PRESS RELEASE
FEBRUARY 11, 2008

LUKOIL'S BOARD OF DIRECTORS APPROVES ACQUISITION OF TGK-8

The Board of Directors of OAO LUKOIL (the Company) held a meeting today in Moscow to approve acquisition of a controlling interest in OAO UGK TGK-8 (TGK-8), which makes up 82.3% of the latter's authorized capital, by one of LUKOIL Group companies. The transaction is to be paid with OAO LUKOIL treasury shares and cash.

The Board of Directors also approved allocating 23,550,000 registered ordinary shares of OAO LUKOIL at the price* of USD 70.15, which is 6.5% higher than the close price on the MICEX on February 08, 2008. These shares had previously been bought out by the Company on the open market.

TGK-8 is one of the major gas consumers in the Southern Federal District with the annual consumption reaching 6 billion cubic meters per year. Its power plants are located in Astrakhan, Volgograd and Rostov regions, Krasnodar and Stavropol Districts, and the Republic of Dagestan.

Rated capacity of electric and thermal power generation facilities of TGK-8 makes up 3,601 MW and 13,366 Gcal/hour, respectively. On average, the company's market share in the regions of its presence makes 17% in terms of electric power, and about 60% - in terms of thermal energy. 2006 consolidated profit of the company came to RUR 14.3 billion, with net profit at RUR 3.4 billion.

The TGK-8 investment program stipulates construction of plants with the total capacity of over 1,000 MW in the next 5 years, including both construction of new power generation facilities, and replacement of retired capacities. By now, RUR 24 billion have been accumulated on the accounts of TGK-8. The funds have been raised by the company through additional stock issue, and will be used to finance most of the TGK-8 Investment Program.

By purchasing TGK-8 shares, LUKOIL expects significant synergies through natural gas supply to the TGK-8 plants from the Company's gas fields located in the Northern Caspian and in Astrakhan region, which will allow the Company to reach efficient gas price.

In future LUKOIL intends to develop its electric power business. The Strategic Development Program of LUKOIL Group for 2008-2017 envisages establishment of

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a separate Power Engineering Business Segment in the Company. Development in this area is considered one of the major factors contributing to the Company's capitalization growth.

*The price is determined as weighted average price of OAO LUKOIL shares based on trade results on the MICEX for 15 working days prior to the date of the meeting of the Board of Directors.