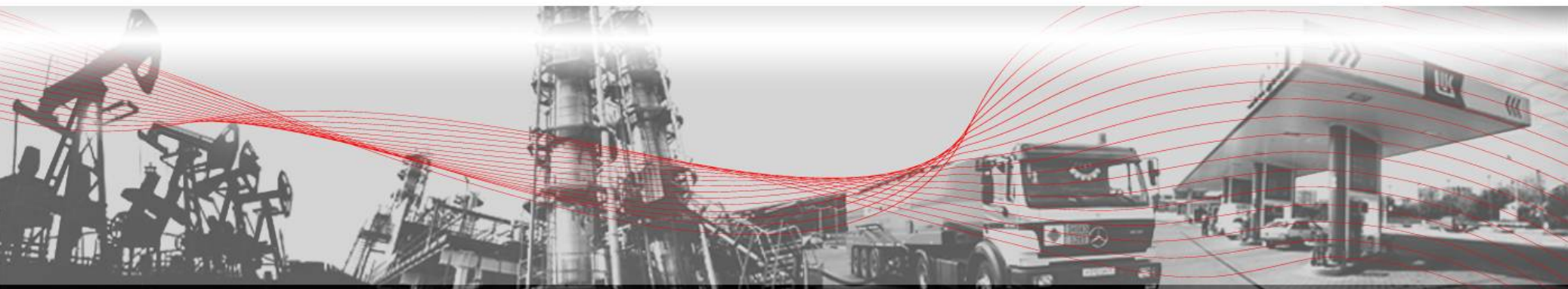




1H 2009 Financial Results

(US GAAP)

Leonid Fedun, Vice-President of LUKOIL



August 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.

2Q 2009 Financial Highlights



- **Urals price – \$58.47 per barrel (+33.8% q-o-q)**
- **Sales – \$20,116 million (+36.4%)**
- **EBITDA – \$4,120 million (+70.7%)**
- **Net income – \$2,324 million (+156.8%)**
- **Net margin – 11.6% (+6.1% in 1Q 2009)**

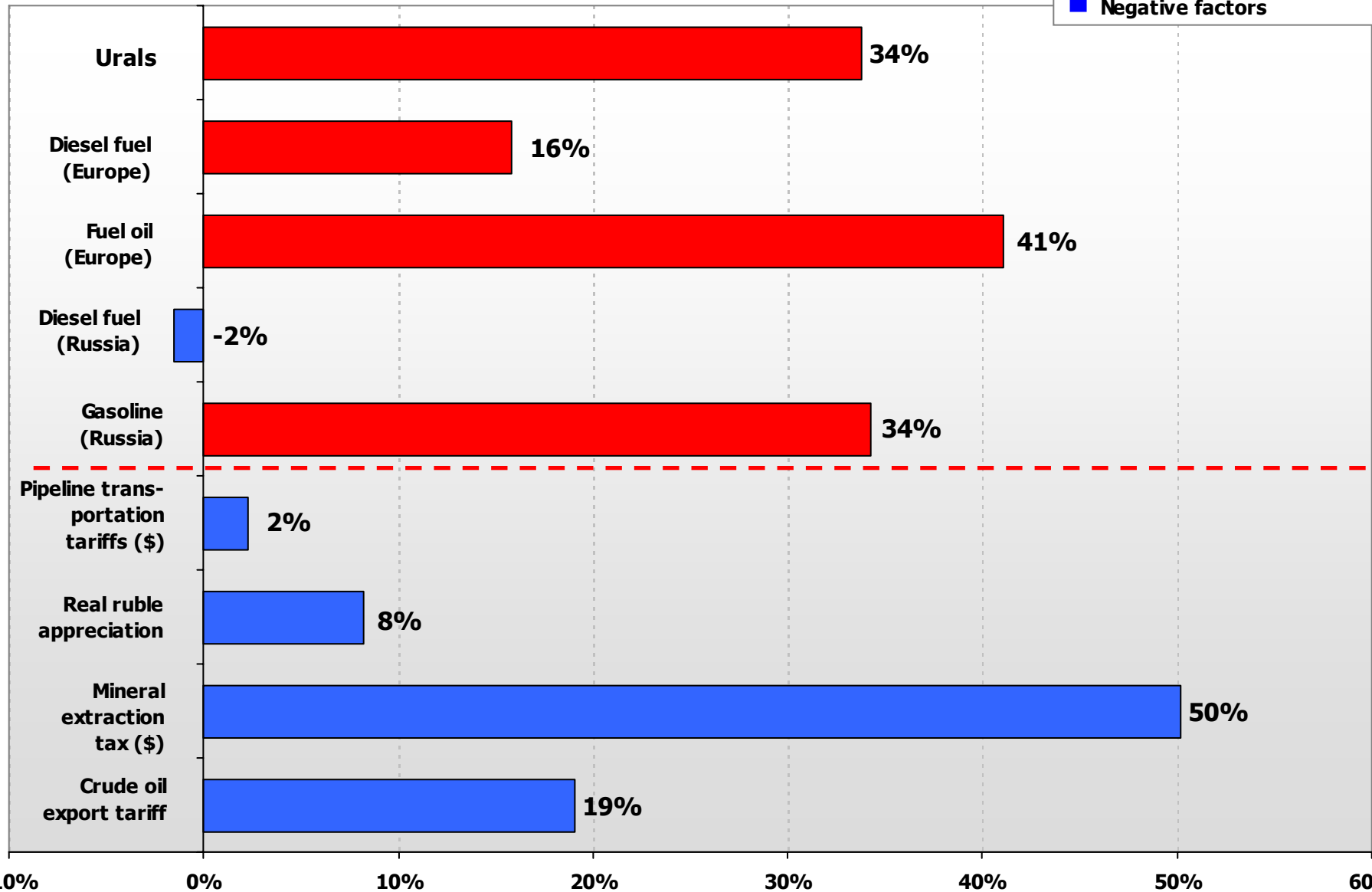
**2Q 2009 growth rates of the Company's main financial indicators (q-o-q)
substantially exceed those of crude oil price
thanks to Company's measures to raise its business efficiency**

Macroeconomic and Tax Environment



2Q 2009 to 1Q 2009

■ Positive factors
■ Negative factors



Macroeconomic and Tax Environment



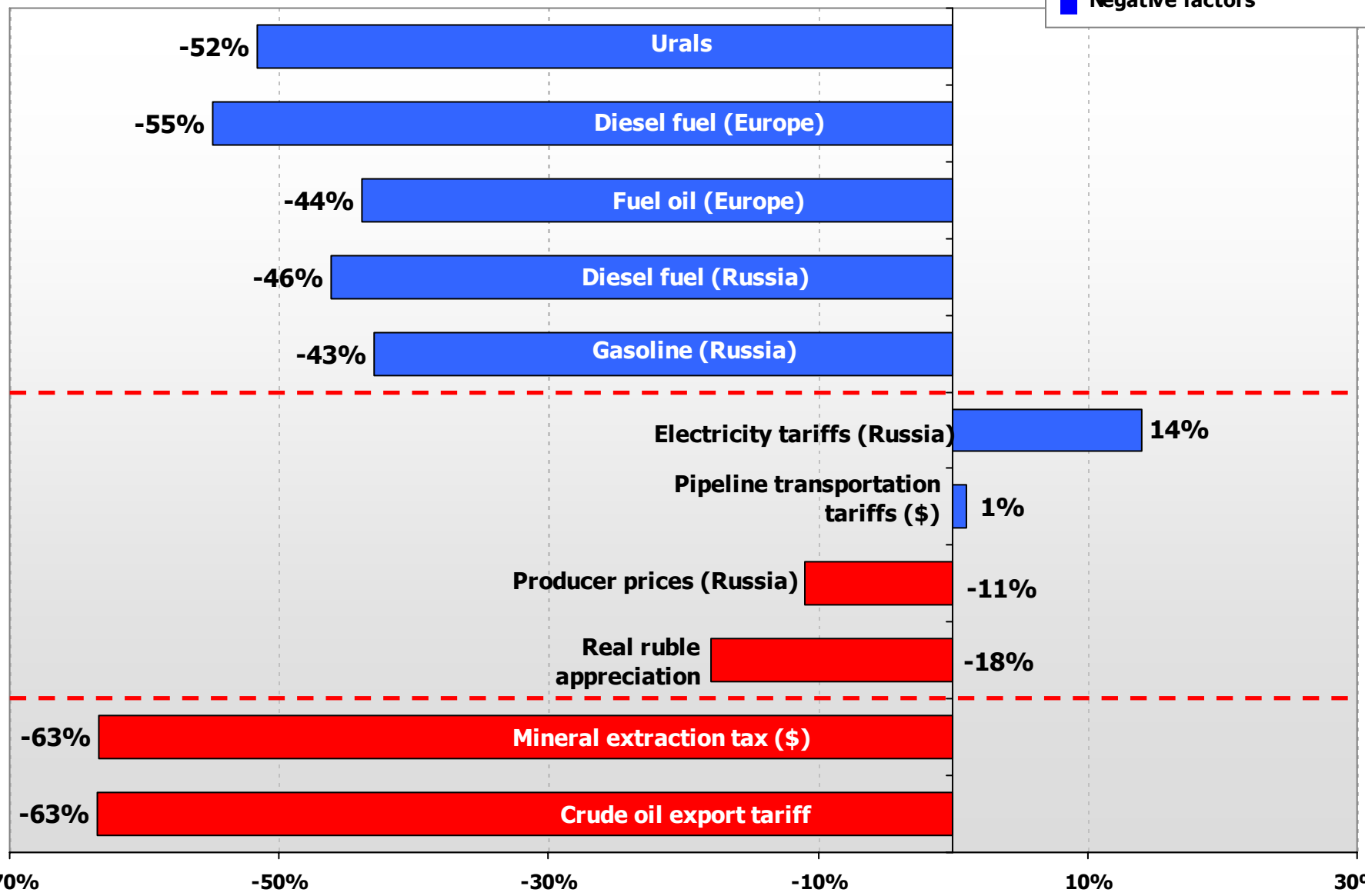
1H 2009 to 1H 2008

■ Positive factors
■ Negative factors

REVENUE

EXPENSE

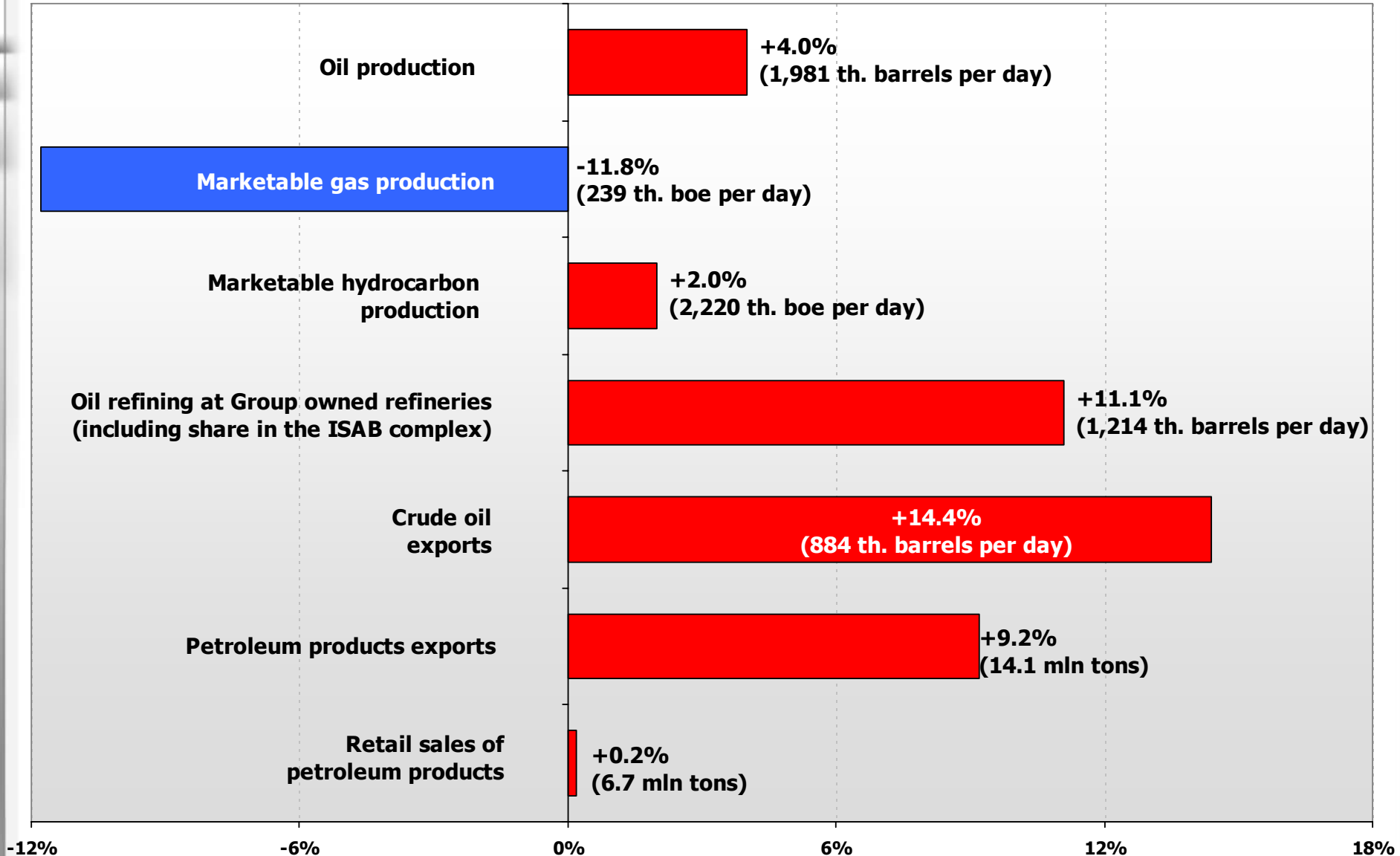
TAX



Main Operating Results



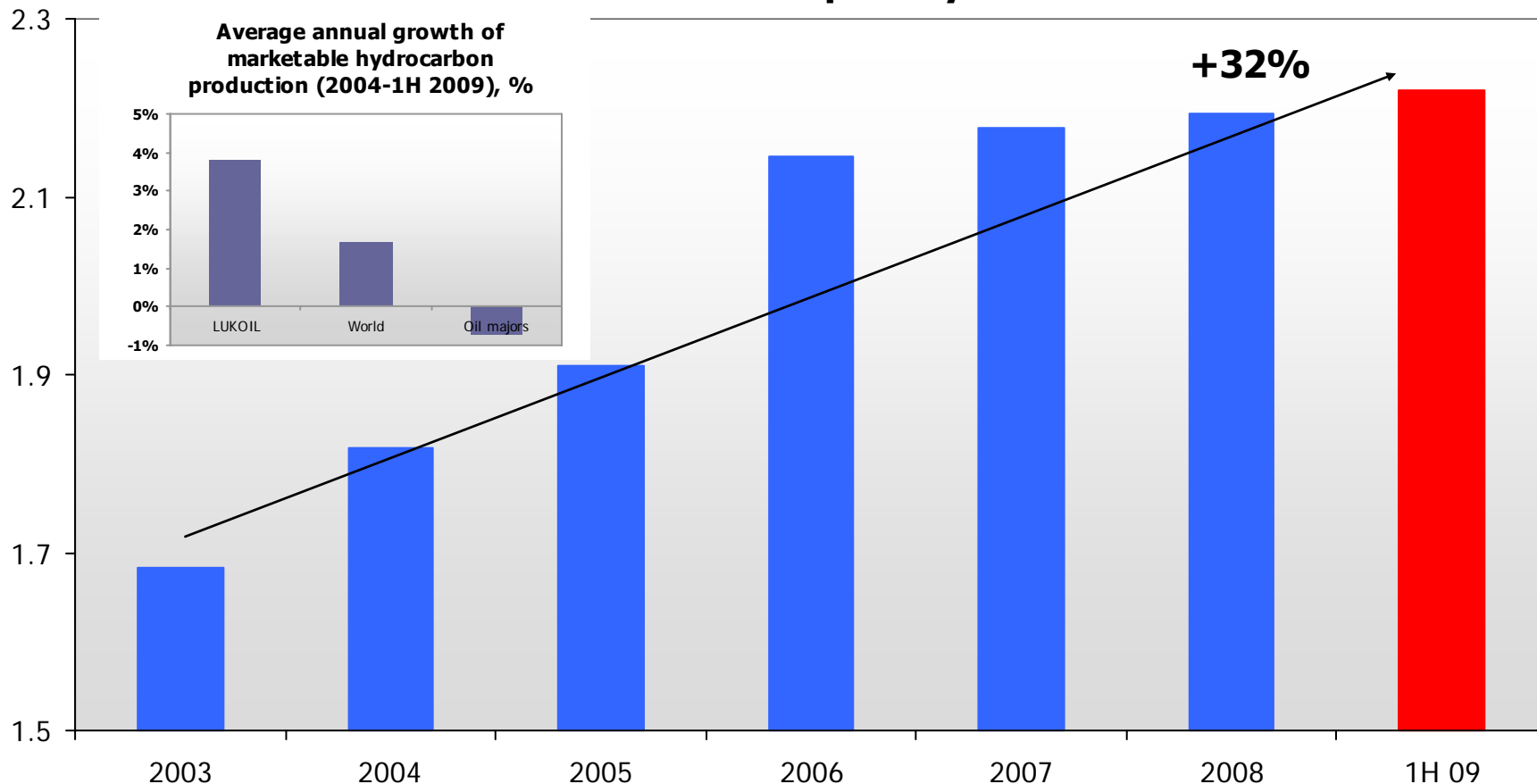
1H 2009 to 1H 2008 (1H 2009 actual level)



Delivering Steady Production Growth



LUKOIL marketable hydrocarbon production, mln boe per day



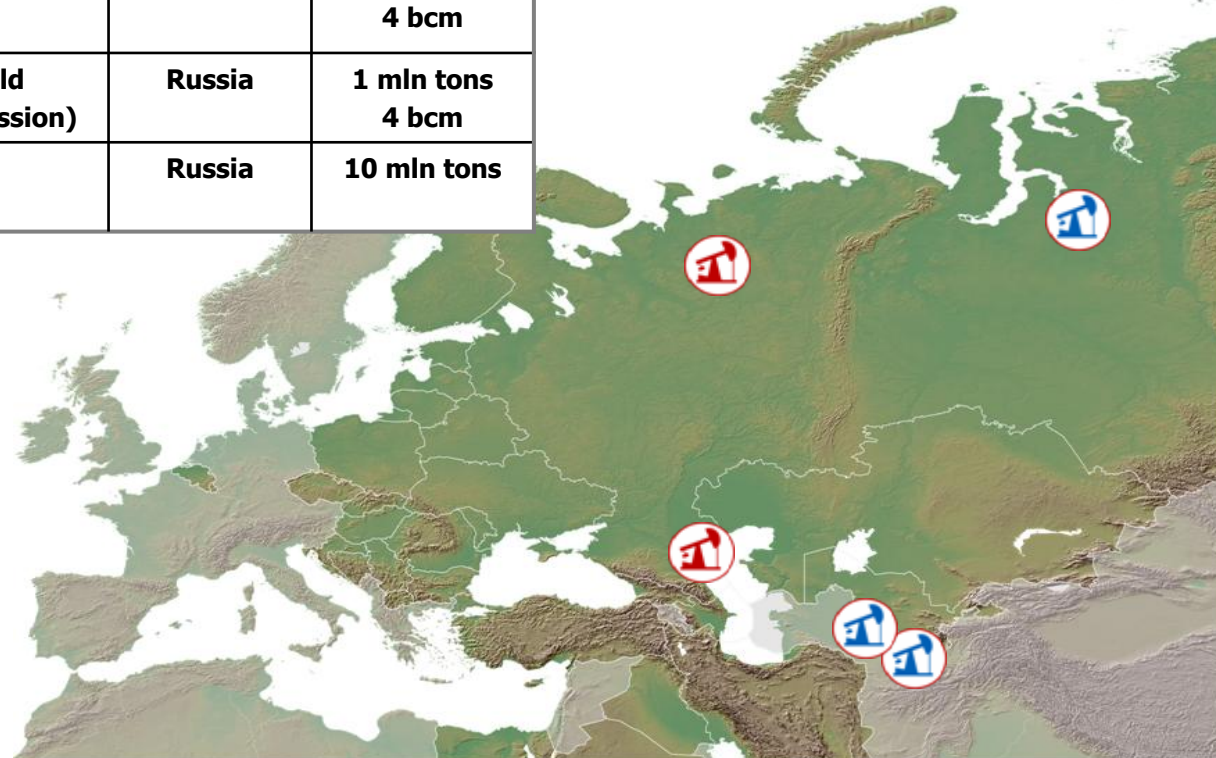
LUKOIL is constantly increasing its hydrocarbon production by commissioning new large and promising projects to offset decreasing production in traditional regions and by applying latest technologies

E&P Key Growth Projects



Year of launch	Field	Country	Peak production
2007	Khauzak	Uzbekistan	3 bcm
2008	Yuzhnaya Khylochuya (Timan-Pechora)	Russia	7.5 mln tons
2010	Yu. Korchagin field (Caspian offshore)	Russia	2.3 mln tons
2011	Kandym S-W Gissar	Uzbekistan	8 bcm 4 bcm
2013	Pyakyakhinskoye field (Bolshekhetskaya depression)	Russia	1 mln tons 4 bcm
2013	Filanovsky field (Caspian offshore)	Russia	10 mln tons

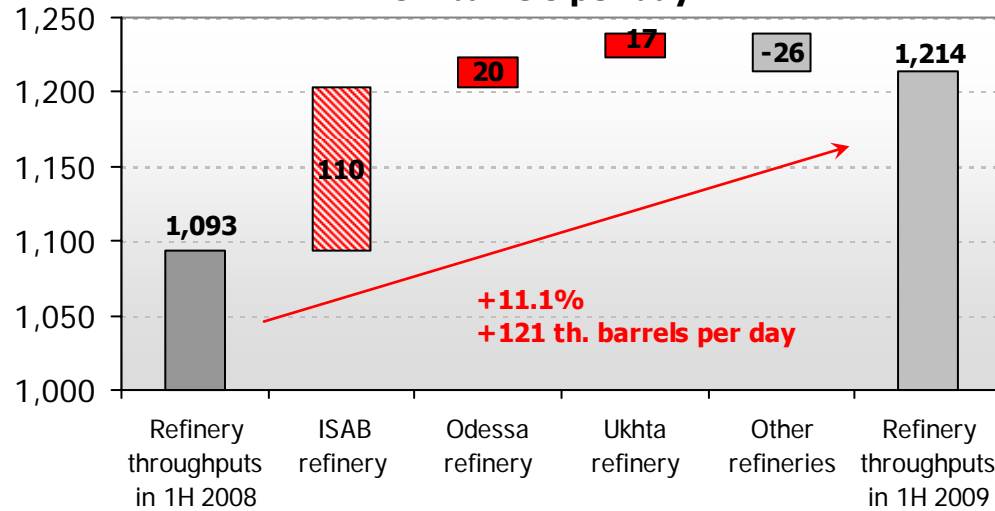
Priority projects which will secure hydrocarbon production growth in 2007–2013:



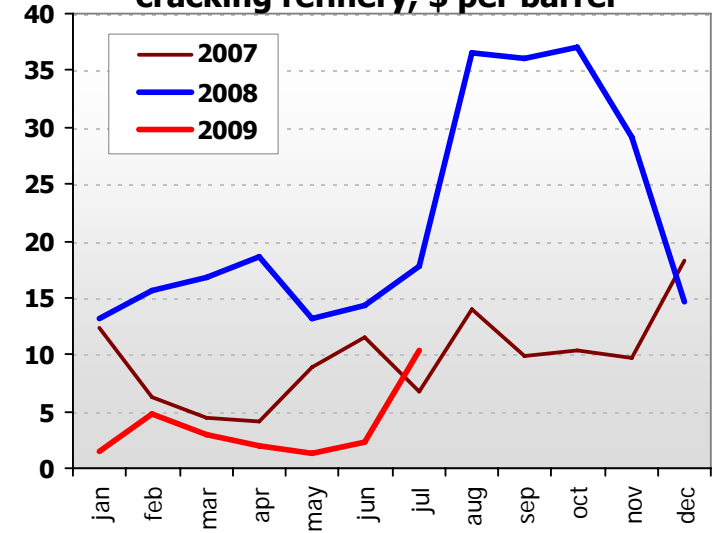
LUKOIL Refinery Throughputs Are Steadily Growing



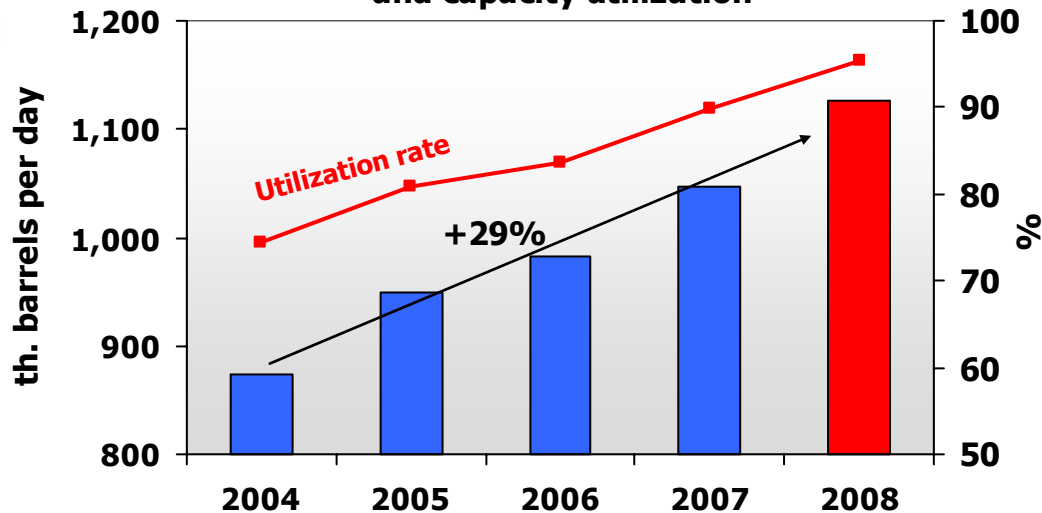
Refinery throughputs reconciliation (y-o-y),
th. barrels per day



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



Refinery throughputs at Group refineries
and capacity utilization



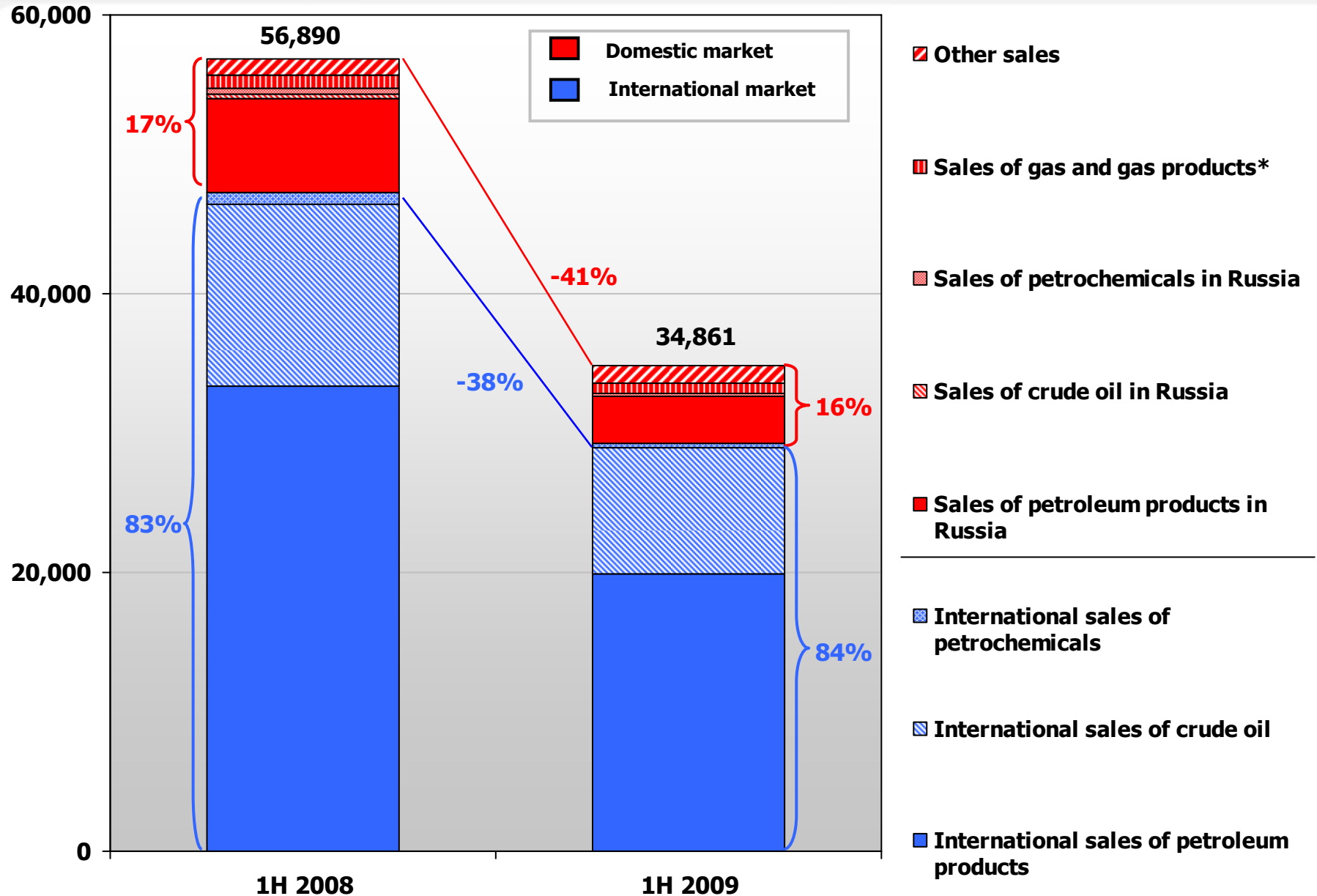
LUKOIL substantially increased refinery throughputs in 1H 2009 thanks to volumes refined at the ISAB Complex as well as increase in refinery throughputs at the Odessa Refinery, which was re-launched in 2008 after modernization

Financial Results



2Q 2009	1Q 2009	Δ ,%	\$ million	1H 2009	1H 2008	Δ ,%
20,116	14,745	+36.4	Sales	34,861	56,890	-38.7
(1,876)	(1,232)	+52.3	Operating expenses	(3,108)	(3,678)	-15.5
(4,283)	(3,717)	+15.2	Taxes other than income tax (including excise and export duties)	(8,000)	(16,528)	-51.6
3,013	1,532	+96.7	Income from operating activities	4,545	9,618	-52.7
2,893	1,502	+92.6	Income before income tax	4,395	9,725	-54.8
2,324	905	+156.8	Net income (loss)	3,229	7,293	-55.7
2.74	1.07	+156.8	Basic EPS, \$	3.81	8.70	-56.2
4,120	2,414	+70.7	EBITDA	6,534	11,039	-40.8

Sales Breakdown, \$ million



* Includes international sales.

Operating Expenses



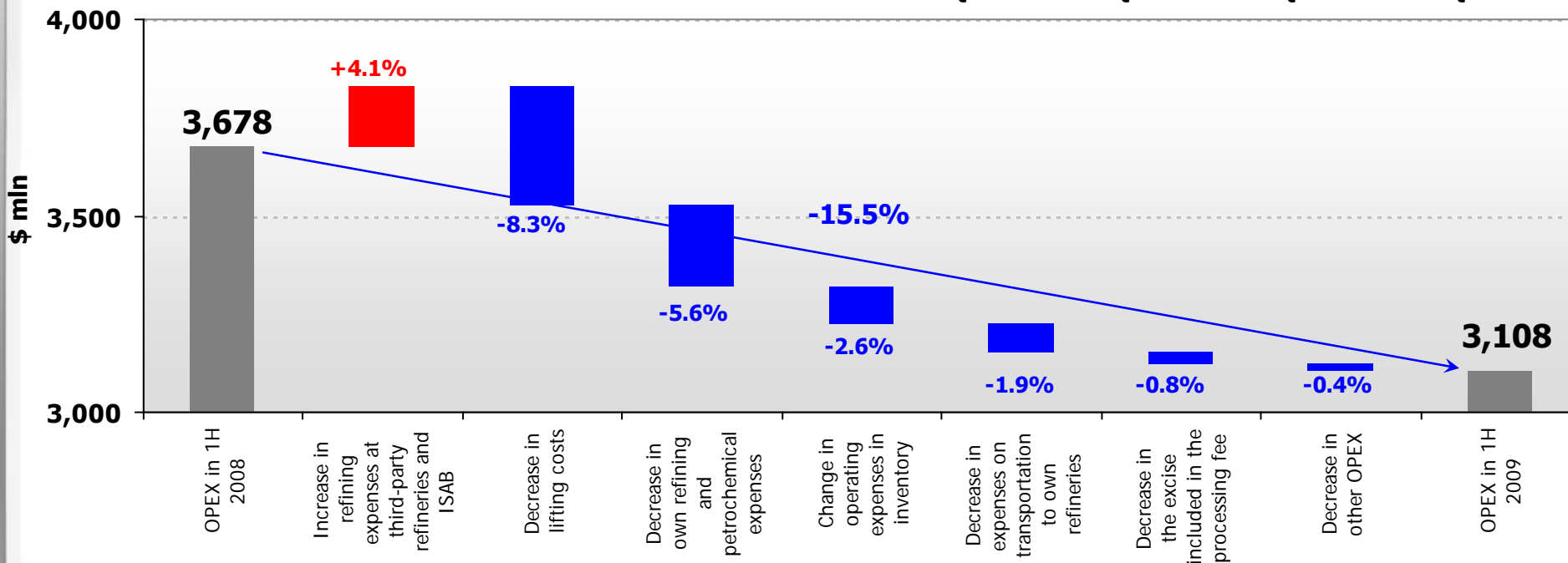
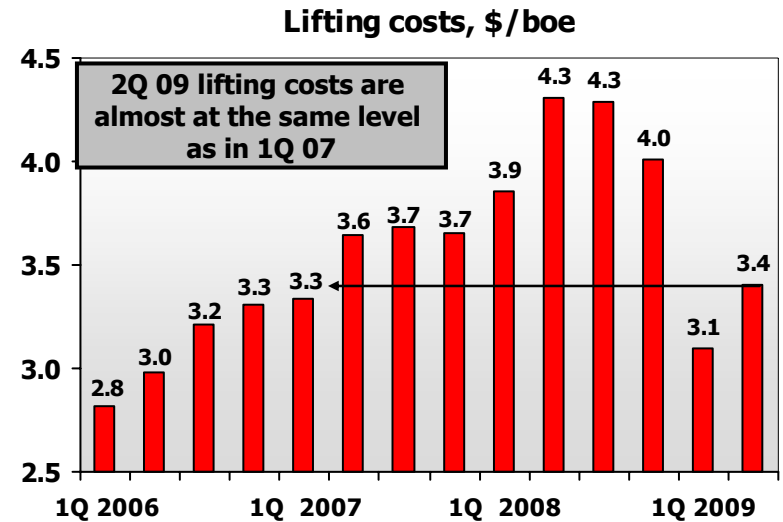
2Q 2009	1Q 2009	Δ ,%	\$ million	1H 2009	1H 2008	Δ ,%
665	602	+10.5	Hydrocarbon lifting costs	1,267	1,571	-19.4
233	202	+15.3	Own refining expenses	435	555	-21.6
169	159	+6.3	Refining expenses at third-party refineries and ISAB refining complex	328	176	+86.4
14	22	-36.4	Excise included in processing fee paid to third-party refineries	36	64	-43.8
25	29	-13.8	Petrochemical expenses	54	141	-61.7
256	209	+22.5	Crude oil transportation to own refineries	465	537	-13.4
461	354	+30.2	Other operating expenses	815	832	-2.0
53	(345)	–	Change in operating expenses in crude oil and refined products inventory originated within the Group	(292)	(198)	+47.5
1,876	1,232	+52.3	Total	3,108	3,678	-15.5
7,910	5,362	+47.5	Cost of purchased crude oil, gas and products	13,272	21,119	-37.2

LUKOIL Successfully Controls Operating Expenses



LUKOIL managed to decrease hydrocarbon lifting costs by 21% (in 1H 2009 to 1H 2008) to \$3.25/boe thanks to :

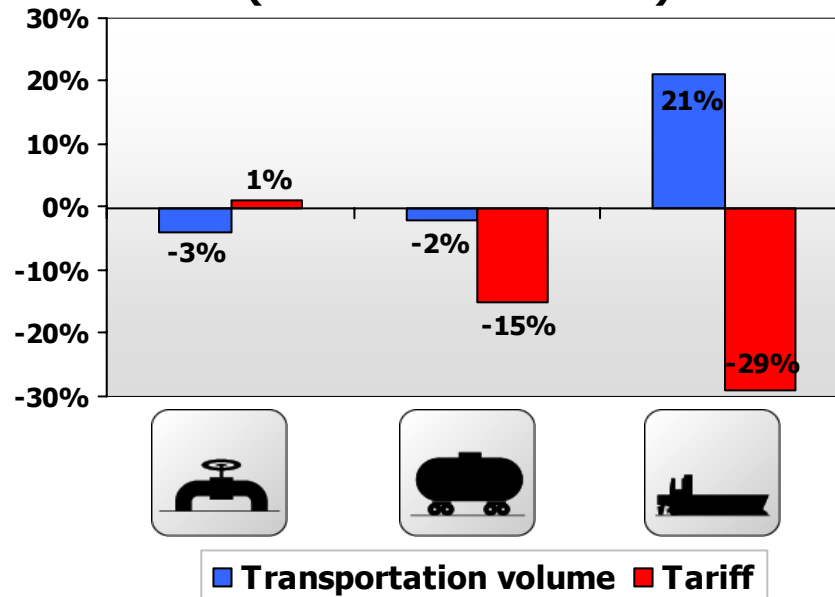
- **Rouble depreciation:** the real rouble depreciation to the US dollar was 18% (1H 2009 to 1H 2008)
- **Cost cutting program,** effective cooperation with suppliers and subcontractors



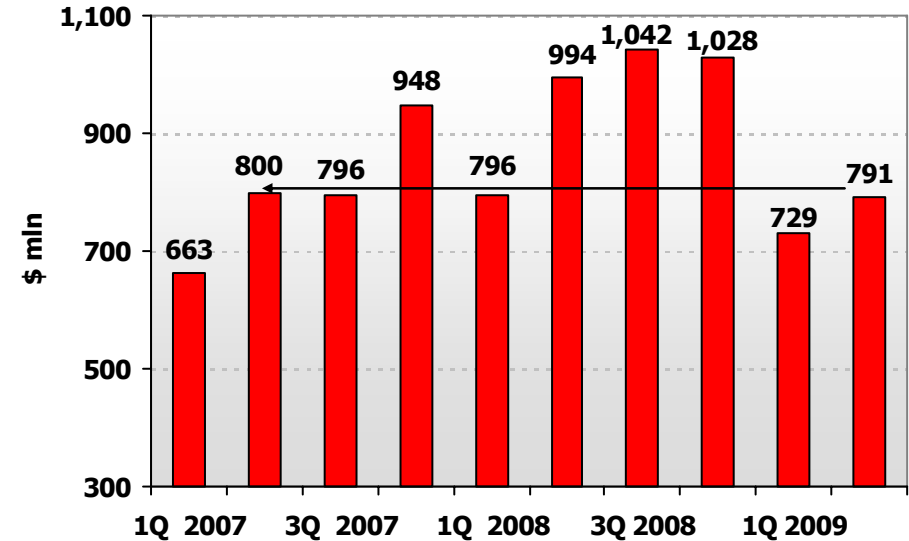
SG&A and Transportation Expenses



Transportation expenses (1H 2009 to 1H 2008)

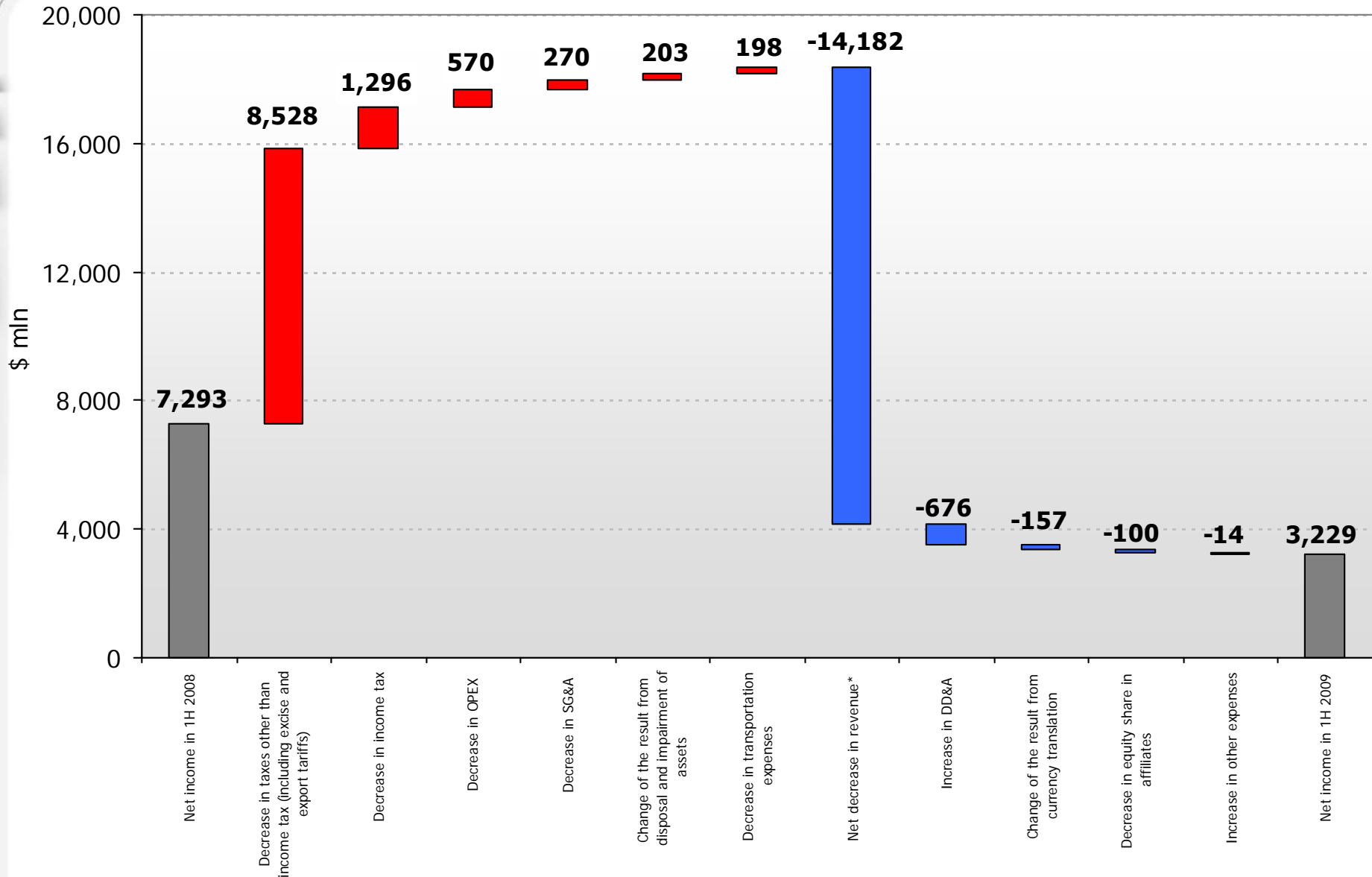


SG&A expenses



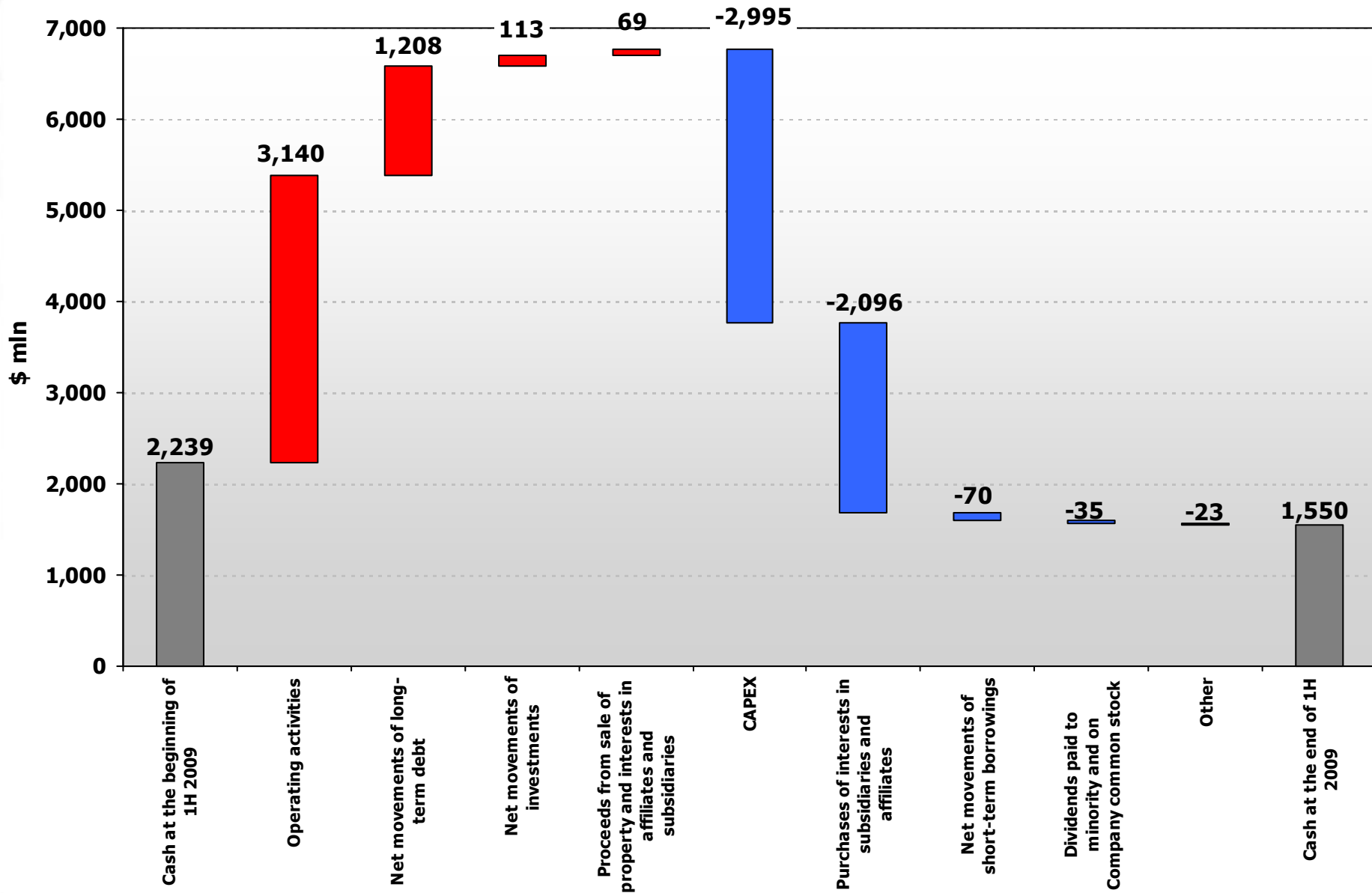
2Q 2009	1Q 2009	Δ, %	\$ million	1H 2009	1H 2008	Δ, %
1,187	1,169	+1.5	Transportation expenses	2,356	2,554	-7.8
791	729	+8.5	Other selling, general and administrative expenses	1,520	1,790	-15.1
1,978	1,898	+4.2	Total	3,876	4,344	-10.8

Net Income Reconciliation



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

1H 2009 Cash Flow Reconciliation



CAPEX Breakdown



2Q 2009	1Q 2009	Δ, %	\$ million	1H 2009	1H 2008	Δ, %
1,123	1,118	+0.4	Exploration and production	2,241	4,093	-45.2
939	960	-2.2	<i>Russia</i>	1,899	3,679	-48.4
184	158	+16.5	<i>International</i>	342	414	-17.4
304	303	+0.3	Refining and marketing	607	889	-31.7
189	154	+22.7	<i>Russia</i>	343	550	-37.6
115	149	-22.8	<i>International</i>	264	339	-22.1
32	29	+10.3	Petrochemicals	61	45	+35.6
3	3	+0.0	<i>Russia</i>	6	10	-40.0
29	26	+11.5	<i>International</i>	55	35	+57.1
115	16	+618.8	Other	131	48	+172.9
1,574	1,466	+7.4	Total (cash and non-cash)	3,040	5,075	-40.1

JV in the Netherlands Expands LUKOIL's European Refining



- Operational since 1973
 - Located in the largest refining and trading region of Rotterdam in the Northwestern Europe (ARA)
 - **Total Raffinaderij Nederland (TRN) has a topping capacity of 158,000 barrels per day (8 mln tons per year). Due to surplus hydrocracker conversion capacity, the capacity can reach 10–12 mln tons per year.**
-
- TRN is integrated with an adjusted petrochemical facility and linked to an oil terminal in Rotterdam by a pipeline (TRN owns 22% share in this terminal)
 - The refinery has 385 employees
 - TRN also owns the Borsele Marine Terminal and the Van Cittershaven barge jetty with 4 loading platforms with 6 berths
 - TRN is capable of handling large variety of feedstock (including high-sulfur crude)

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**