PRESS RELEASE
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LUKOIL FIRMLY INTENDS TO FULFILL ITS SOCIAL OBLIGATIONS

An International Round Table entitled Corporate Social Responsibility at the Present Stage of the Society Development" held by OAO LUKOIL, the International Association of Trade Union Organizations of OAO LUKOIL, Neftegazstroyprofsoyuz of the Russian Federation, the Russian Academy of State Service under the RF President and the Academy 'Civil Society' took place in Moscow today.

In his speech at the conference, Vagit Alekperov, President of OAO LUKOIL, noted that corporate social responsibility had been an integral part of the Company's policy for 17 years of its existence. Above all, it was a matter of adequate remuneration of employees, social security, including health insurance and pension coverage, environmental protection, as well as implementation of the programs aimed at promotion of culture, education and healthcare in the regions of the Company's presence.

The International Association of Trade Union Organizations of OAO LUKOIL, which will celebrate its 15th anniversary in 2009, plays a key role in realization of the social responsibility concept. Due to the firm and, at the same time, constructive position of the trade unions, the scope of social guarantees granted to the employees, steadily extends without detriment to the Company's business.

Thus, over the last three years, the average salary of LUKOIL Group employees increased by 30%. The number of employees covered by the non-state pension plan increased from 72 thousand to 79 thousand people, and those covered by the voluntary health insurance plan - from 94 thousand to 123 thousand people. According to the preliminary estimates in 2008, the Company's expenses on social protection of its employees and their families, as well as of the retired employees, will come to about RUR 8 billion.

Irrespective of the complicated economic situation, the Company shall fulfill its social obligations to the groups and regions in full. These obligations are specified in the new agreement between the employer and the Association of Trade Union Organizations of OAO LUKOIL for 2009-2011. The cost saving program adopted by the Company shall not affect the number of employees.

The OAO LUKOIL Management Committee believes that the means allocated to

implementing social projects are invested in the Company’s future. This approach implies elaboration of distinct criteria for determining corporate social policy efficiency, including:

- labor efficiency

- the Company's image as an employer

- loyalty to the Company’s brand on the part of consumers

- life standard of the communities in the regions of the Company’s presence.

‘Under the present economic situation, the Company also expects the state to support projects aimed at creation of new jobs. Development of the fields located in the North Caspian Sea, which accounts for over 7 thousand new jobs, is one of such projects’, Mr. Alekperov said.