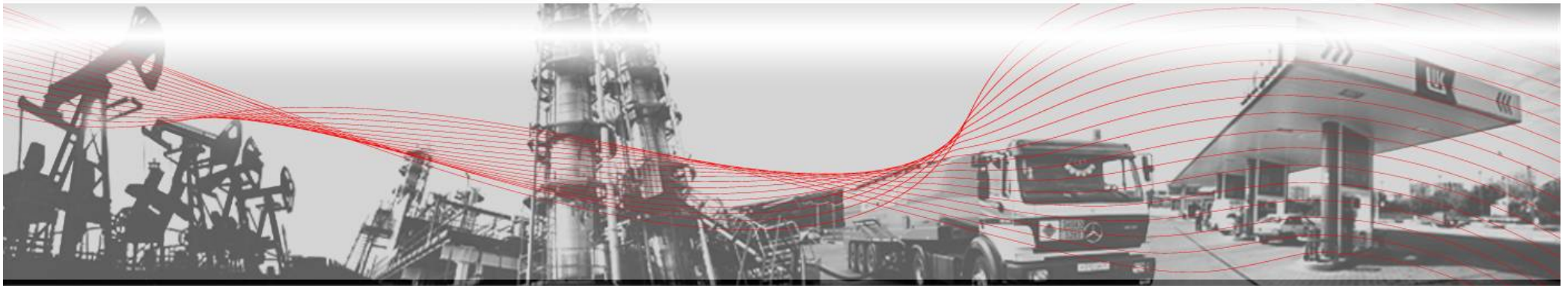




9M 2010 Financial Results

(US GAAP)

Leonid Fedun, Vice-President of LUKOIL



November 2010

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.

9M 2010 Financial Highlights

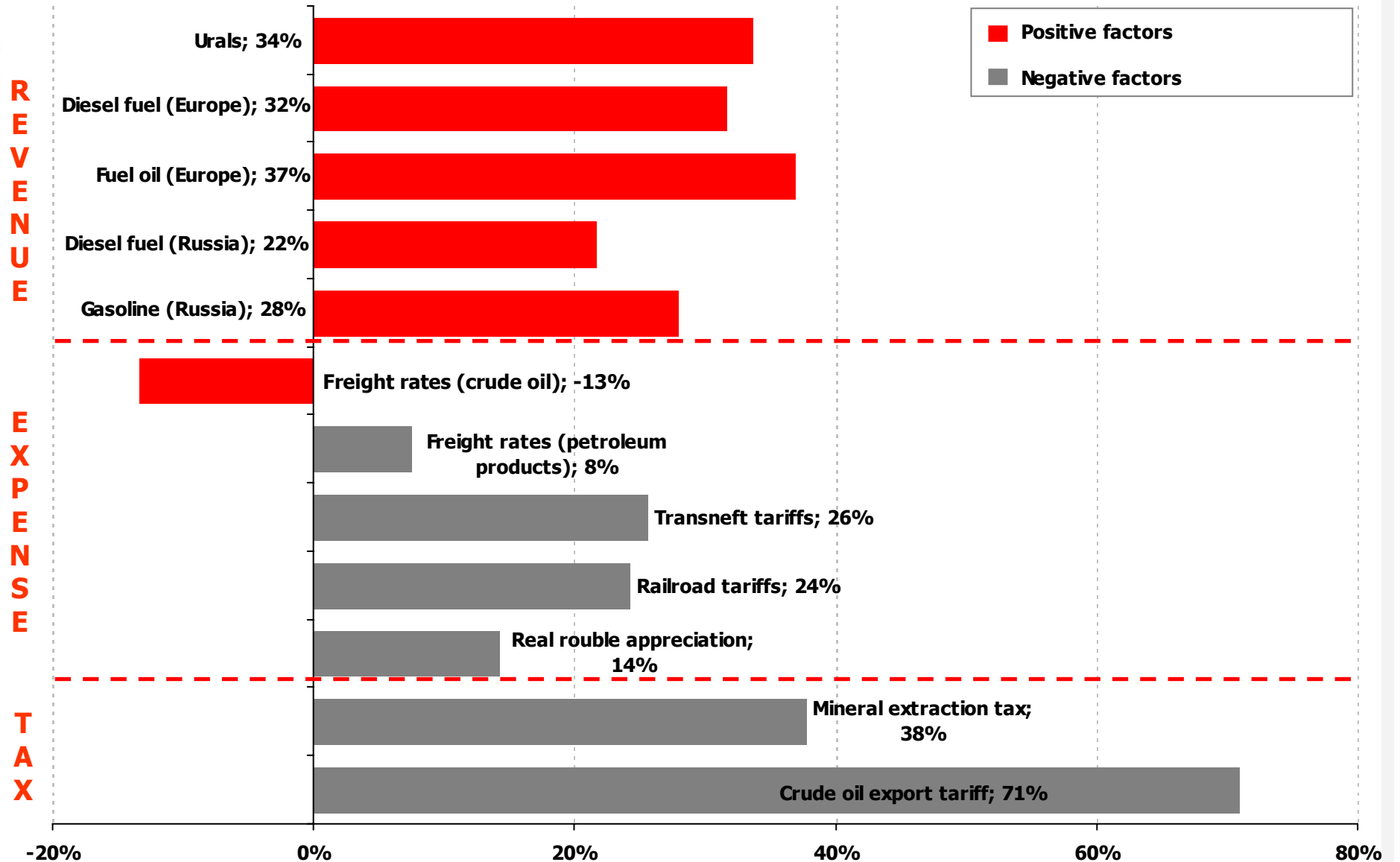


- **Free Cash Flow – \$6,964 million**
(\$1,442 million in 9M 2009)
- **Sales – \$76,272 million**
(**+34.3%** y-o-y)
- **EBITDA – \$11,985 million (+17.1% y-o-y)**
- **Net Income – \$6,820 million (+ 29.0% y-o-y)**
- **Net Income per boe of production –**
11.1 \$/boe (8.7 \$/boe in 9M 2009)

Macroeconomic and Tax Environment



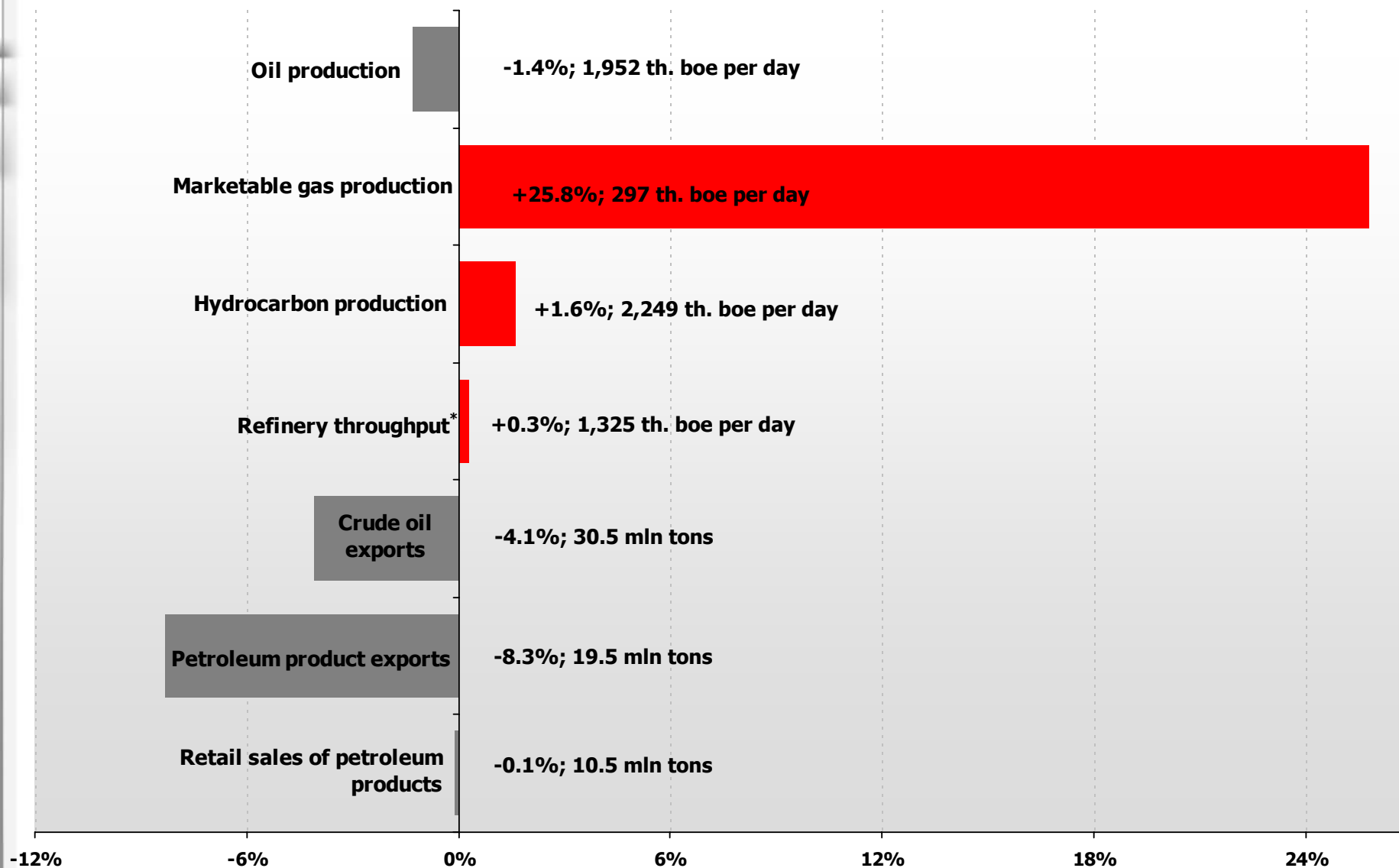
9M 2010 to 9M 2009



Main Operating Results



9M 2010 to 9M 2009

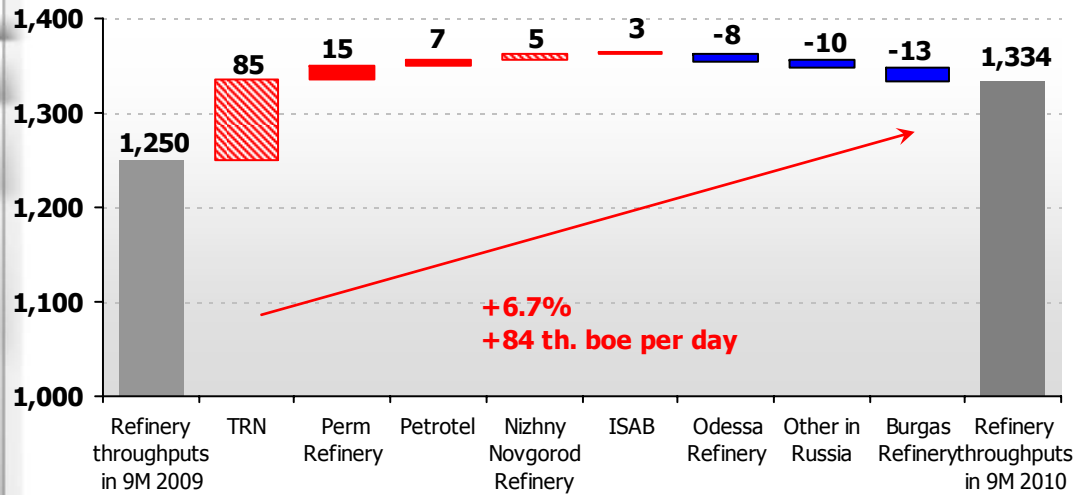


*Excluding mini-refineries.

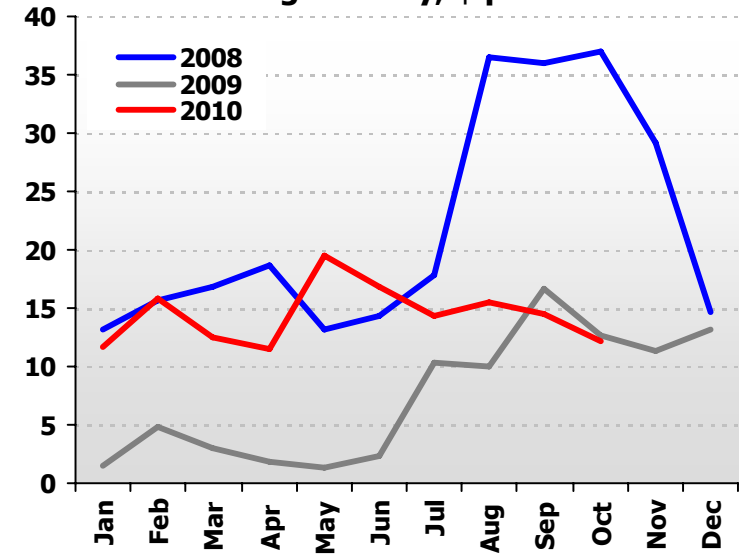
LUKOIL Refinery Throughputs Are Steadily Growing



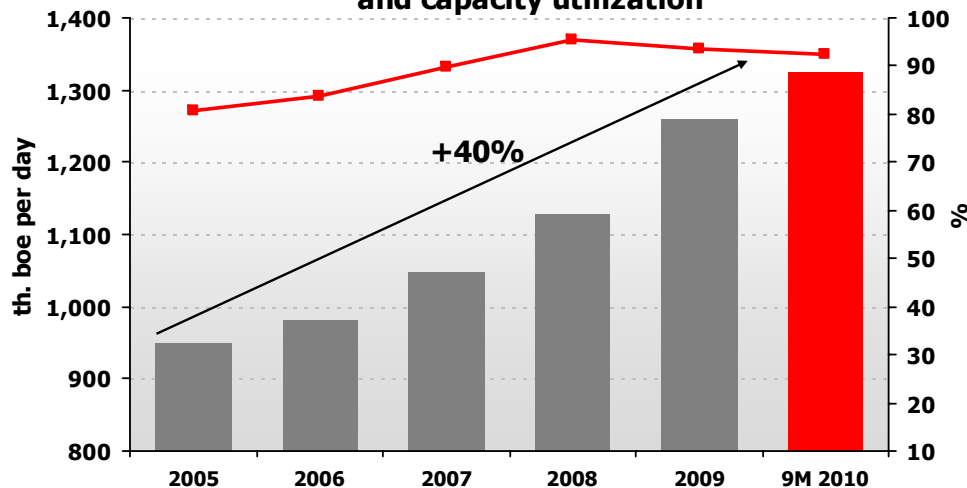
**Refinery throughputs reconciliation
(y-o-y), th. barrels per day***



Refining margin of a Russian cracking refinery, \$ per barrel



**Refinery throughputs at Group refineries
and capacity utilization**



LUKOIL substantially increased refinery throughputs in 9M 2010 thanks to volumes refined at the TRN Refinery, which was acquired in September 2009.

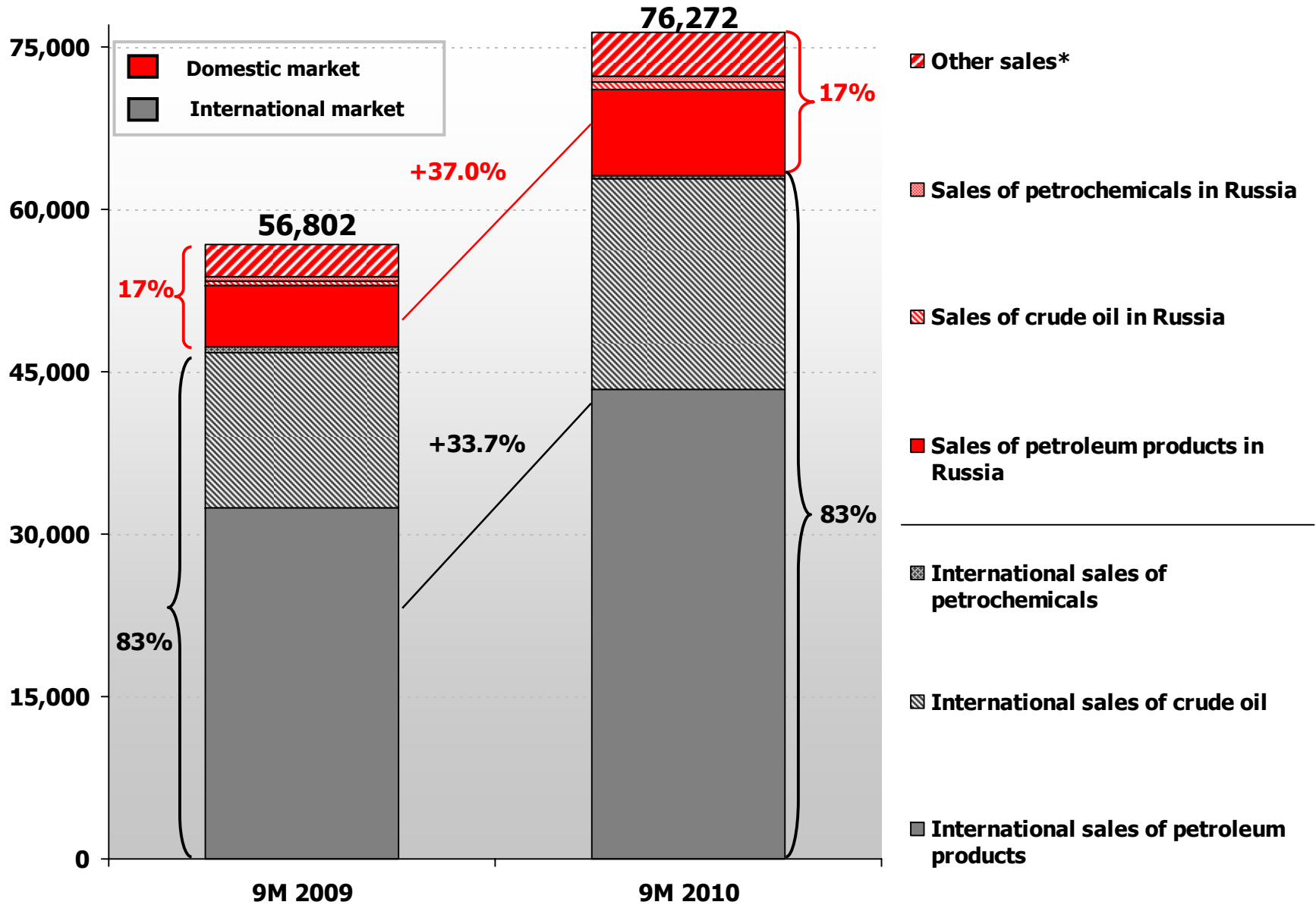
* Including mini-refineries and the Company's share in throughputs of oil and petroleum products at the ISAB and TRN refining complexes.

Financial Results



3Q 2010	2Q 2010	Δ , %	\$ million	9M 2010	9M 2009	Δ , %
26,517	25,853	+2.6	Sales	76,272	56,802	+34.3
(2,192)	(2,032)	+7.9	OPEX	(5,994)	(5,015)	+19.5
(6,905)	(7,031)	-1.8	Taxes other than income tax (including excise and export tariffs)	(20,594)	(13,745)	+49.8
3,167	2,707	+17.0	Income from operating activities	8,525	7,401	+15.2
3,391	2,637	+28.6	Income before income tax	8,593	6,973	+23.3
2,818	1,949	+44.6	Net income	6,820	5,285	+29.0
3.46	2.30	+50.5	Basic EPS, \$	8.16	6.24	+30.7
4,552	3,704	+22.9	EBITDA	11,985	10,237	+17.1

Sales Breakdown, \$ million



* Including international sales.

Operating Expenses



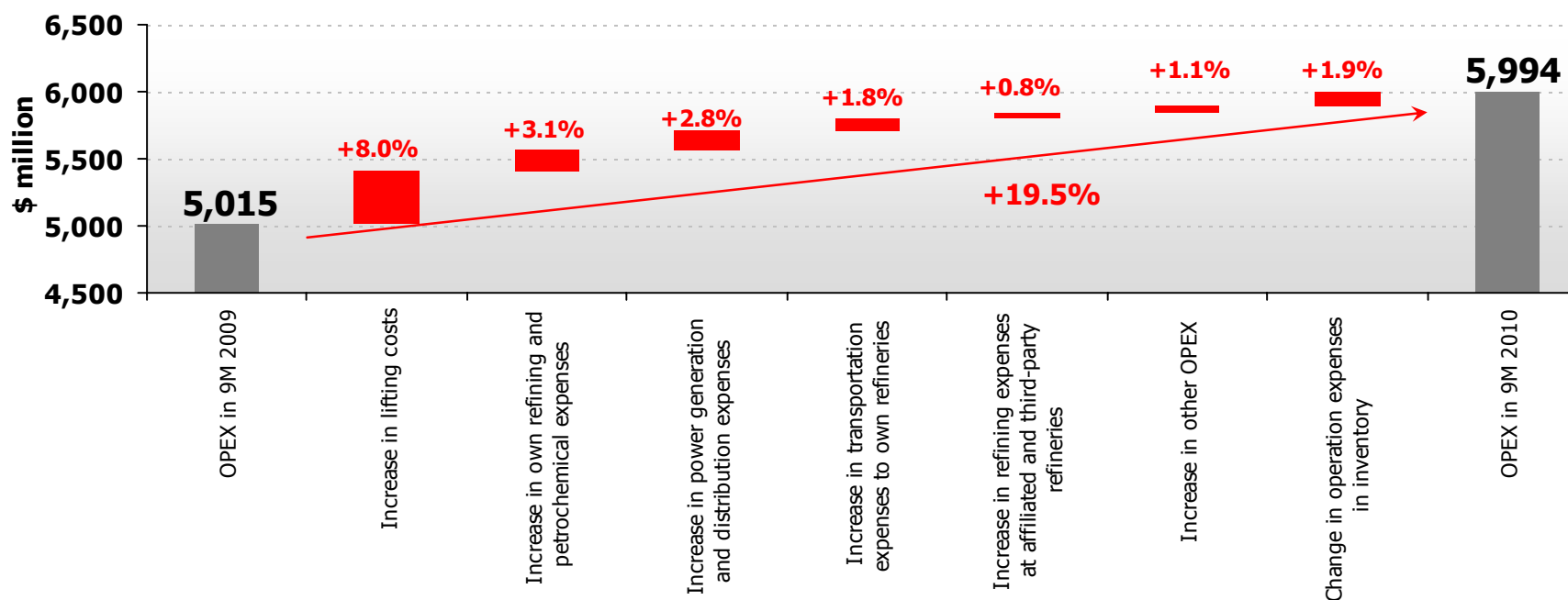
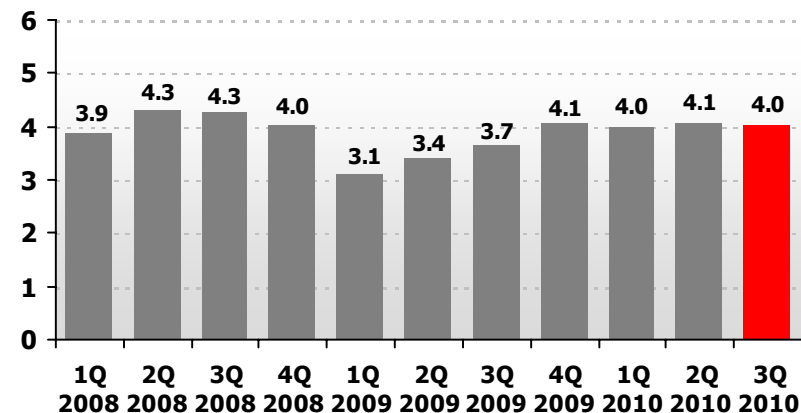
3Q 2010	2Q 2010	Δ, %	\$ million	9M 2010	9M 2009	Δ, %
804	800	+0.5	Hydrocarbon lifting costs	2,388	1,989	+20.1
263	252	+4.4	Own refining expenses	778	670	+16.1
183	172	+6.4	Refining expenses at third-party refineries, ISAB and TRN	534	493	+8.3
261	275	-5.1	Expenses for crude oil transportation to refineries	802	709	+13.1
159	145	+9.7	Power generation and distribution expenses	452	313	+44.4
58	40	+45.0	Petrochemical expenses	138	90	+53.3
403	362	+11.3	Other operating expenses	1,073	1,016	+5.6
61	(14)		Change in operating expenses in crude oil and refined products inventory originated within the Group	(171)	(265)	-35.5
2,192	2,032	+7.9	Total	5,994	5,015	+19.5
10,898	10,755	+1.3	Cost of purchased crude oil, gas and products	31,173	21,475	+45.1

Operating expenses



In 9M 2010 operating expenses increased by 19.5% y-o-y, which is mainly explained by general increase in operating expenses in the industry due to the real rouble appreciation, higher lifting costs, as well as increase in refining and power generation expenses

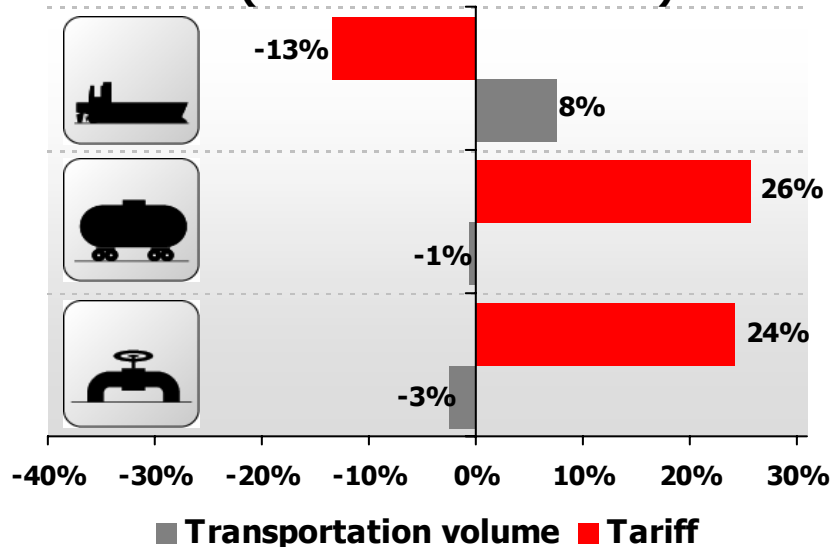
Lifting costs, \$ per boe



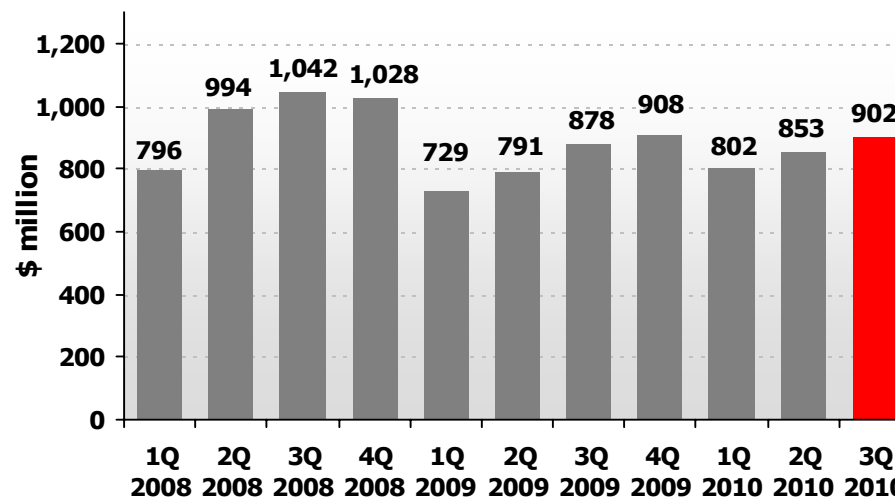
SG&A and Transportation Expenses



**Transportation expenses
(9M 2010 to 9M 2009)**

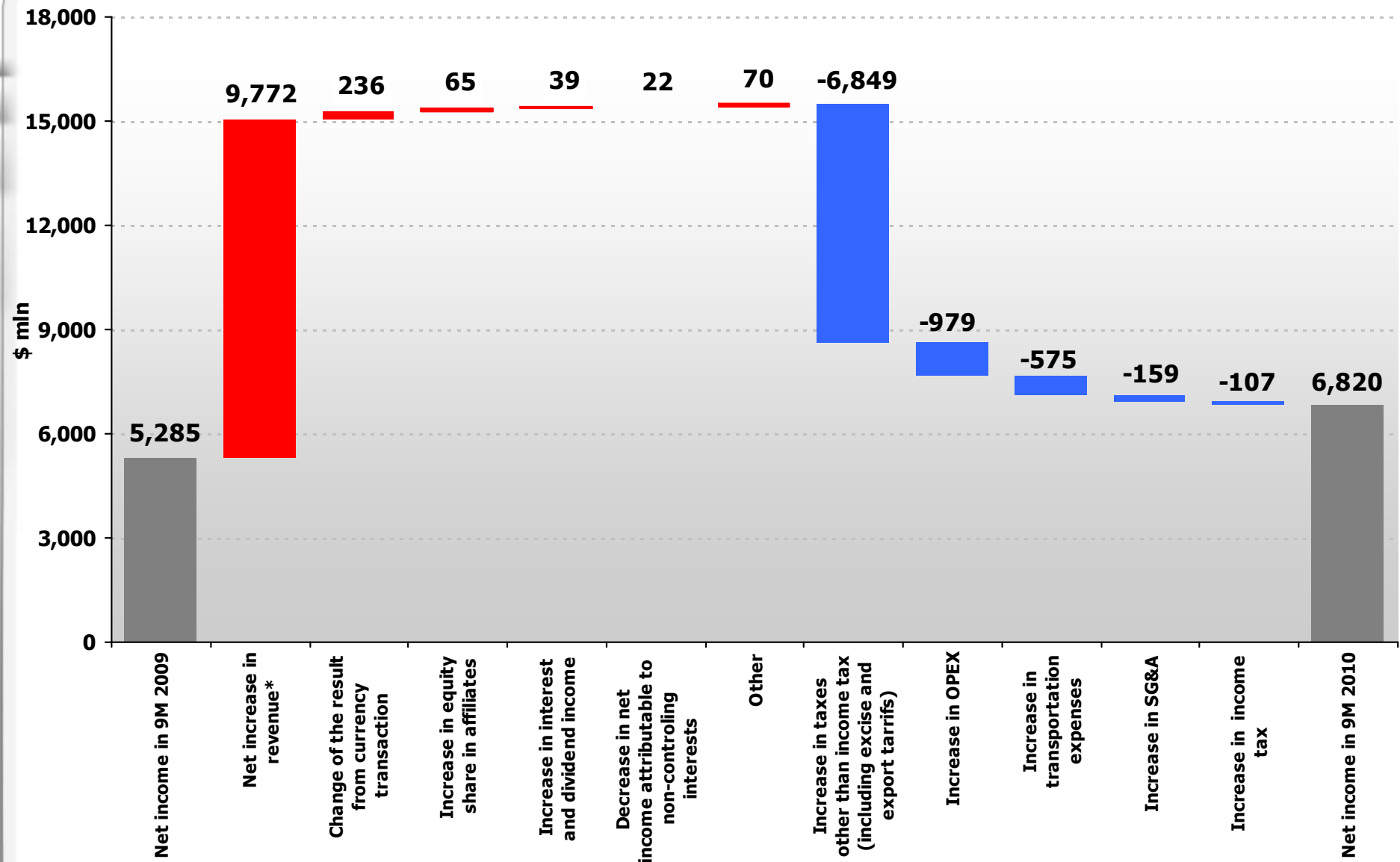


SG&A expenses



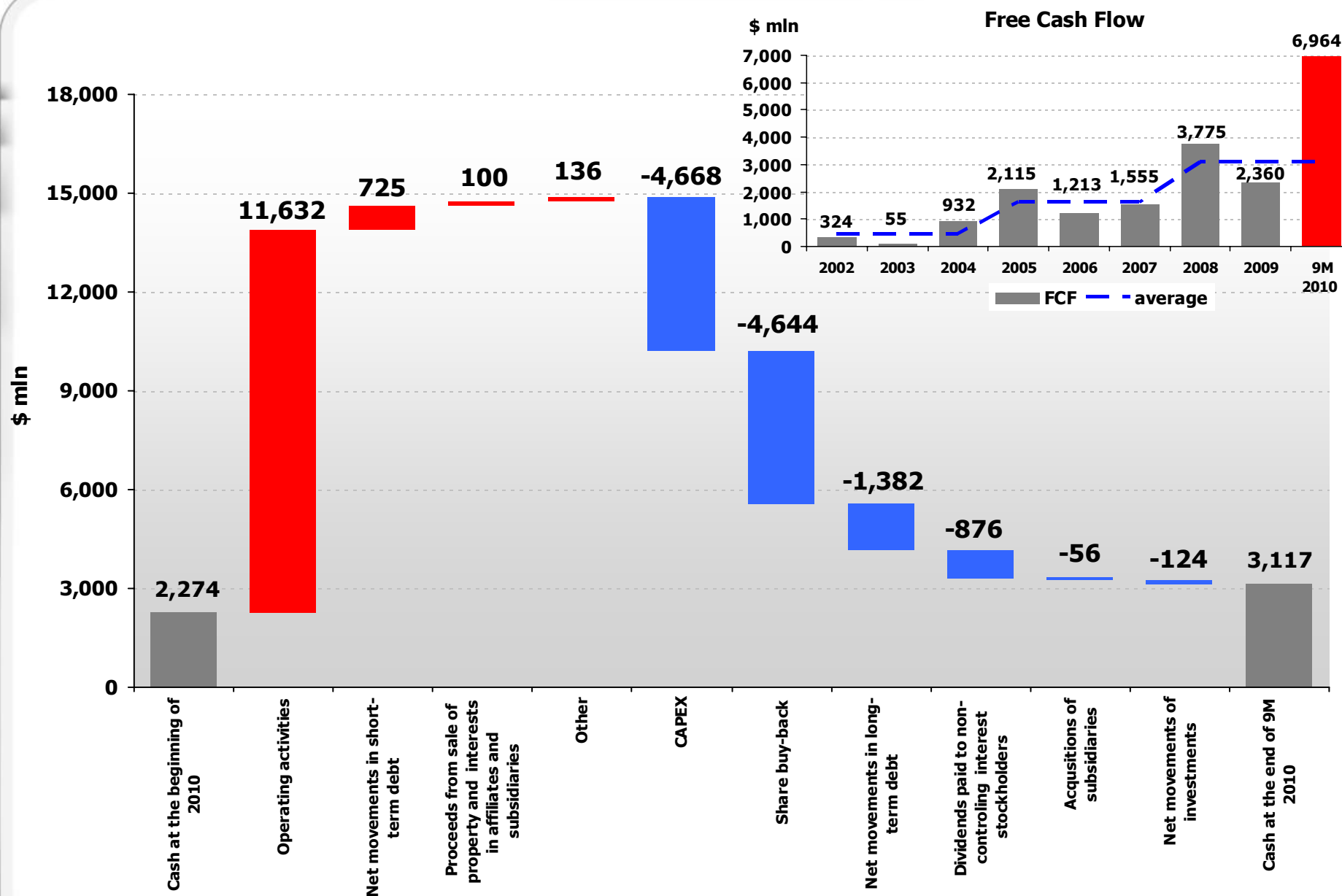
3Q 2010	2Q 2010	Δ, %	\$ million	9M 2010	9M 2009	Δ, %
1,389	1,429	-2.8	Transportation expenses	4,169	3,594	+16.0
902	853	+5.7	Other selling, general and administrative expenses	2,557	2,398	+6.6
2,291	2,282	+0.4	Total	6,726	5,992	+12.2

Net Income Reconciliation



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

9M 2010 Cash Flow Reconciliation



CAPEX Breakdown

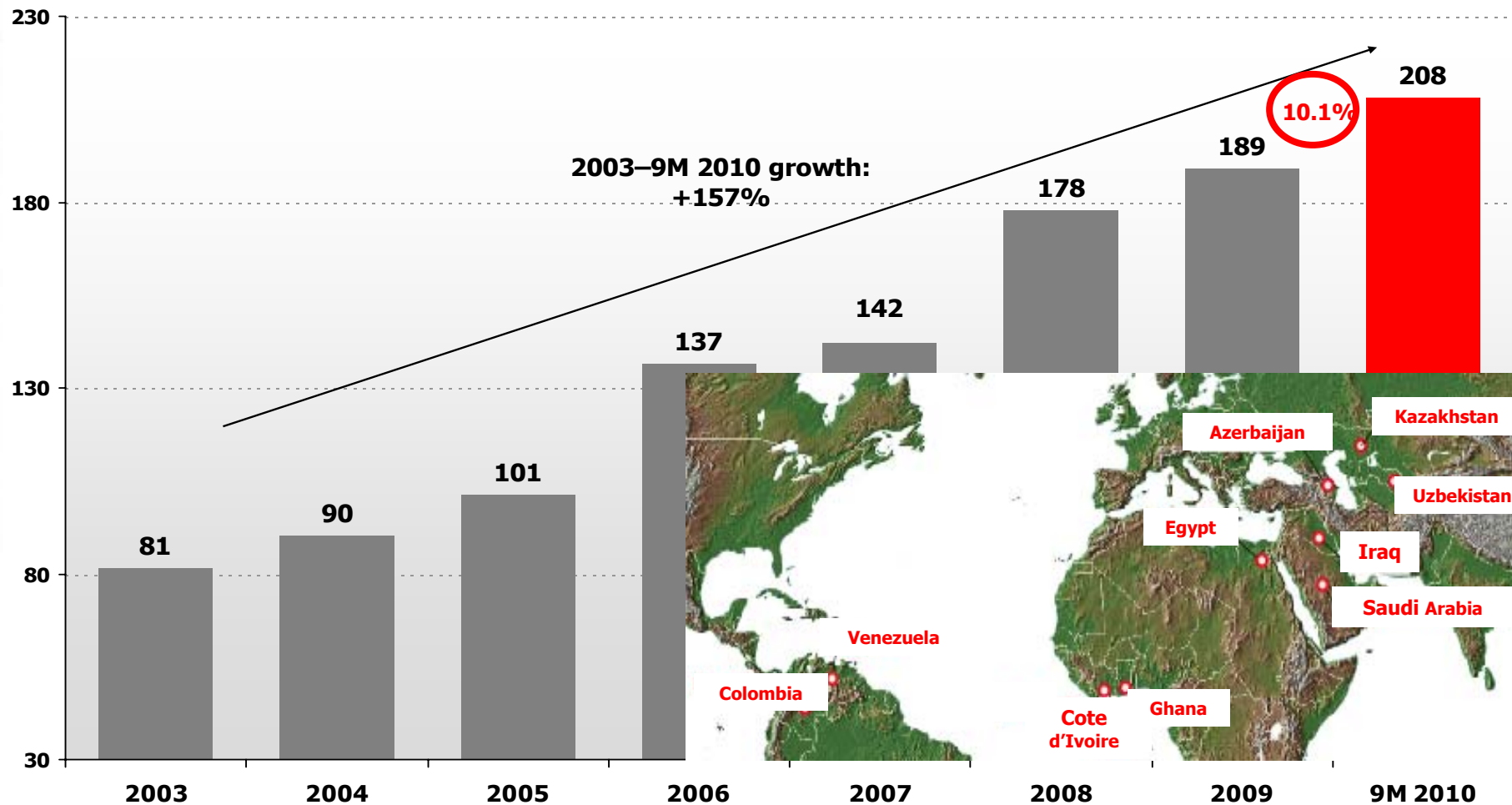


3Q 2010	2Q 2010	Δ, %	\$ million	9M 2010	9M 2009	Δ, %
1,084	1,273	-14.8	Exploration and production	3,474	3,468	+0.2
874	976	-10.5	Russia	2,712	2,939	-7.7
210	297	-29.3	International	762	529	+44.0
311	304	+2.3	Refining and marketing	843	903	-6.6
238	219	+8.7	Russia	617	558	10.6
73	85	-14.1	International	226	345	-34.5
16	20	-20.0	Petrochemicals	59	89	-33.7
5	10	-50.0	Russia	17	9	+88.9
11	10	+10.0	International	42	80	-47.5
98	111	-11.7	Power generation	298	177	+68.4
20	14	+42.9	Other	45	46	-2.2
1,529	1,722	-11.2	Total (cash and non-cash)	4,719	4,683	+0.8

International Projects of LUKOIL Group



Marketable hydrocarbon production in international projects, th. boe per day




The Company lowers its overall risks and maintains competitive rates of return thanks to dynamic development of international E&P projects

LUKOIL in West Africa

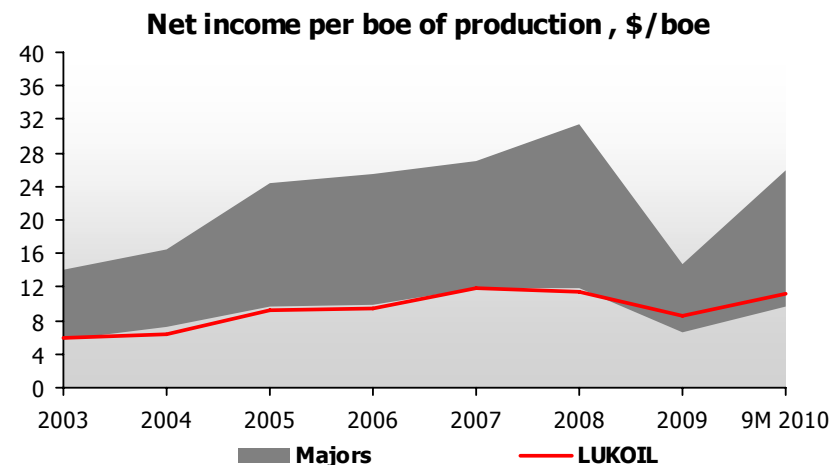
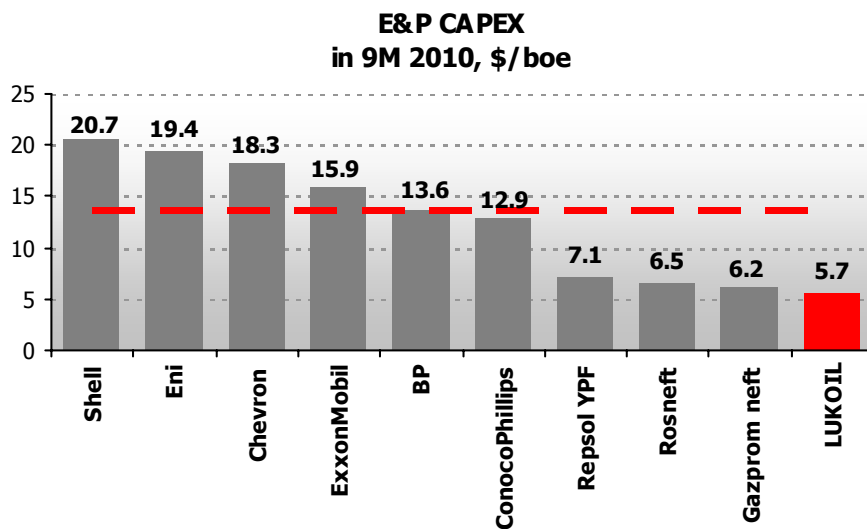
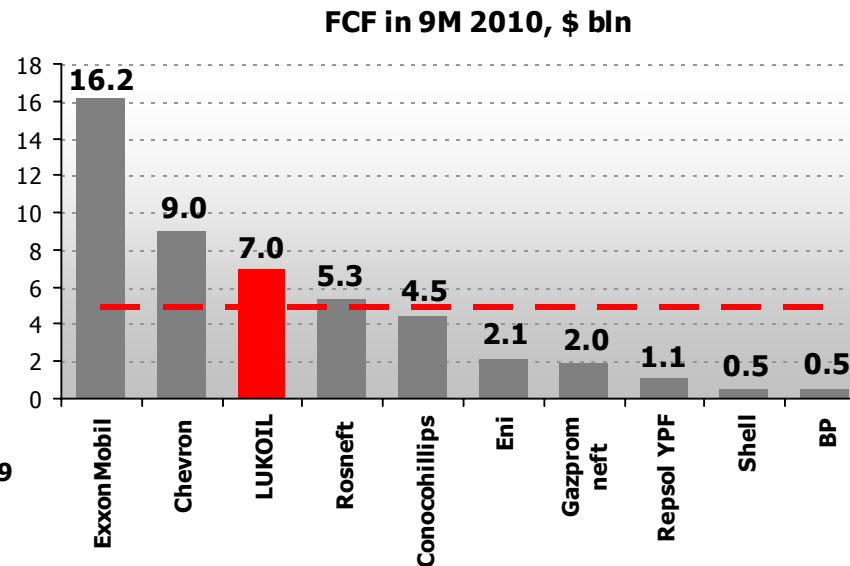
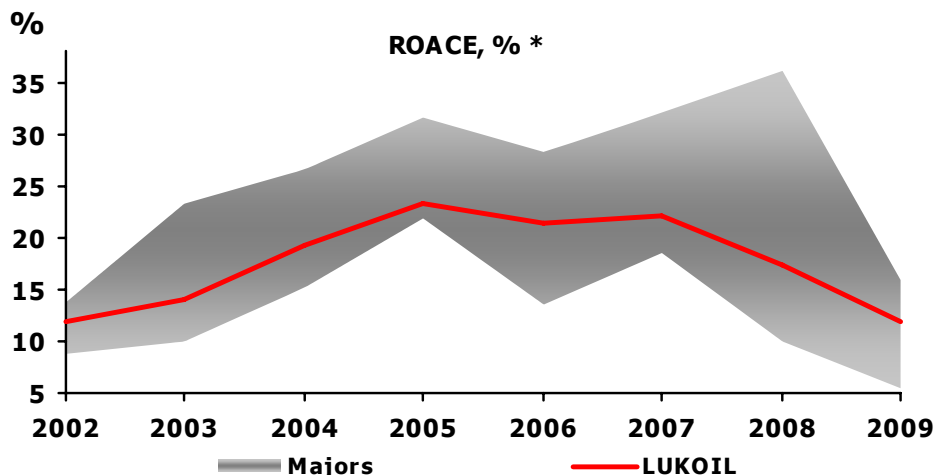


West Africa will become key factor of Company development abroad

- Deep water exploratory wells were drilled in Ghana and Cote d'Ivoire (sea depth of about 2,000 m)
- Total acreage of blocks is **10,500 km²** – LUKOIL is one of the major players in West Africa by acreage of exploration assets
- The first stage (2011-2012): drilling of 11 appraisal and exploratory wells, which will provide reliable data on existing reserves
- Investment in geological exploration will amount to about **\$900 million**
- **The Company optimized its oil rig rental expenses thanks to decrease in freight rates in 2010**

Rental rates for deep-sea rigs, th. \$ per day	April 2010	August 2010
	≈500	≈350

Strong Competitive Position in the Industry



*
$$\text{ROACE} = \frac{\text{Net income} + \text{Interest expense} \times (1 - \text{Effective income tax rate}) + \text{Minority interest}}{\text{Average for the year (Equity} + \text{Long-term debt} + \text{Short-term debt} + \text{Minority interest})}$$

LUKOIL Achievements in Investor Relations in 2010



In the XIIIth Annual Contest of Annual Reports held by the RTS Exchange, LUKOIL was voted to be #1 in 2 nominations:

- **Best information disclosure in the Annual Report among companies with market capitalization in excess of 100 bln RUB**
- **Best Annual report in English**

138 companies took part in the contest.

Apart from that, LUKOIL won the Annual Contest IR magazine Russia & CIS awards 2010 held by IR magazine in the nomination:

- **Best IR for a corporate transaction**

Conclusion



Financial and Investment Policy Highlights:

- **Increasing free cash flow** and Company value growth
- Maintaining **conservative financial policy**, keeping access to domestic and international financial sources comfortable and open
- **Increasing efficiency** of operating activities and cost control
- Maintaining **strong financial discipline**
- Optimising CAPEX and **reducing OPEX**
- Dynamic development of Company's **promising international E&P projects**