2009-2013 and the Forecast until 2017” to the representatives of government organizations, the general public and mass media in all federal districts of the Russian Federation by the end of 2008.

Presentation of the Program for the Volga Federal District of the Russian Federation will take place in Perm on November 10-13, 2008, for the Northwestern Federal District – in Syktyvkar on November 19-20, 2008, for the Urals Federal

District – in Khanty-Mansiysk on November 27-28, 2008, for the Southern Federal District – in Volgograd on December 4, 2008, for the Central Federal District – in Moscow on December 15-19, 2008.