

Auditors' report

To the shareholders of the Open Joint Stock Company Oil Company LUKOIL

We have audited the accompanying financial statements of the Open Joint Stock Company Oil Company LUKOIL (hereinafter the "Company") for the period from 1 January to 31 December 2007 inclusive.

The financial statements, set on 50 pages, comprise:

- the balance sheet as at 31 December 2007;
- the income statement for 2007;
- appendices to the balance sheet and income statement including:
 - statement of changes in equity for 2007;
 - cash flow statement for 2007;
 - attachments to the balance sheet;
- explanatory notes to the financial statements.

The Executive Body of the Company is responsible for keeping the accounts, the preparation and presentation of the Financial Statements. Our responsibility is to express an opinion on the reliability of the Financial Statements based on our audit in all material respects, and whether the accounting procedures are, in all material respects, in compliance with the legislation of the Russian Federation.

We performed audit in accordance with the Federal Law *On Auditing* (as amended), the Federal Rules (Standards) On Auditing, internal KPMG auditing methodology, the rules and standards adopted by the Chamber of Auditors of Russia and the Institute of Professional Accountants and Auditors of Russia.

The audit was planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. The audit was performed on a sample basis and included examination, on a test basis, of evidence supporting the amounts presented in the financial statements and the information disclosed therein on the financial performance of the Company. The audit also included an assessment of the Company's compliance with the accounting principles and rules in the preparation of the financial statements and a review of key estimates made by management, as well as an evaluation of the presentation of the financial statements. We believe that the performed audit provides sufficient grounds to express our opinion on the reliability of the financial statements in all material respects, and on the compliance of the accounting records and procedures, in all material respects, with the legislation of the Russian Federation.

In our opinion, the accompanying financial statements present reliably, in all material respects, the financial position of the Company as at 31 December 2007 and its financial performance for the period from 1 January to 31 December 2007 inclusive, and the accounting records and procedures serving as the basis for the preparation of the financial statements comply, in all material respects, with the legislation of the Russian Federation.

28 March 2008

Altukhov Kirill Vitalievich

Director of ZAO KPMG,
power of attorney dated 29 August 2007 No. 14/07,
auditor's qualification certificate for general audit
No. K016214, valid for an indefinite period

Sitnova Antonina Grigorievna

In charge of the audit,
auditor's qualification certificate for general audit
No. K001980, valid for an indefinite period