PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS SUMMARIZES COMPANY'S PERFORMANCE IN 2010 AND SETS PRIORITIES FOR 2011

Today, the OAO LUKOIL Board of Directors held a meeting in Moscow to summarize the Company's performance preliminary results in 2010 and set priority tasks for 2011.

According to preliminary estimates, under the Russian classification, hydrocarbon reserves increment in 2010 reached 123 million tons of reference fuel. Six fields (in the Perm region, Uzbekistan, Egypt and Ghana) and 25 new oil deposits were discovered. All of the deposits are located at the fields of OOO LUKOIL-Western Siberia and within the Perm region.

According to preliminary estimates, oil production by LUKOIL (including the share in affiliated companies' production and overseas projects) came to 96 million tons. As compared with 2009, the oil production somewhat dropped, which was due to the depletion of the Western Siberian fields.

Additional oil production achieved through the application of EOR (enhanced oil recovery) methods by LUKOIL Group came to 22 million tons or almost 23% of the total production volume in 2010.

According to the preliminary estimates, gas production in 2010 by LUKOIL Group came to about 20 billion cubic meters, which exceeded 2009 level by more than 12%.

The oil stock refining volume at the Company's refineries is expected to come to 66 million tons in 2010, including 45 million tons at the Russian refineries (including mini-refineries). The total refining volume rose by 5.7% compared with 2009.

The production volume share of EURO-3 and EURO-4 compliant automobile gasoline by the Russian refineries of LUKOIL Group in the total production volume rose from 83.4% in 2009 to 91.6% in 2010.

In 2010 the sales volume of LUKOIL brand EKTO gasolines and diesel fuel rose by 23%. About 2.7 million tons of LUKOIL brand fuel were sold in Russia, while the overseas sales volume is expected to come to 499,000 tons, which exceeds the rate of 2009 more than twofold. In October of 2010 LUKOIL launched a retail sales

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

campaign of EKTO Diesel brand EURO-5 compliant diesel fuel in Russia. This type of fuel is manufactured by the Company's plants in Nizhny Novgorod, Perm and Ukhta.

According to the preliminary estimates, tax proceeds and customs duties transferred by LUKOIL Group to the Russian Federation Budget is expected to be approximately RUR 766 billion in 2010, which exceeds the 2009 level by RUR 256 billion.

About RUR 21 billion was allocated towards the implementation of HSE (health, safety and environmental) programs.

The total amount of funds allocated for the implementation of the Annual Coordinating Research and Technology Program totaled RUR 4.2 billion in 2010 as compared with RUR 2.9 billion in 2009.

The beginning of oil production at Yu. Korchagin field in the Caspian was one of the major events of 2010. Four wells were constructed at the field in 2010. Their daily production rate exceeds 600 tons of oil.

Work at the West Qurna-2 field in Iraq and deep water exploration drilling in the Gulf of Guinea were last year's major overseas projects implemented by the Company in the Exploration and Production business segment.

LUKOIL's Board of Directors defined the following primary objectives for 2011 and the near future:

· provide 100% replenishment of production with incremental hydrocarbons reserves and maximum involvement of the reserves into the development process;

· continue to develop the discovered fields in the Caspian Sea;

· fulfill the contractual terms and obligations as to the development of the West Qurna-2 field in Iraq and continue geologic exploration in the deep waters of Western Africa;

· implement the Program for Utilization of Associated Petroleum Gas;

· continue upgrading the Company's refineries to ensure compliance with the technical regulations and production quality enhancement;

· enhance efficiency and improve the refineries' competitive Solomon Associates index;

· strengthen the Company's positions in top priority regions, and penetrate into new petroleum product markets;

· develop and implement cutting-edge scientific innovations;

· ensure high level of health, safety and environmental protection.

Information provided in this press release presents expected results of OAO LUKOIL operations in 2010. It was generated based on the latest preliminary operational and financial data which hasn't been financially audited. The information represents preliminary assessment only, which can be adjusted after statistical, financial, fiscal and business reporting becomes available. The information on the LUKOIL Group operating results in this press release depends on many external factors and therefore, provided all permanent obligations imposed by the London Stock Exchange listing rules are unconditionally observed, cannot qualify for accuracy and completeness and should not be regarded as an invitation for investment. Therefore, the results and indicators achieved in reality may significantly differ from any declared or forecast operating results in 2010. OAO LUKOIL assumes no obligation (and expressly declares that it has no such obligation) to update or change any declarations concerning any future results, either due to new information obtained, any future events or for any other reasons.