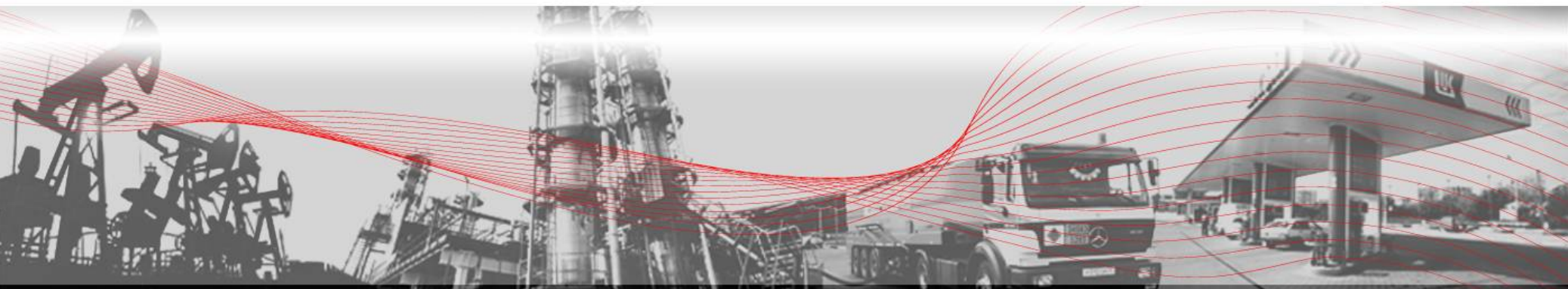




1Q 2009 Financial Results

(US GAAP)

Leonid Fedun, Vice-President of LUKOIL



June 2009

Forward-Looking Statements



- Certain statements in this presentation are not historical facts and are “forward-looking”. Examples of such forward-looking statements include, but are not limited to:
 - projections or expectations of revenues, income (or loss), earnings (or loss) per share, dividends, capital structure or other financial items or ratios;
 - statements of our plans, objectives or goals, including those related to products or services;
 - statements of future economic performance; and
 - statements of assumptions underlying such statements.
- Words such as “believes,” “anticipates,” “expects,” “estimates”, “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such 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. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including our ability to execute our restructuring and cost reduction program.
- 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 we operate. Such forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do 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 many possible scenarios and should not be viewed as the most likely or standard scenario.

1Q 2009 Highlights



- **Sales – \$14,745 million**
 - **EBITDA – \$2,414 million**
 - **Net income – \$905 million**
 - **Basic EPS – \$1.07 per share**
 - **Free cash flow – \$229 million**
- **Oil production – 1,976 th. barrels per day
(+3.2% y-o-y)**

Macroeconomic and Tax Environment



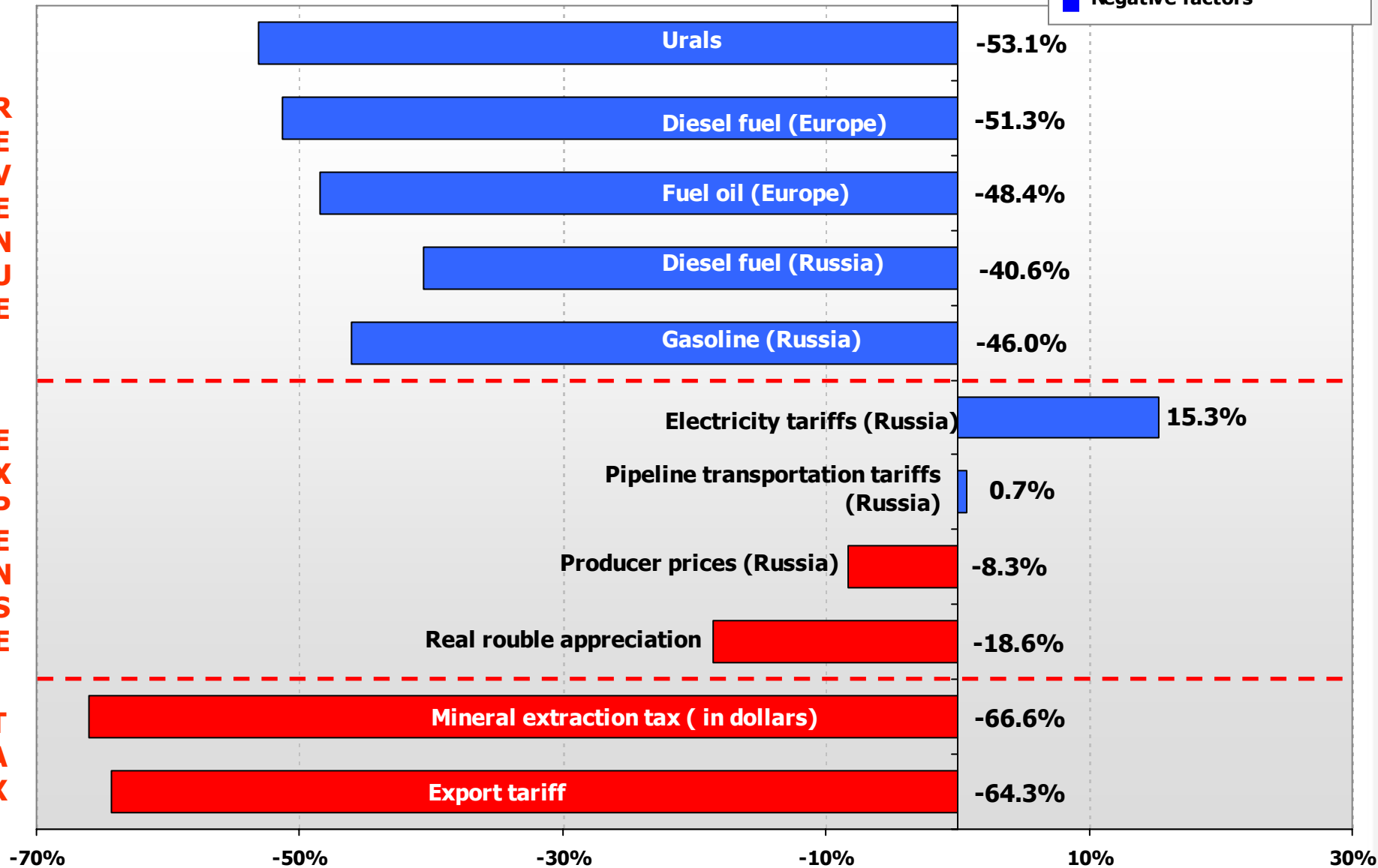
1Q 2009 to 1Q 2008

■ Positive factors
■ Negative factors

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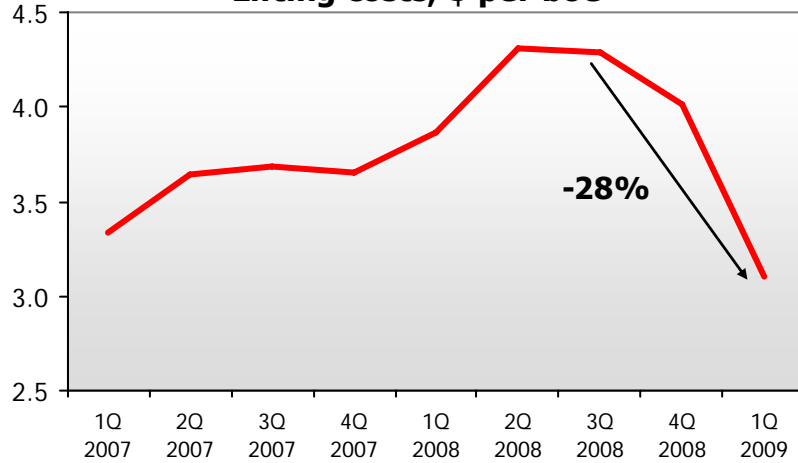
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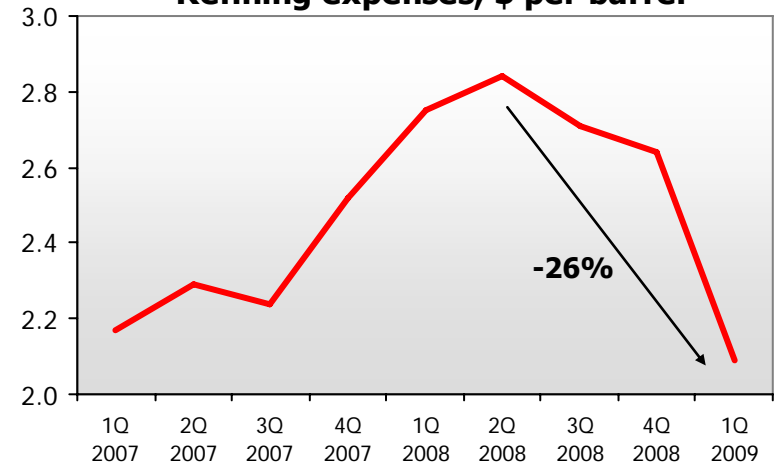
LUKOIL Continues Effective Cost Reduction



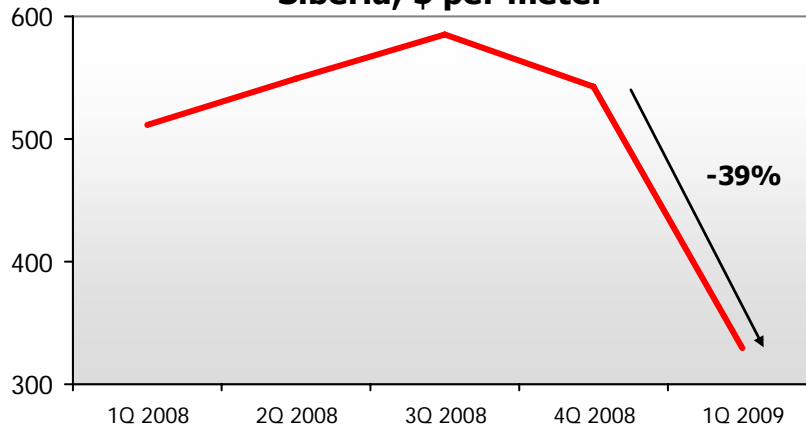
Lifting costs, \$ per boe



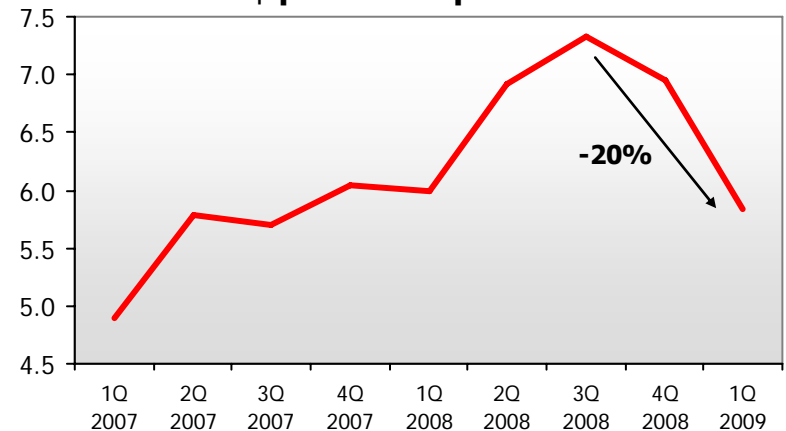
Refining expenses, \$ per barrel



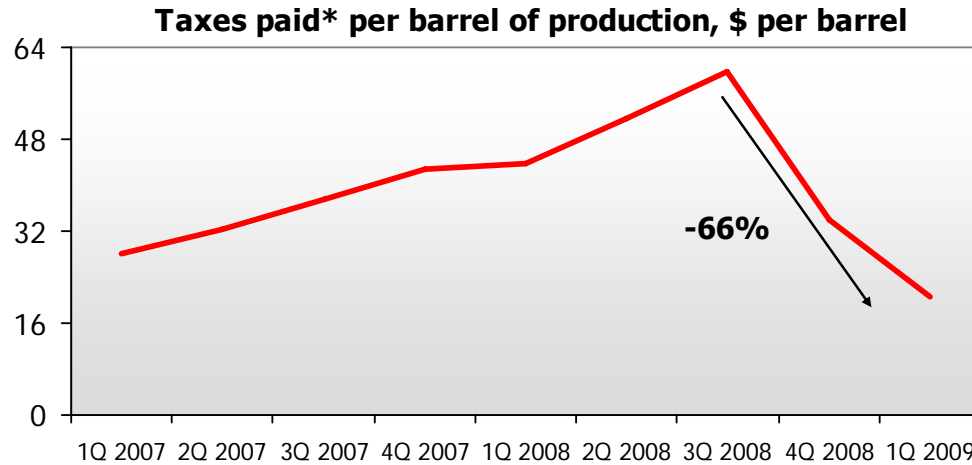
Cost of production drilling in Western Siberia, \$ per meter



Transportation expenses, \$ per boe of production



Tax Burden is Decreasing



Taxes per barrel of production (including excise and export tariffs, income and other taxes) decreased in 4Q 2008 and the reduction continued in 1Q 2009 as a result of tax incentives of the Government and falling oil prices.

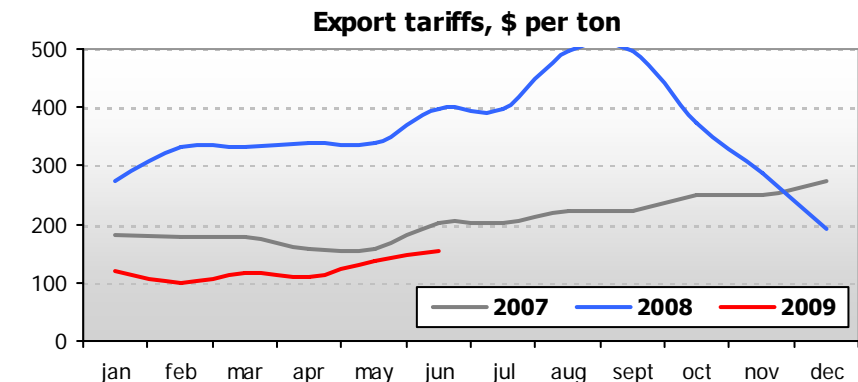
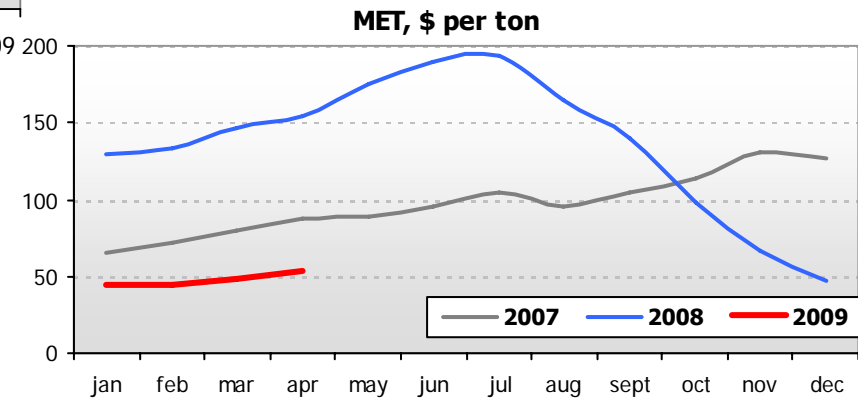
- MET:**
- Change in base oil price from \$9 to \$15 per barrel
 - Introduction of tax holidays for a number of Russian regions

Export tariffs:

- Time lag in calculation is reduced

Income tax:

- Income tax rate is reduced from 24% to 20% from January 1, 2009

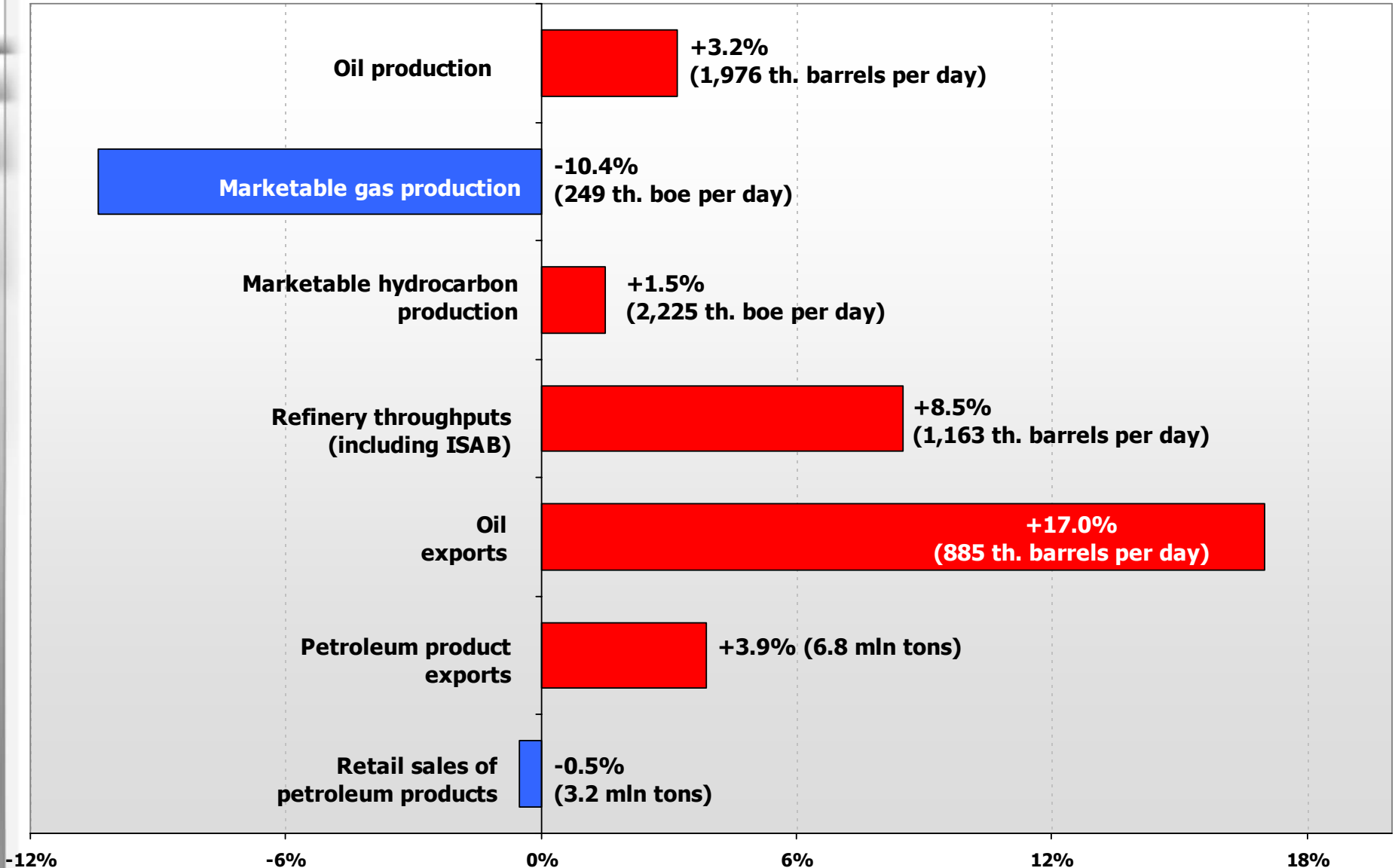


* Excise and export tariffs, income and other taxes.

Main Operating Results



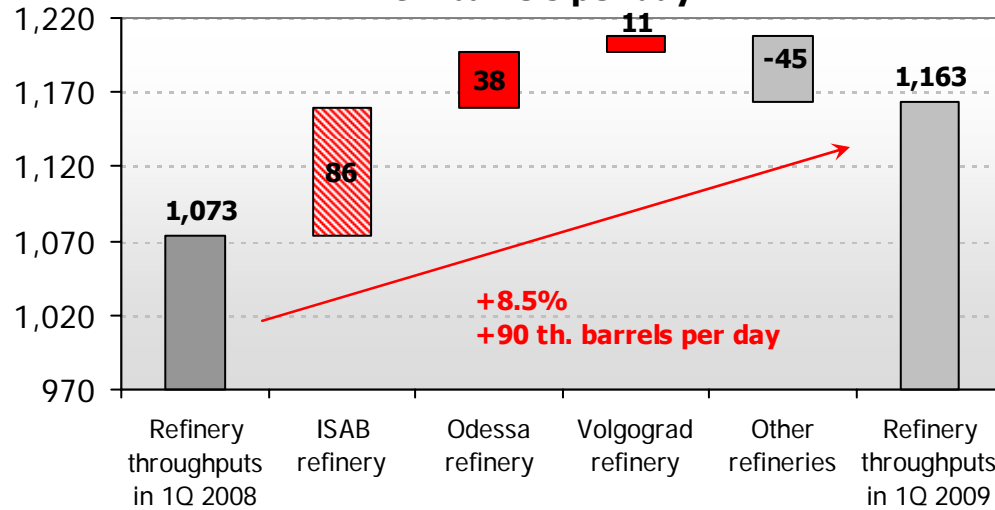
1Q 2009 to 1Q 2008 (1Q 2009 actual level)



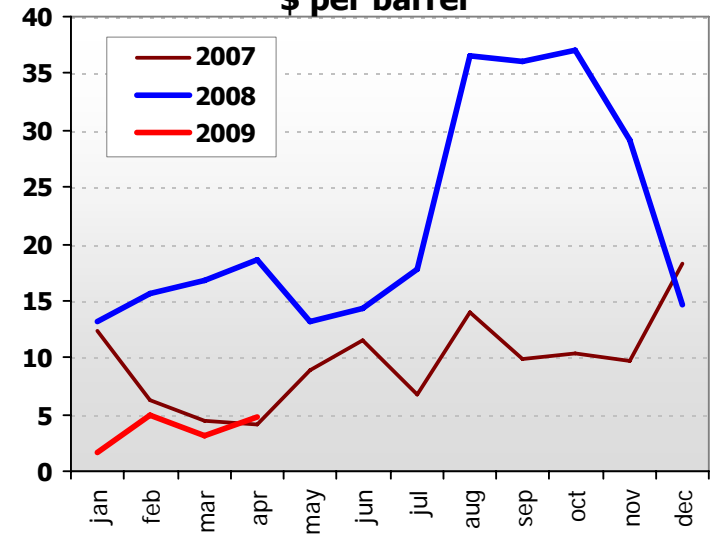
LUKOIL Refinery Throughputs Are Steadily Growing



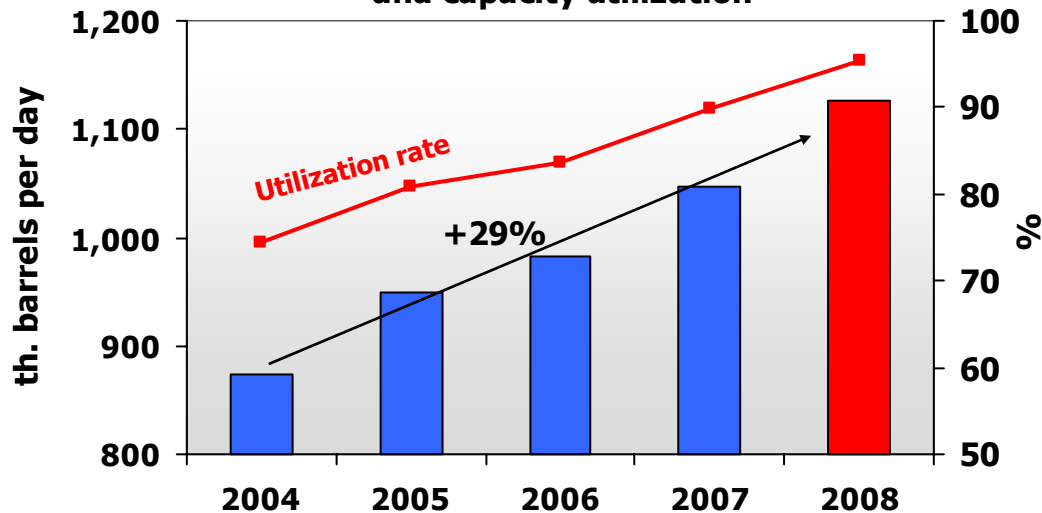
Refinery throughputs reconciliation (y-o-y),
th. barrels per day



Refining margin of Russian cracking refinery,
\$ per barrel



Refinery throughputs at Group refineries
and capacity utilization



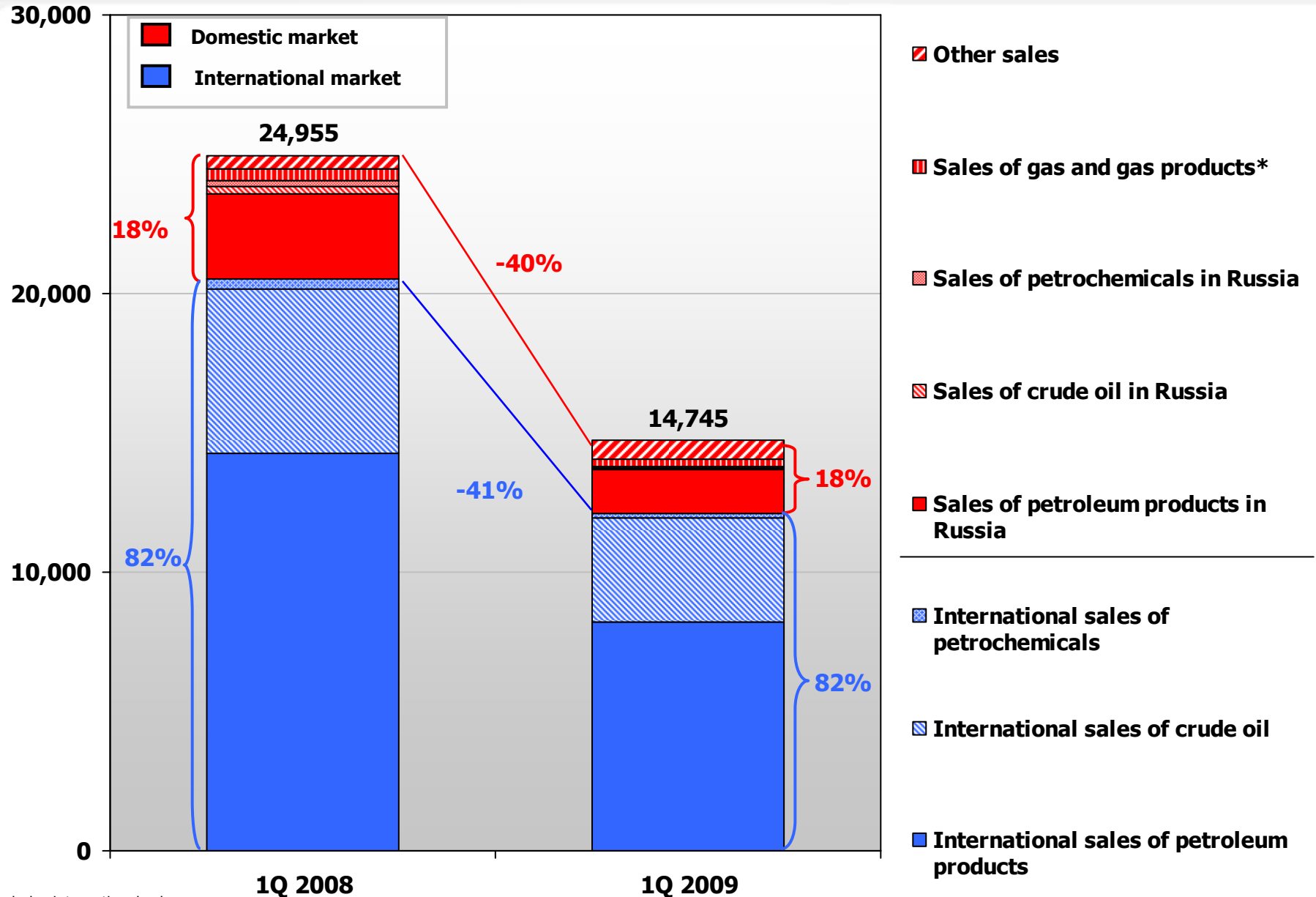
LUKOIL substantially increased refinery throughputs in 1Q 2009 thanks to volumes refined at the **ISAB Complex** as well as increase in refinery throughputs at the **Odessa Refinery**, which was re-launched in 2008 after modernization

Financial Results



1Q 2009	4Q 2008	Δ, %	\$ million	1Q 2009	1Q 2008	Δ, %
14,745	18,415	-19.9	Sales	14,745	24,955	-40.9
(1,232)	(2,244)	-45.1	Operating expenses	(1,232)	(1,908)	-35.4
(3,717)	(7,338)	-49.3	Taxes other than income tax (including excise and export duties)	(3,717)	(7,714)	-51.8
1,532	(791)	-	Income from operating activities	1,532	4,071	-62.4
1,502	(1,842)	-	Income before income tax	1,502	4,174	-64.0
905	(1,621)	-	Net income (loss)	905	3,163	-71.4
1.07	(1.91)	-	Basic EPS, \$	1.07	3.83	-72.1
2,414	(906)	-	EBITDA	2,414	4,805	-49.8

Sales Breakdown, \$ million



* Includes international sales.

Operating Expenses



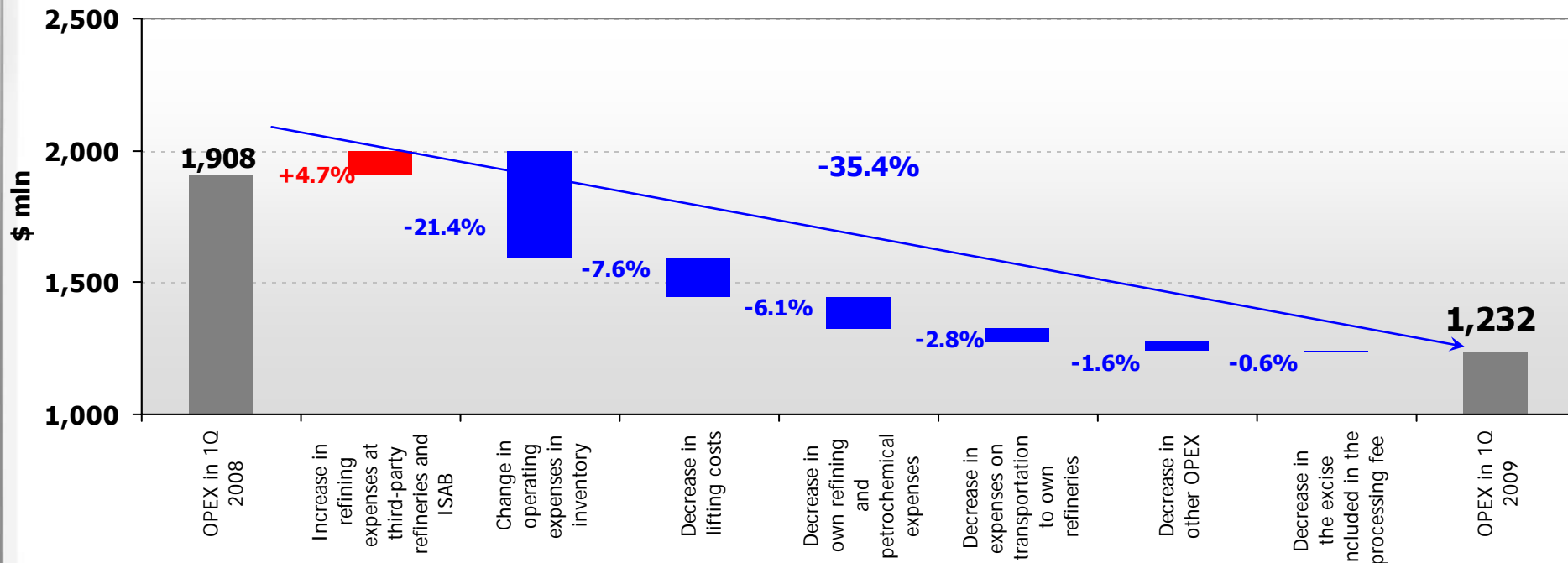
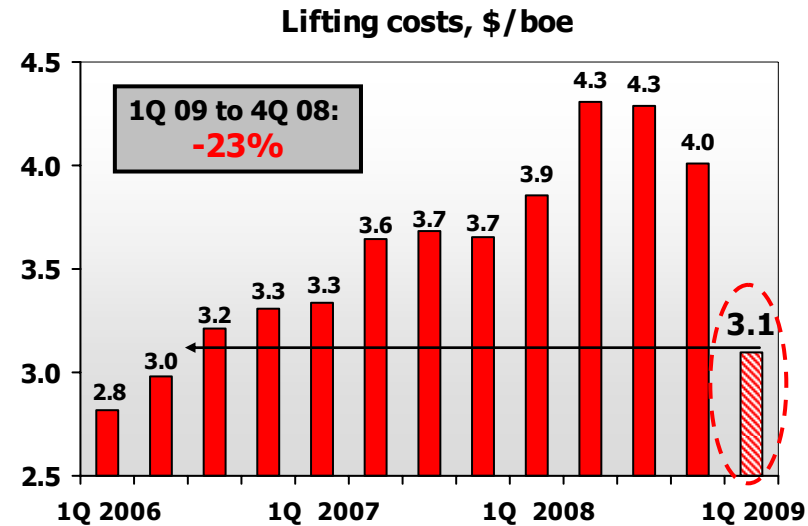
1Q 2009	4Q 2008	Δ, %	\$ million	1Q 2009	1Q 2008	Δ, %
602	787	-23.5	Hydrocarbon lifting costs	602	748	-19.5
202	266	-24.1	Own refining expenses	202	268	-24.6
159	142	+12.0	Refining expenses at third-party refineries and ISAB refining complex	159	69	+130.4
22	26	-15.4	Excise included in processing fee paid to third-party refineries	22	33	-33.3
29	48	-39.6	Petrochemical expenses	29	80	-63.8
209	249	-16.1	Crude oil transportation to own refineries	209	262	-20.2
354	347	+2.0	Other operating expenses	354	384	-7.8
(345)	379	-	Change in operating expenses in crude oil and refined products inventory originated within the Group	(345)	64	-
1,232	2,244	-45.1	Total	1,232	1,908	-35.4
5,362	5,895	-9.0	Cost of purchased crude oil, gas and products	5,362	8,608	-37.7

LUKOIL Successfully Controls Operating Expenses



LUKOIL managed to **decrease hydrocarbon lifting costs by 23%** (in 1Q 09 to 4Q 08) to **\$3.10/boe** thanks to :

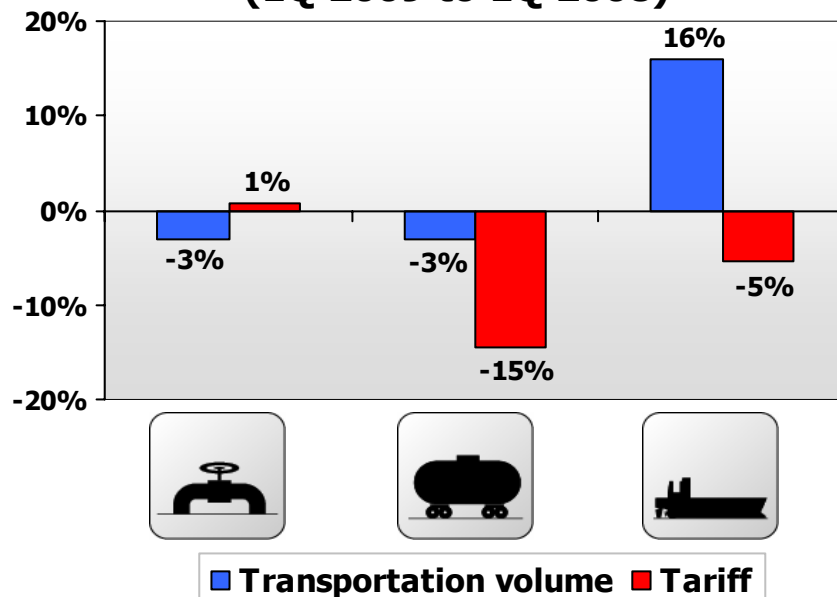
- **Rouble devaluation**: the real rouble depreciation to the US dollar was 18.6% (1Q 2009 to 1Q 2008)
- **Cost cutting program**, effective cooperation with suppliers and subcontractors
- Sharp – **by 2 times q-o-q** – **growth of production at the Y-K field**, the lifting costs at which are lower than the Group average



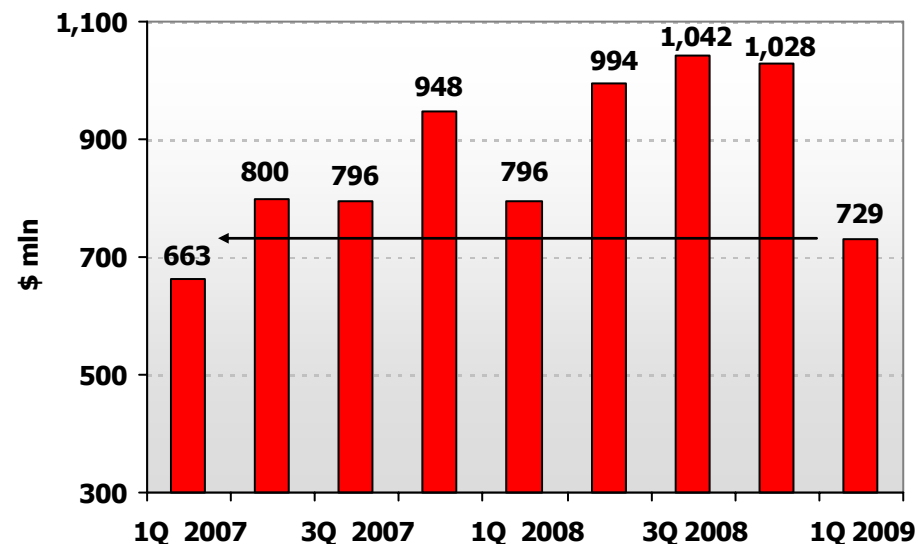
SG&A and Transportation Expenses



Transportation expenses (1Q 2009 to 1Q 2008)

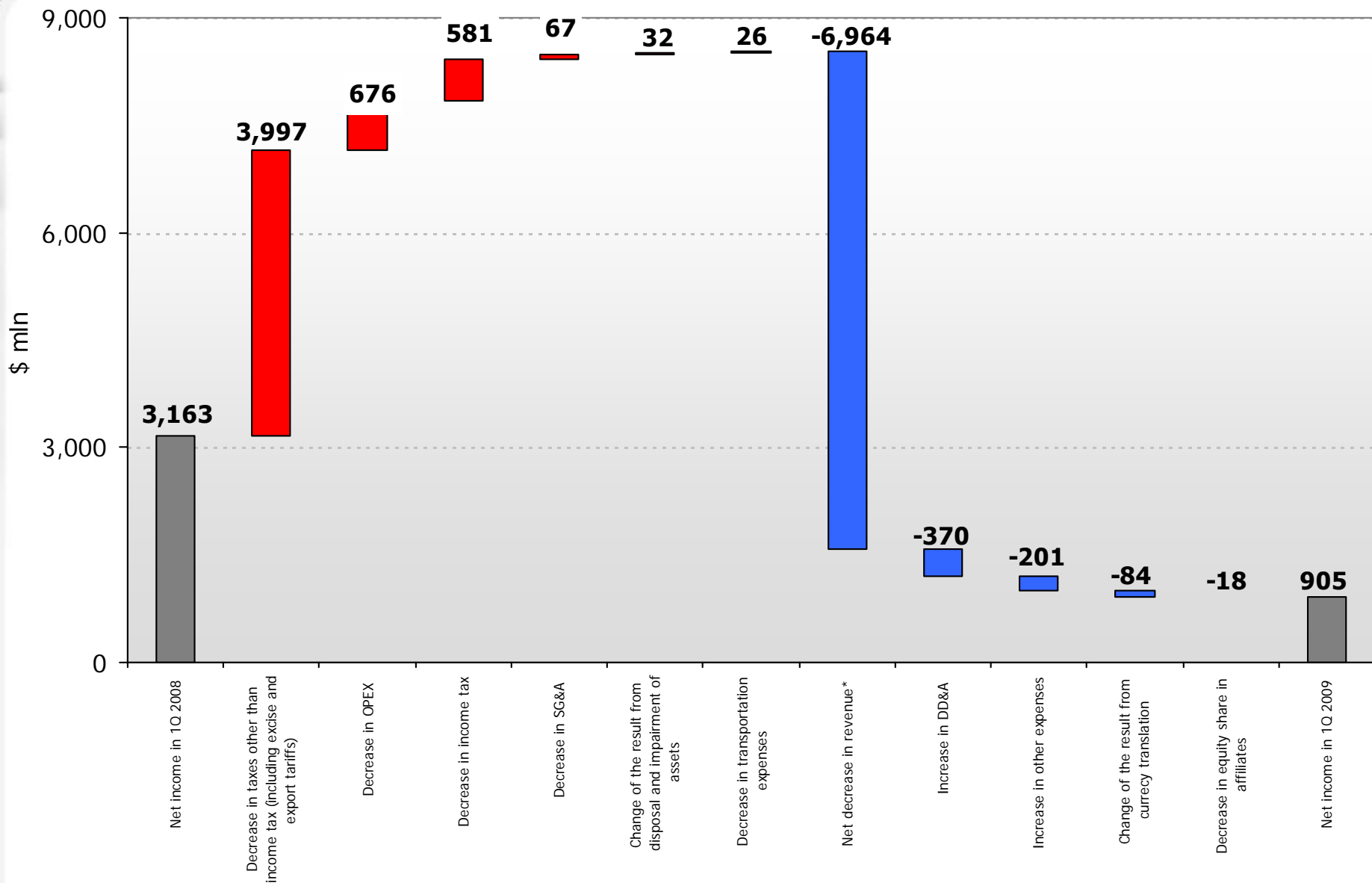


SG&A expenses



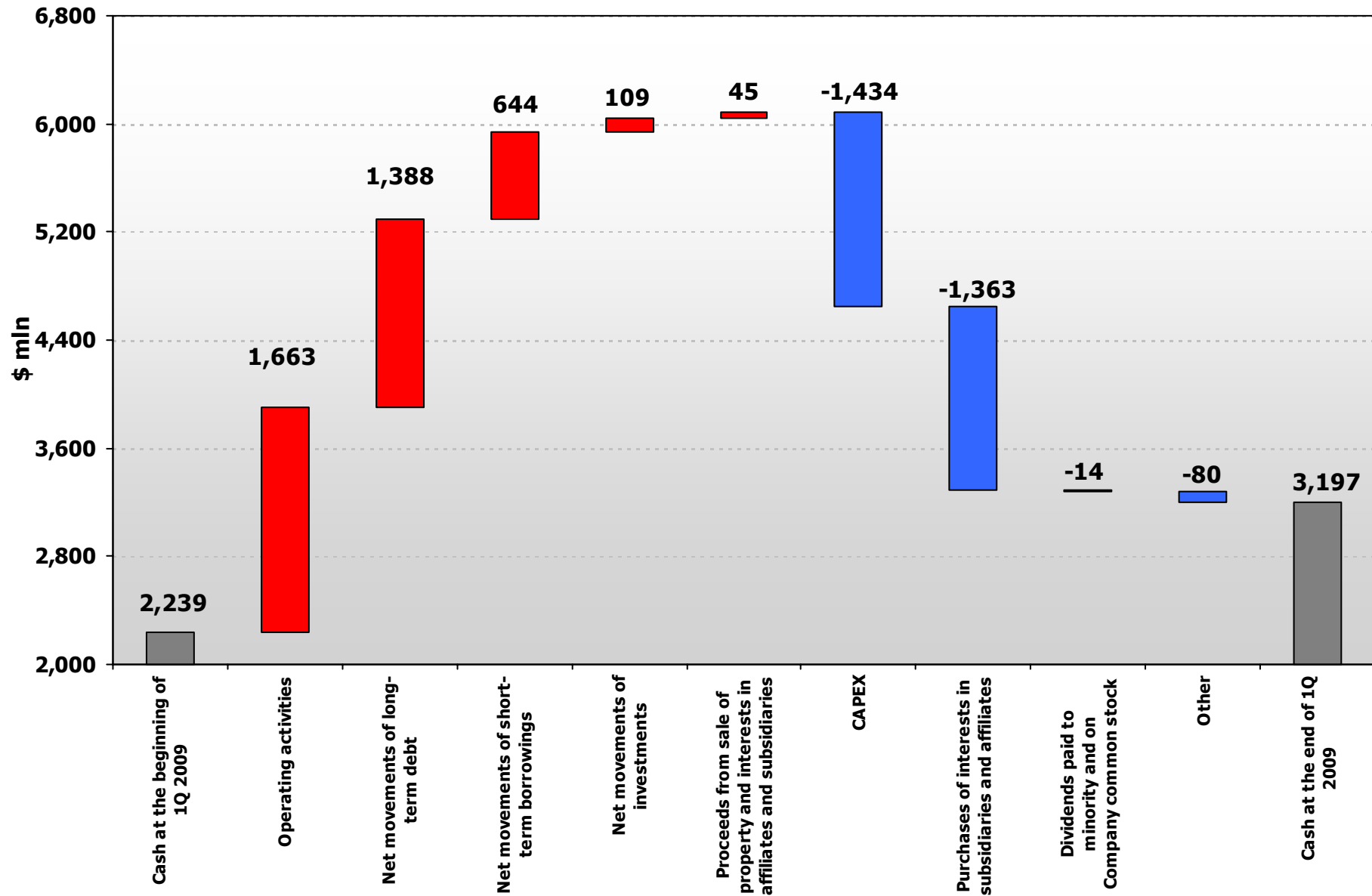
1Q 2009	4Q 2008	Δ, %	\$ million	1Q 2009	1Q 2008	Δ, %
1,169	1,412	-17.2	Transportation expenses	1,169	1,195	-2.2
729	1,028	-29.1	Other selling, general and administrative expenses	729	796	-8.4
1,898	2,440	-22.2	Total	1,898	1,991	-4.7

Net Income Reconciliation



* Change in revenue less purchases of oil and petroleum products.

1Q 2009 Cash Flow Reconciliation



CAPEX Breakdown

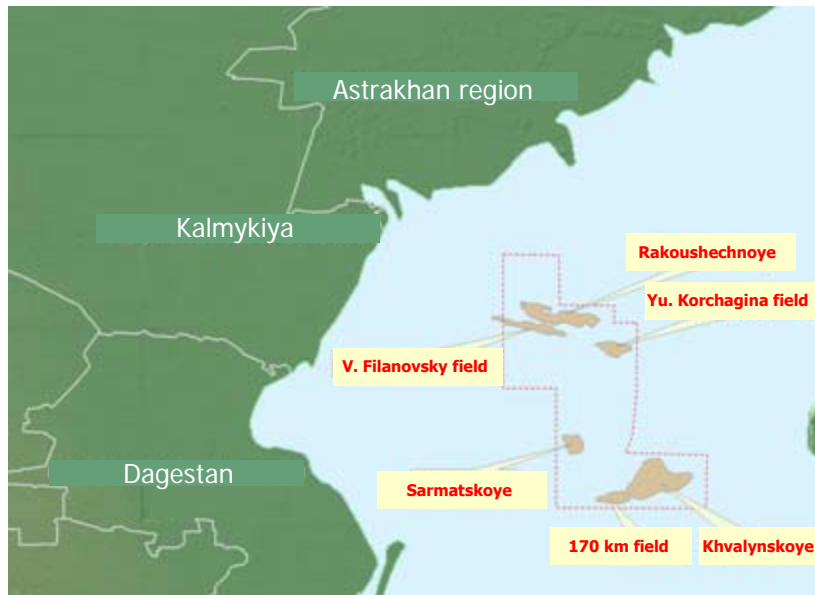


1Q 2009	4Q 2008	Δ, %	\$ million	1Q 2009	1Q 2008	Δ, %
1,118	1,738	-35.7	Exploration and production	1,118	1,981	-43.6
960	1,374	-30.1	<i>Russia</i>	960	1,779	-46.0
158	364	-56.6	<i>International</i>	158	202	-21.8
303	711	-57.4	Refining and marketing	303	356	-14.9
154	463	-66.7	<i>Russia</i>	154	229	-32.8
149	248	-39.9	<i>International</i>	149	127	+17.3
29	28	+3.6	Petrochemicals	29	27	+7.4
3	7	-57.1	<i>Russia</i>	3	5	-40.0
26	21	+23.8	<i>International</i>	26	22	+18.2
16	342	-95.3	Other	16	48	-66.7
1,466	2,819	-48.0	Total (cash and non-cash)	1,466	2,412	-39.2

Northern Caspian: Start of Commercial Development in 2009



- LUKOIL has been operating in the region since 1995
- During this time LUKOIL **discovered eight major fields**: Khvalynskoye (2000), Yu.Korchagin (2000), 170 km (2001), Rakoushechnoye (2001), Sarmatskoye (2002), V.Filanovsky (2005), **Tsentralnoye and Zapadno-Rakoushechnoye (2008)**
- Total CAPEX into the Russian sector of the Caspian sea by the Company is about **\$700 mln**



Start of construction of an offshore platform for Yu. Korchagin field.

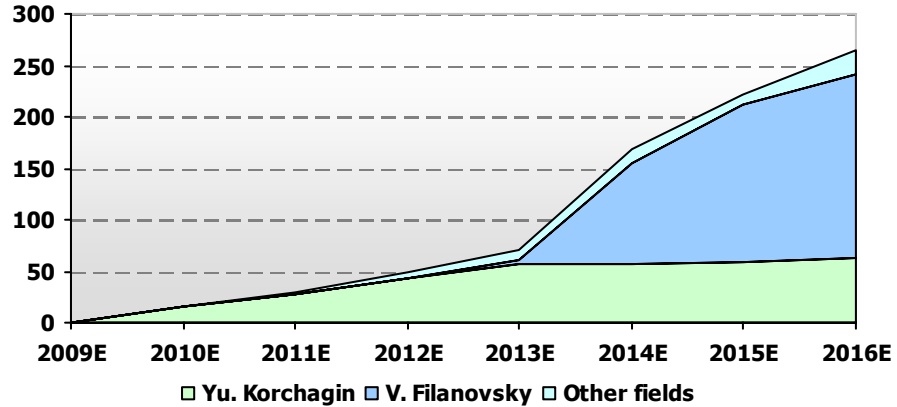
The first project:
Yu. Korchagin field

**Proved reserves of 6 fields are
over 1.4 bln boe,
3P reserves – 4.7 bln boe**

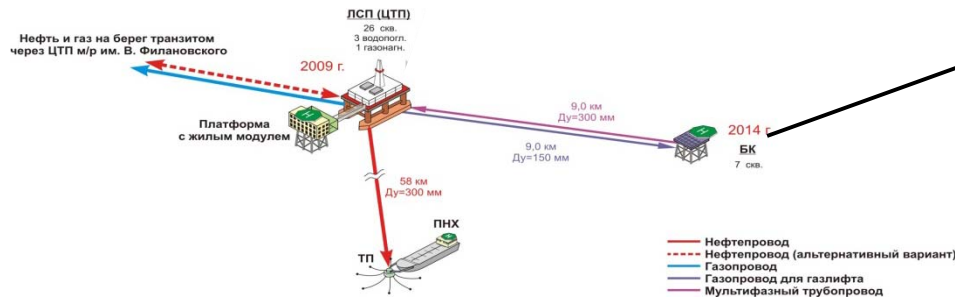
Development of the Northern Caspian Fields: Key Event of 2009–2010



Estimated oil production in the Northern Caspian, th. barrels per day



Yuri Korchagin field infrastructure (2009)



Water depth at Caspian fields

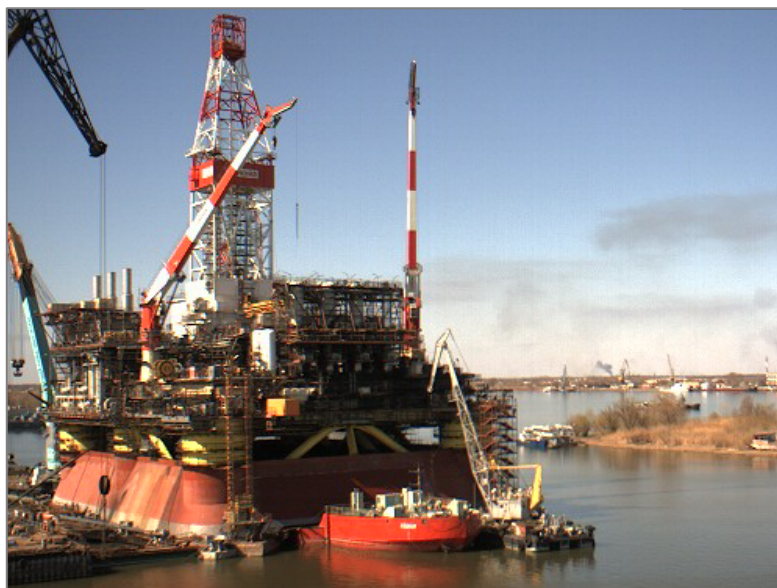


The Company is Preparing for the Production Launch at the Yu. Korchagin field



- The Company plans to launch the Yu. Korchagin field in **December 2009**
- **3P reserves** at the field are estimated at **570 mln boe**
- **Peak liquids production** at the field is **2.3 mln tons per year**, gas production – **1.2 bcm per year**
- **Sea depth** in the area of the field varies from **10 to 13 meters**

Living quarters for the Yu. Korchagin field

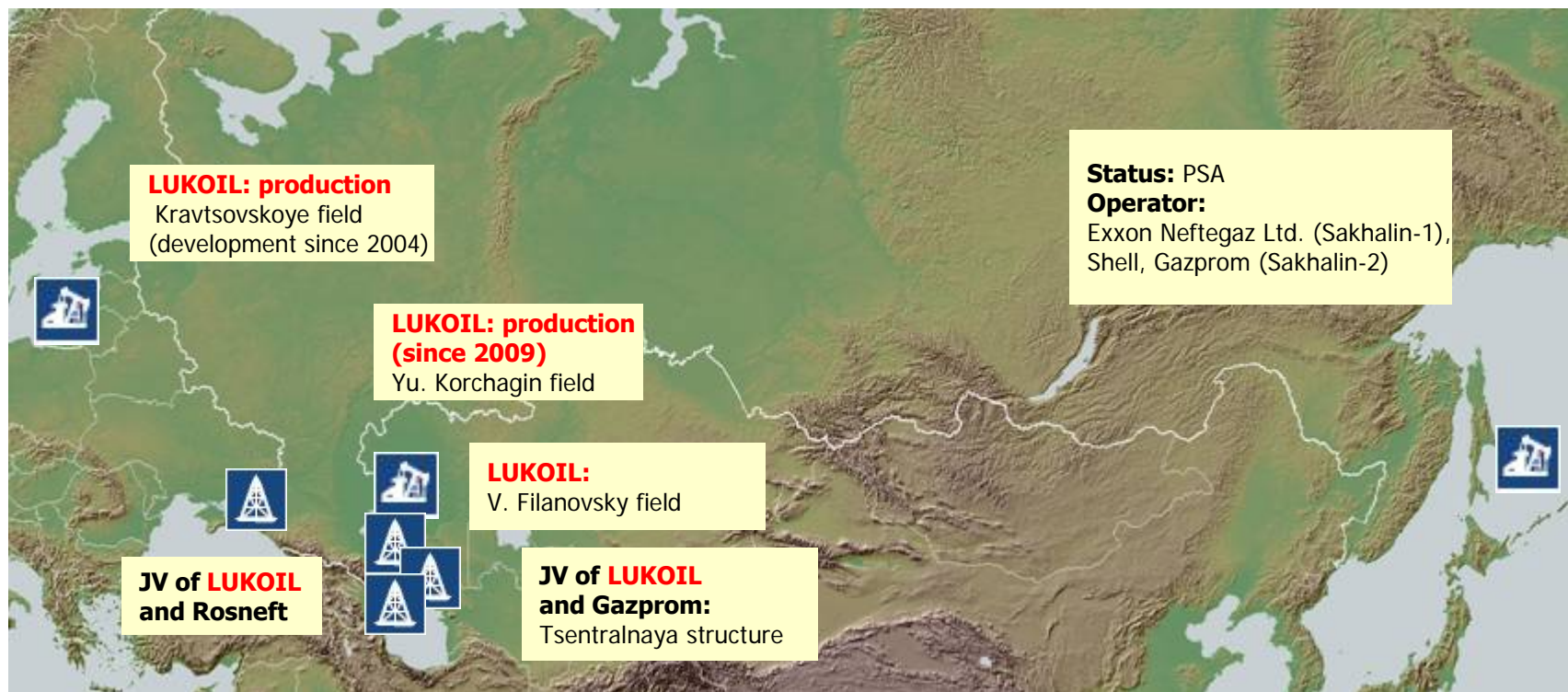


Ice-resistant platform-1 at the Astrakhansky korabel shipyard



Ice-resistant platform-2 jacket

LUKOIL is the Only Russian Company to Develop Offshore Fields on Its Own



LUKOIL uses its **proprietary technology of zero-discharge**, which allows the Company to work successfully in environmentally sensitive territories of the **Baltic and Caspian seas**.



- **Optimization of the investment program**
- **Positive effect from the rouble devaluation**
- **Cost optimization**
- **Considerable decrease in tax burden**

Conclusions



The Company plans to develop dynamically thanks to:

- Start of significant domestic **tax burden decrease** in 2009
- Optimizing and significantly **reducing 2009 CAPEX and OPEX**
- **Hydrocarbon production growth**
- **Development of R&M segment**
- Development of a program aimed at **securing positive cash flows** amid financial crisis
- Maintaining **conservative** financial policy, keeping **access** to domestic and international financial sources **comfortable and open**