PRESS RELEASE
OCTOBER 29, 2007

OAO LUKOIL BOARD OF DIRECTORS APPROVES PERFORMANCE INDICATORS OF 2008-2009 MID-TERM PLAN AND 2008 BUDGET AND INVESTMENT PROGRAM

OAO LUKOIL Board of Directors approved today LUKOIL Group's Performance Indicators of 2008-2009 Mid-Term Plan and 2008 Budget and Investment Program.

The 2008-2009 Mid-Term Plan performance indicators were developed as part of 2008-2017 LUKOIL Group Strategic Development Program which was approved by the Company's Board of Directors in May 2007.

The Draft Plan is based on a Brent scenario of 65 USD/bbl and the 25.5 RUR/USD exchange rate. It was approved by the Management Committee of OAO LUKOIL.

Hydrocarbon production growth in 2008-2009 is for the most part attributed to commissioning of Yuzhno-Khylchuyuskoye field in Timan-Pechora and Khauzak-Shady natural gas field in Uzbekistan.

As for the Downstream Segment, additional benefits are expected due to product quality improvement, commissioning of new units, reconstruction and upgrading of existing facilities:

- isomerization units shall be commissioned at Volgograd and Perm refineries, a visbreaking unit shall be installed at Ukhta refinery at the end of 2007;

- visbreaking units at Nizhny Novgorod and Odessa refineries are to be commissioned in 2008;

- upgrading diesel fuel hydrotreating units at Perm, Nizhny Novgorod, Bulgaria and Romania plants;

- a membrane electrolysis unit is to be commissioned at OOO Karpatneftekhim in 2008, which would allow the Company to produce up to 200 thousand tons of sodium hydrate per year. In 2009 construction of a suspension PVC production unit with the capacity of 300 thousand tons per year will be completed.

Oil refining output at the Company's own refineries in 2008-2009 is expected to grow by 2 million tons as Odessa refinery is going to reach its full capacity after a

major reconstruction. Oil supplies to be refined at the Company's Russian refineries, which is the most cost-efficient, will amount to no less than 42 million tons per year.

The lubricating oils product line is to be expanded; their production volume is expecting a 20% growth.

Distribution network expansion over the next two years will help increase petroleum product retail marketing output on Russian and European markets by more than 14%.

The Board of Directors also approved terms and conditions of the agreement concluded with OAO NIKoil Registrar, as well as amendments and addenda introduced into the Provision on Payment and Remuneration System of OAO LUKOIL Top Management.

Forward-looking Statements

The information in this press release and the expected performance indicators are based on forecasts and are not historical facts. Such terms as "consider", "anticipate", "expect", "suppose", "intend", "plan" and other words with similar meaning are intended to identify forward-looking statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. One should be aware that a number of important factors could cause actual results to differ significantly from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements regarding the future. Such factors include inflation, interest and exchange rate fluctuations, oil price, political impact of the Russian Government and changes ensuing from it, influence of competition in regions of the Company's presence and areas of the Company's business activities etc. The above-indicated list of factors is far from exhaustive. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as of the date on which they are published. Given the unconditional observance of all continuing obligations imposed on OAO LUKOIL by the UK Listing Authority, the Company shall not undertake to update or revise any of them, whether as a result of new information, future events or otherwise. OAO LUKOIL does not make any representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved, and such forward-looking statements represent, in each case, only one of the many possible scenarios and should not be viewed as the most likely or standard scenario.