

Recommendations of the Board of Directors of OAO "LUKOIL" on the items on the agenda of the Annual General Shareholders Meeting of OAO "LUKOIL"

To recommend that the Annual General Shareholders Meeting of OAO "LUKOIL" adopt the following decisions:

On item 1 on the agenda of the meeting:

To approve the Annual Report of OAO "LUKOIL" for 2007 and the annual financial statements, including income statements (profit and loss accounts) of the Company, and also the distribution of profits:

The net profit of OAO "LUKOIL" for distribution for 2007 was equal to 65,127,177,000 roubles.

To distribute 35,723,657,000 roubles to the payment of dividends for 2007.

The rest of the net profit shall be left undistributed.

To pay dividends for the 2007 financial year in the amount of 42 roubles per ordinary share. To set the term of payment of dividends as July to December 2008. Payment of dividends shall be made in cash from the account of OAO "LUKOIL".

If the dividends transferred by OAO "LUKOIL" are returned due to incorrect banking details in the shareholders' register of OAO "LUKOIL" or the death of a shareholder, repeat payment of dividends will be performed after information is provided to OAO Registrar NIKoil (hereinafter the "Registrar") on changes in payment and other details and the relevant amendments are made to the shareholders' register of OAO "LUKOIL".

If dividends sent by postal money order are returned, repeat payment will be made through wire transfer to the shareholder's bank account after the latter provides the Registrar with information on its banking details and this information is entered into the shareholders' register of OAO "LUKOIL".

The costs on the transfer of dividends, regardless of the means, will be paid by OAO "LUKOIL".

The list of parties entitled to receive dividends shall be compiled on the date of preparation of the list of parties entitled to participate in the Annual General Shareholders Meeting of OAO "LUKOIL", i.e. 8 May 2008.

The proposed decisions are based on the recommendations of the Strategy and Investment Committee of the Board of Directors of OAO "LUKOIL" (Minutes No. 1 of 8 April 2008) and the Audit Committee of the Board of Directors of OAO "LUKOIL" (Minutes No. 3 of 12 May 2008).

The 2007 Annual Report of OAO "LUKOIL" received tentative approval from the Board of Directors of OAO "LUKOIL" (Minutes No. 13 of 21 May 2008).

On item 2 on the agenda of the meeting:

To elect the Board of Directors of OAO "LUKOIL", consisting of 11 members, from the list of candidates approved by the Board of Directors of OAO "LUKOIL" on 4 February 2008 (Minutes No. 3).

When voting on this item, it should be borne in mind that A.L. Kostin who was included in the list of candidates for election to the Board of Directors of OAO "LUKOIL" and who on 25 January 2008 submitted his written consent to stand for election to the Board of Directors of OAO "LUKOIL", on 21 March 2008 submitted to OAO "LUKOIL" a written notice of his refusal to stand for election to the Board of Directors of OAO "LUKOIL" due to a conflict of interest.

On item 3 on the agenda of the meeting:

To elect the Audit Commission of OAO "LUKOIL" from the list of candidates approved by the Board of Directors of OAO "LUKOIL" on 4 February 2008 (Minutes No. 3).

On item 4 on the agenda of the meeting:

1. To pay members of the Board of Directors remuneration for their performance of the duties of members of the Board of Directors, in the following amounts:
 - V.I. Grayfer – 4,300,000 roubles
 - V.Yu. Alekperov – 4,300,000 roubles
 - M.P. Berezhnoi – 4,300,000 roubles
 - D.E. Walette – 4,300,000 roubles
 - O.E. Kutafin – 4,300,000 roubles
 - R.U. Maganov – 4,300,000 roubles
 - R. H. Matzke – 4,300,000 roubles
 - S.A. Mikhailov – 4,300,000 roubles
 - N.A. Tsvetkov – 4,300,000 roubles
 - I.V. Sherkunov – 4,300,000 roubles
 - A.N. Shokhin – 4,300,000 roubles
2. In accordance with the decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 28 June 2007 (Minutes No. 1), to pay the members of the Board of Directors the following remuneration in addition to that for the performance of the duties of members of the Board of Directors:
 - to V.I. Grayfer, for performance of the functions of the Chairman of the Board of Directors – 1,000,000 roubles;
 - to R.H. Matzke, for performance of the functions of Chairman of the Strategy and Investment Committee – 500,000 roubles;
 - to O.E. Kutafin, for performance of the functions of Chairman of the Audit Committee – 500,000 roubles;
 - to A.N. Shokhin, for performance of the functions of Chairman of the Human Resources and Compensation Committee – 500,000 roubles.
3. In addition to remuneration for performing their functions as members of the Board of Directors, to pay the members of the Board of Directors for their attendance at meetings of committees of the Board of Directors, and for their attendance at meetings of the Board of Directors or a committee of the Board of Directors, where attendance requires a transcontinental flight, in the amount established by decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 28 June 2007 (Minutes No. 1). The specific amount of remuneration due for payment shall be determined as at the date of the Annual General Shareholders Meeting of OAO "LUKOIL" on 26 June 2008, in accordance with the actual participation of members of the Board of Directors at meetings.
4. To pay remuneration to each of the members of the Audit Commission of OAO "LUKOIL" in the amount established by decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 28 June 2007 (Minutes No. 1) – 2,500,000 roubles.
5. To reimburse members of the Board of Directors for expenses in relation to their performance of the functions of members of the Board of Directors, the types of which are established by decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 24 June 2004 (Minutes No. 1), in the amount of actually incurred documented expenses.

6. To establish the following amounts of remuneration for newly elected members of the Board of Directors of OAO "LUKOIL":
 - for performance of the duties of a member of the Board of Directors – 4,470,000 roubles;
 - for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 1,040,000 roubles;
 - for performance by a member of the Board of Directors of the functions of the Chairman of a committee of the Board of Directors – 520,000 roubles;
 - for attendance in person at a meeting of a committee of the Board of Directors by a member of the Board of Directors who is a member of the committee – 104,000 roubles;
 - for attendance in person at a meeting of the Board of Directors or a committee of the Board of Directors which involves a transcontinental flight (a flight from one continent to another that lasts more than eight hours) – 260,000 roubles. If a member of the Board of Directors takes a transcontinental flight to attend the meetings of both a committee (committees) of the Board of Directors and of the Board of Directors itself, only a single amount of remuneration for the transcontinental flight will be paid.
7. To establish remuneration for newly elected members of the Audit Commission of OAO "LUKOIL" in the amount of 2,600,000 roubles.

The proposed decisions are based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of OAO "LUKOIL" (Minutes No. 1 of 11 February 2008).

On item 5 on the agenda of the meeting:

To approve Closed Joint Stock Company KPMG as the independent auditor of OAO "LUKOIL".

The proposed decision is based on the recommendations of the Audit Committee of the Board of Directors of OAO "LUKOIL" (Minutes No. 1 of 27 February 2008).

On item 6 on the agenda of the meeting:

To approve interested-party transactions.