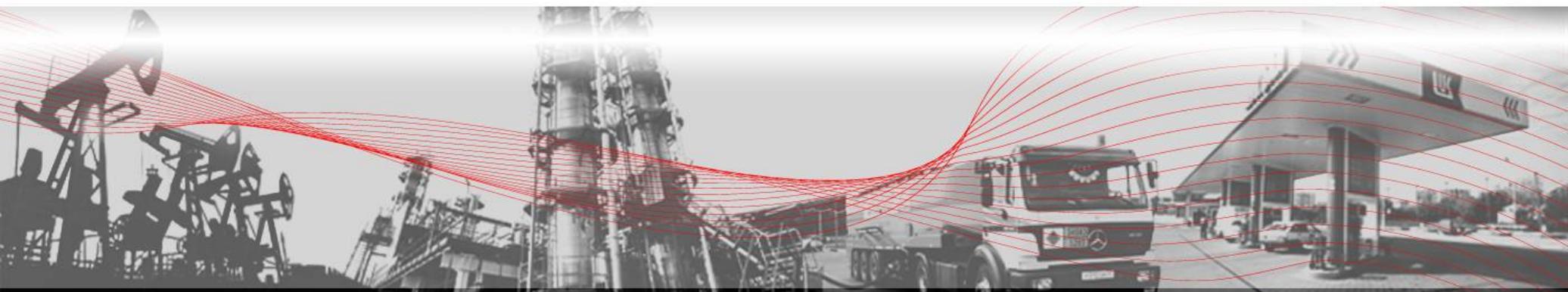




9M 2009 Financial Results

(US GAAP)

Leonid Fedun, Vice-President of LUKOIL



December 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.

3Q 2009 Financial Highlights

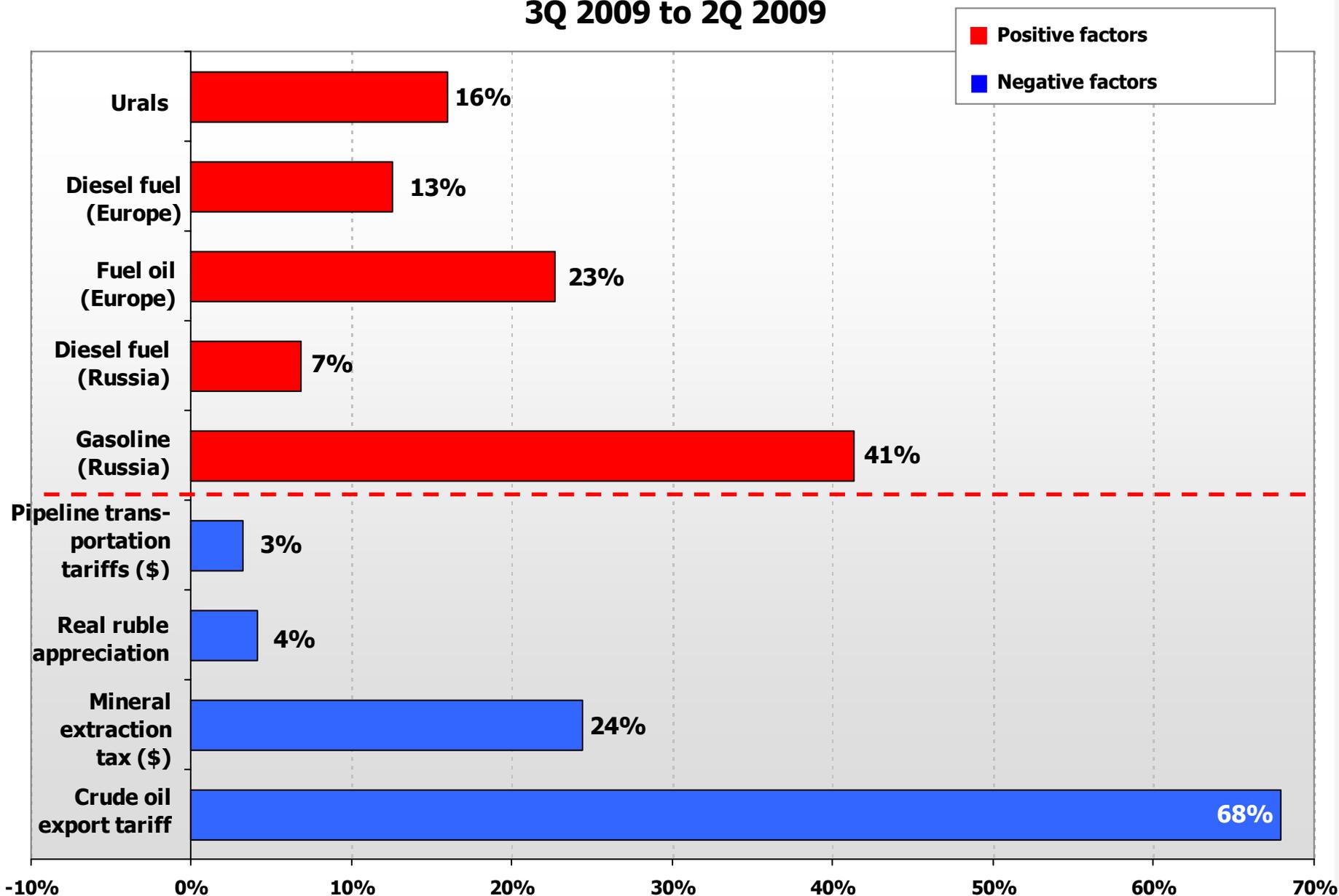


- **Sales – \$21,941 mln (+9.1% q-o-q)**
- **EBITDA – \$3,703 mln (-10.1%)**
- **Net income – \$2,056 mln (-11.5%)**
- **Net income per boe of production – \$10.1 per boe (\$11.5 per boe in 2Q 2009)**
- **Free cash flow – \$1,297 mln (-\$84 mln in 2Q 2009)**

Macroeconomic and Tax Environment



3Q 2009 to 2Q 2009



Macroeconomic and Tax Environment

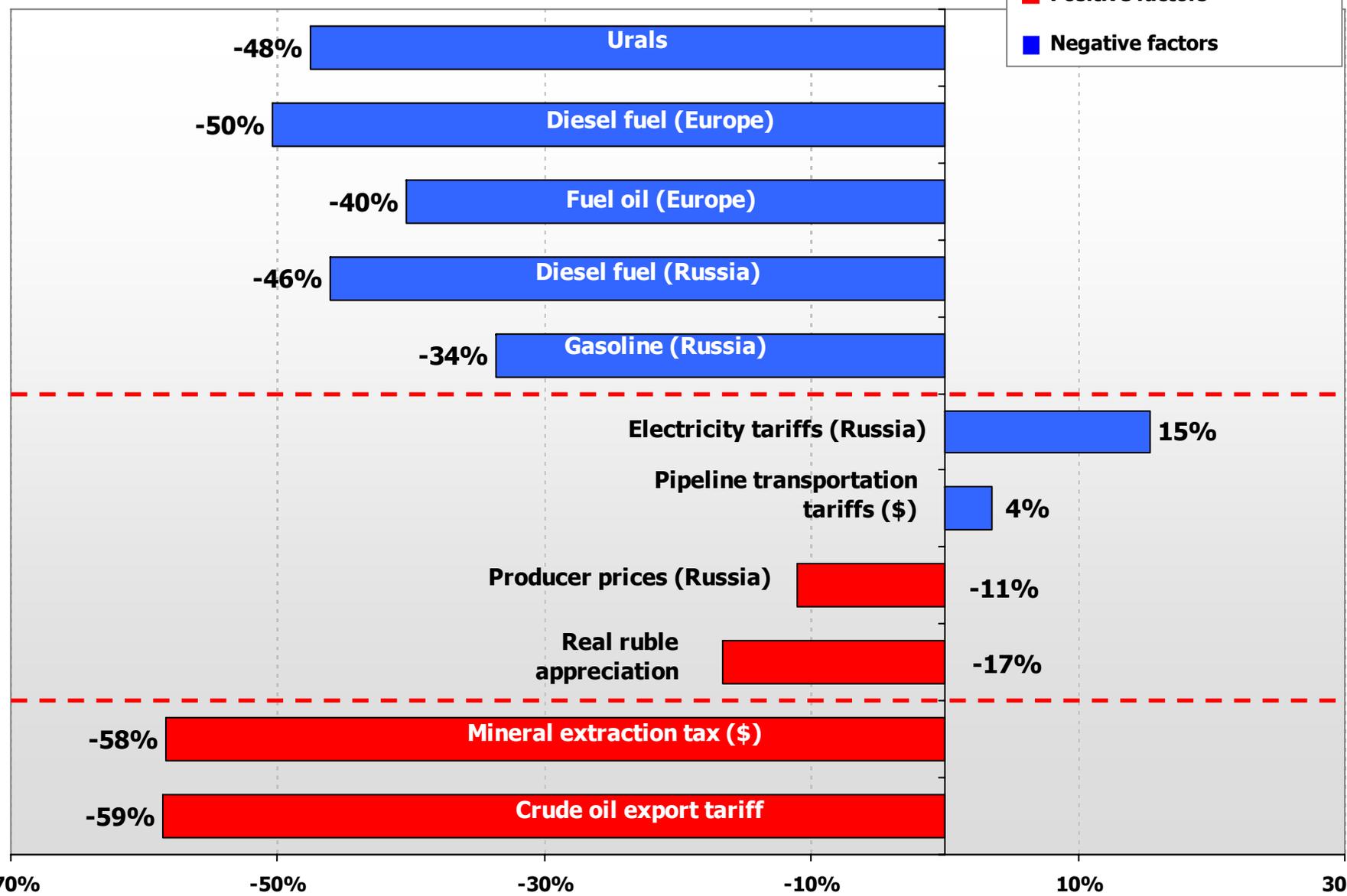


9M 2009 to 9M 2008

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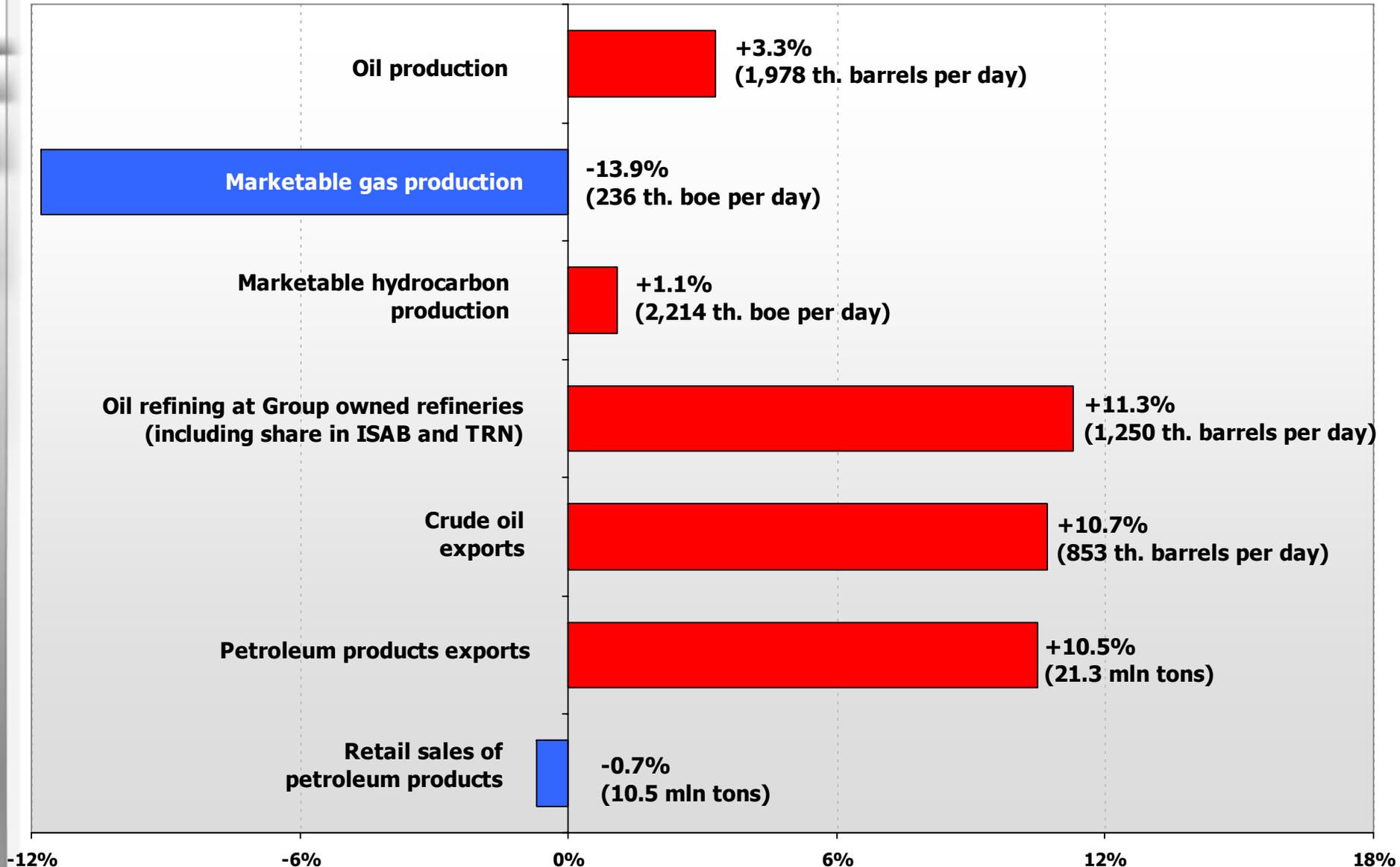
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Main Operating Results



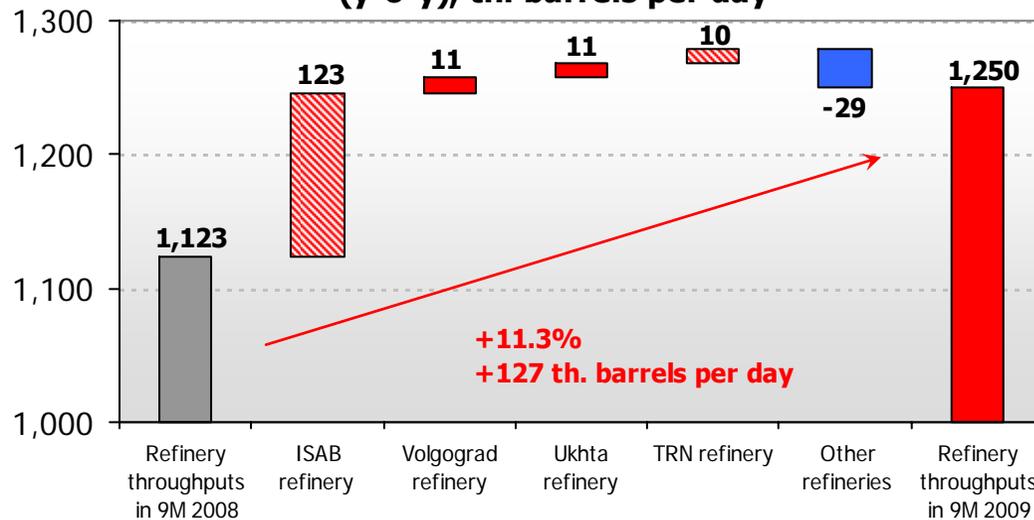
9M 2009 to 9M 2008 (9M 2009 actual level)



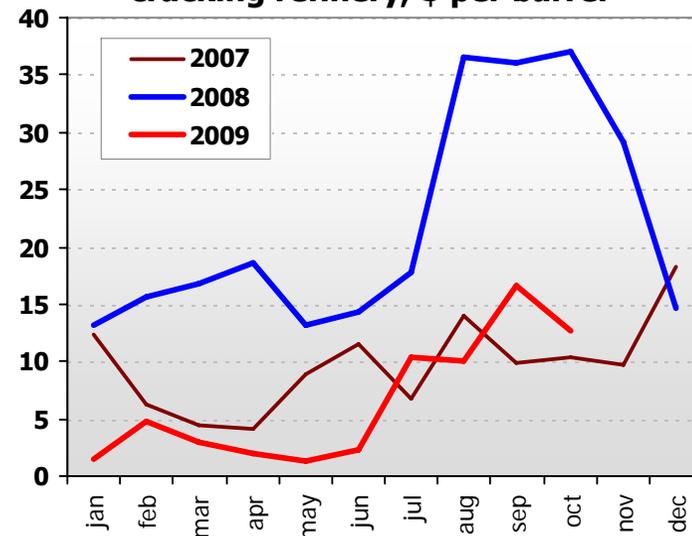
LUKOIL Refinery Throughputs Are Steadily Growing



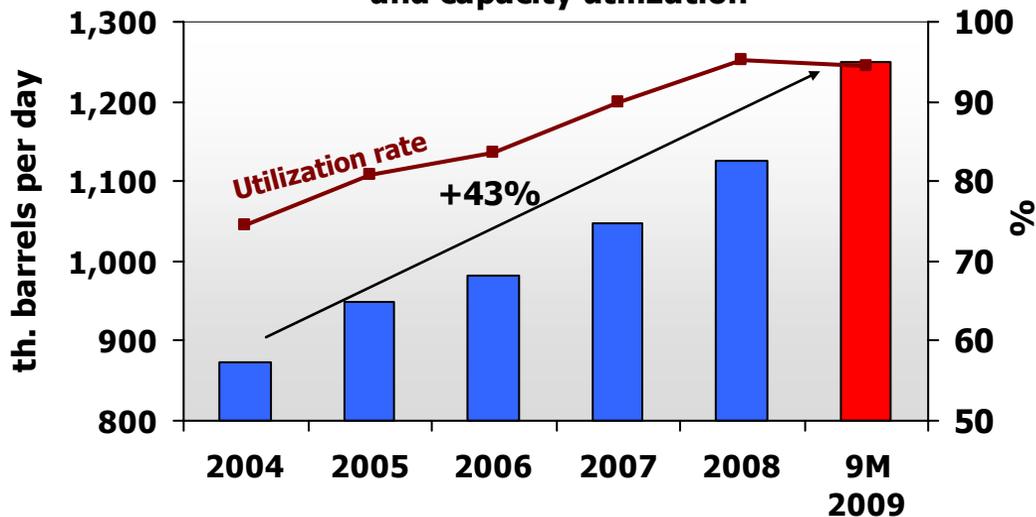
Group's refinery throughputs reconciliation (y-o-y), th. barrels per day*



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



Refinery throughputs at Group refineries and capacity utilization



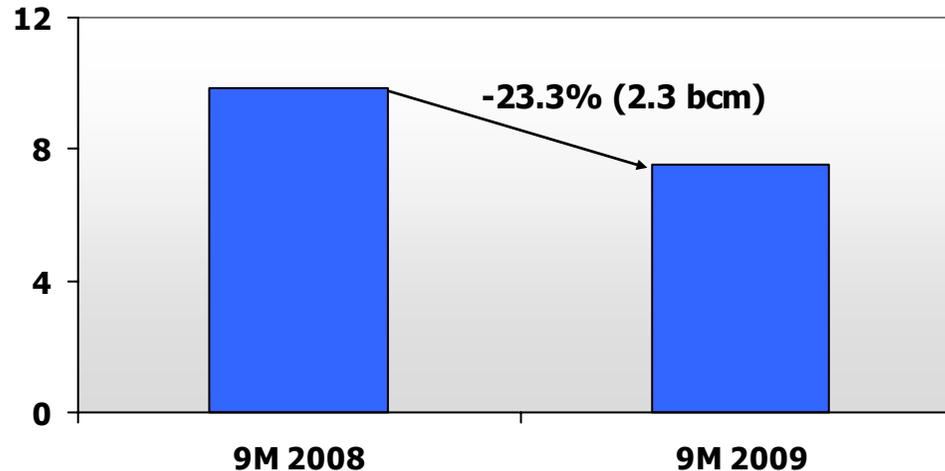
LUKOIL substantially increased refinery throughputs in 9M 2009 thanks to volumes refined at the ISAB Complex as well as increase in refinery throughputs at the Volgograd, Ukhta and TRN refineries

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

Non-economic Causes of Less Income Earned



**Group marketable gas production in Russia,
bcm**



Due to the limited gas purchase volumes by Gazprom, LUKOIL earned about \$100 mln of pre-tax income less.

- In 3Q 2009 as a result of FAS pressure on LUKOIL, policy of holding in check and reducing product prices amid stable oil prices, the Company earned about \$100-120 mln of pre-tax profit less in Russian wholesale and retail product markets.

Financial Results



3Q 2009	2Q 2009	Δ, %	\$ million	9M 2009	9M 2008	Δ, %
21,941	20,116	+9.1	Sales	56,802	89,265	-36.4
(1,907)	(1,876)	+1.7	Operating expenses	(5,015)	(5,882)	-14.7
(5,745)	(4,283)	+34.1	Taxes other than income tax (including excise and export duties)	(13,745)	(27,466)	-50.0
2,856	3,013	-5.2	Income from operating activities	7,401	14,500	-49.0
2,578	2,893	-10.9	Income before income tax	6,973	14,536	-52.0
2,056	2,324	-11.5	Net income (loss)	5,285	10,765	-50.9
2.43	2.74	-11.3	Basic EPS, \$	6.24	12.85	-51.4
3,703	4,120	-10.1	EBITDA	10,237	16,703	-38.7

Operating Expenses



3Q 2009	2Q 2009	Δ, %	\$ million	9M 2009	9M 2008	Δ, %
722	665	+8.6	Hydrocarbon lifting costs	1,989	2,421	-17.8
235	233	+0.9	Own refining expenses	670	849	-21.1
165	169	-2.4	Refining expenses at third-party refineries, ISAB and TRN	493	297	+66.0
8	14	-42.9	Excise included in processing fee paid to third-party refineries	44	90	-51.1
36	25	+44.0	Petrochemical expenses	90	187	-51.9
244	256	-4.7	Crude oil transportation to own refineries	709	823	-13.9
470	461	+2.0	Other operating expenses	1,285	1,344	-4.4
27	53	-49.1	Change in operating expenses in crude oil and refined products inventory originated within the Group	(265)	(129)	-
1,907	1,876	+1.7	Total	5,015	5,882	-14.7
8,203	7,910	+3.7	Cost of purchased crude oil, gas and products	21,475	31,956	-32.8

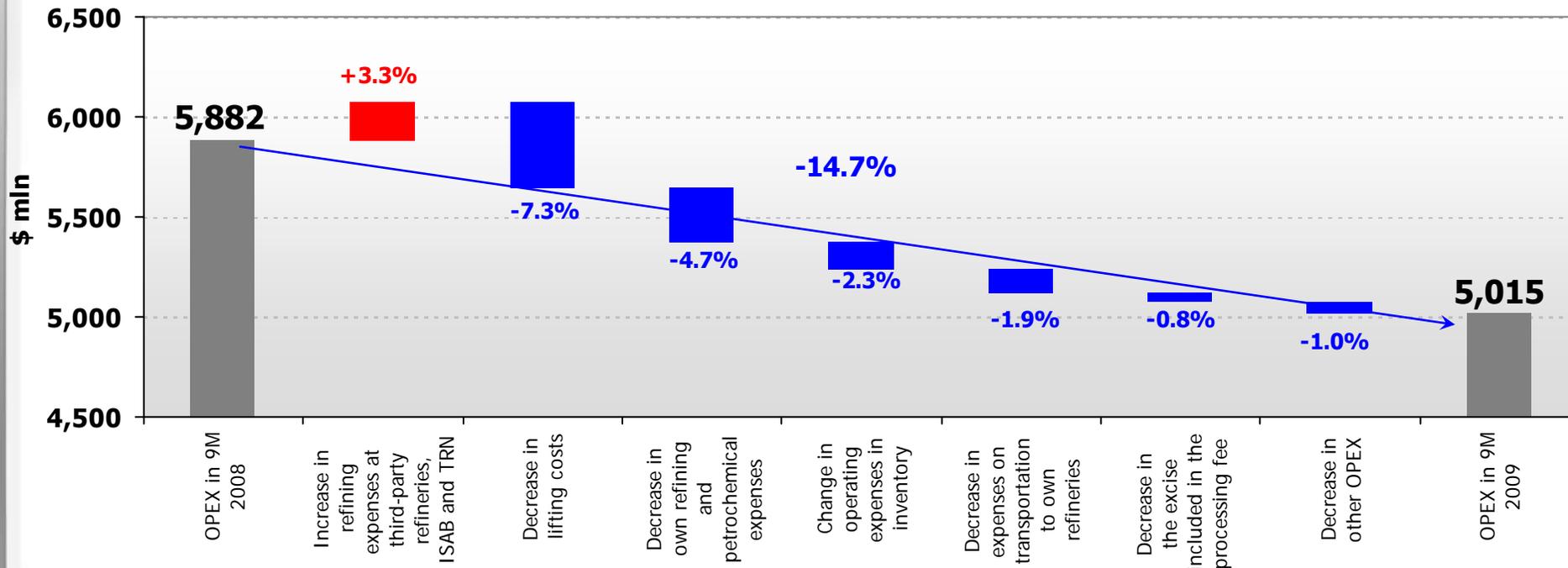
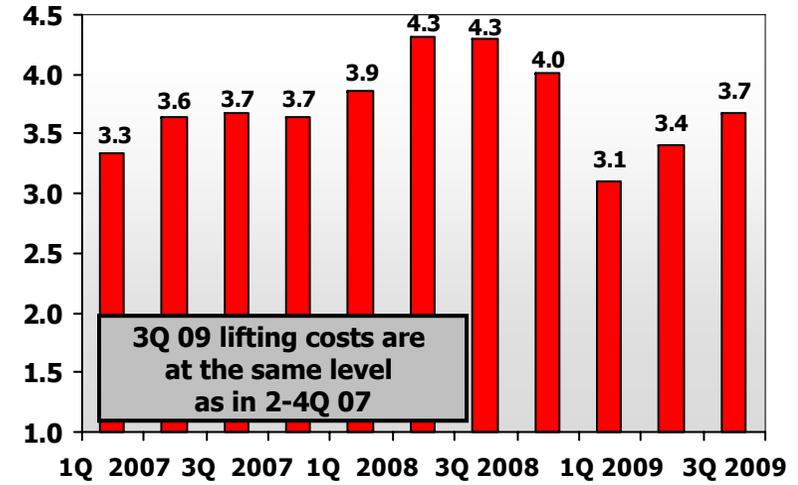
LUKOIL Successfully Controls Operating Expenses



LUKOIL managed to **decrease hydrocarbon lifting costs by 19%** (in 9M 2009 to 9M 2008) to **\$3.39/boe** thanks to :

- **Rouble depreciation**: the real rouble depreciation to the US dollar was 17% (9M 2009 to 9M 2008)
- **Cost cutting program**, effective cooperation with suppliers and subcontractors

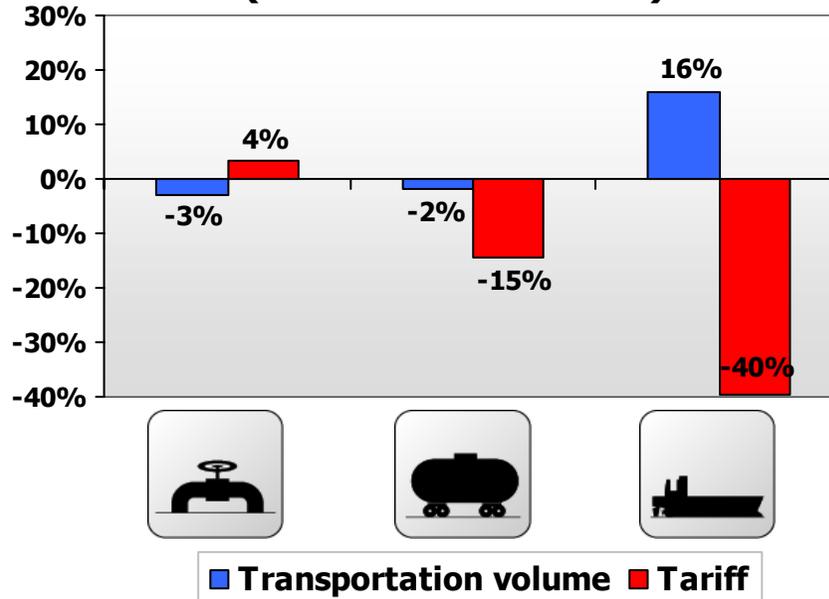
Lifting costs, \$/boe



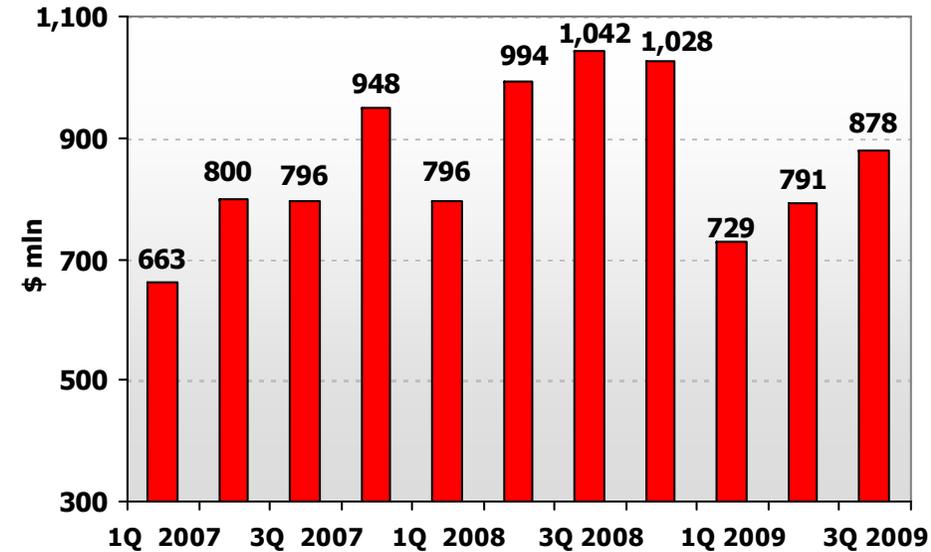
SG&A and Transportation Expenses



Transportation expenses (1H 2009 to 1H 2008)

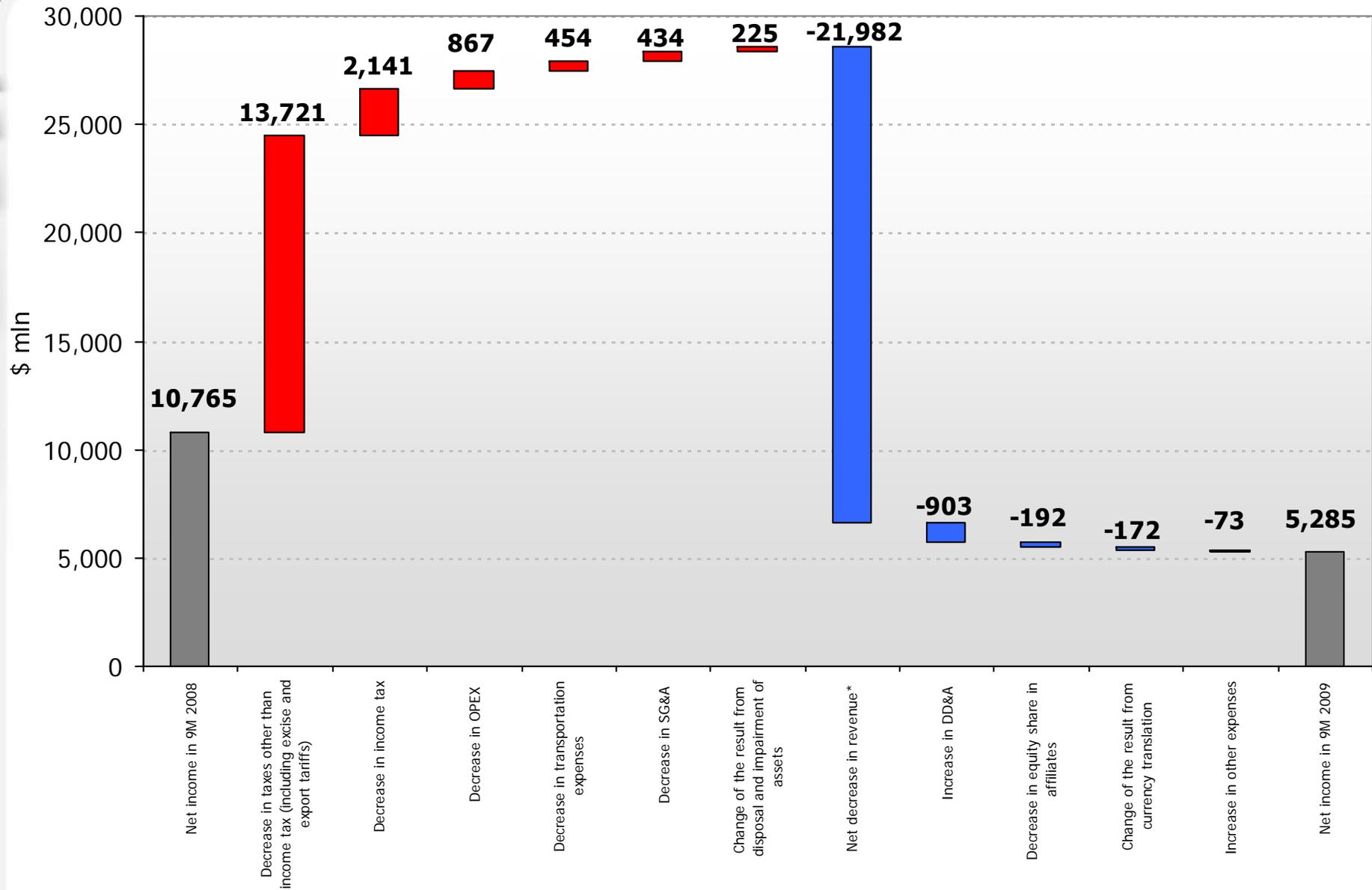


SG&A expenses



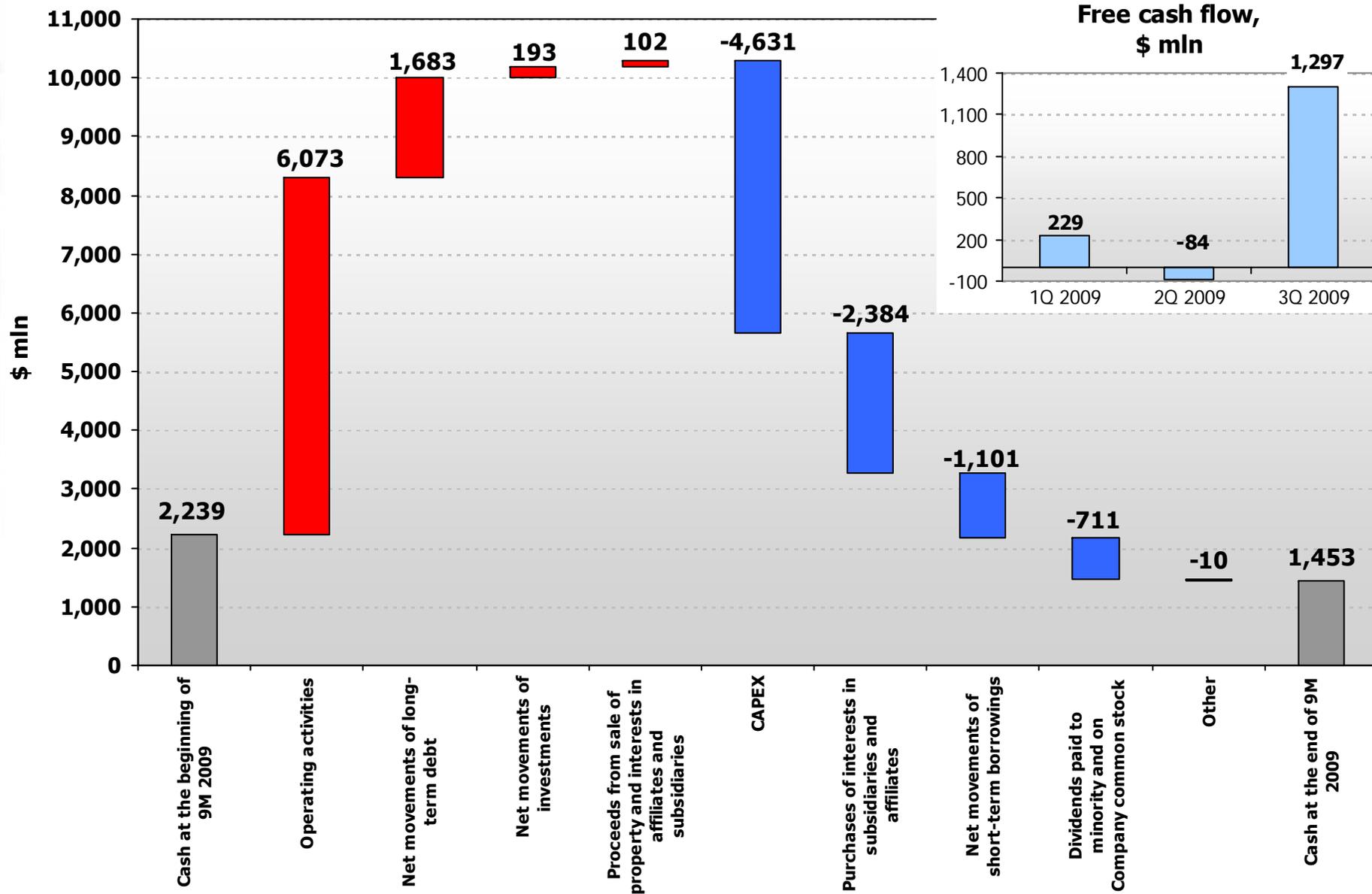
3Q 2009	2Q 2009	Δ, %	\$ million	9M 2009	9M 2008	Δ, %
1,238	1,187	+4.3	Transportation expenses	3,594	4,048	-11.2
878	791	+11.0	Other selling, general and administrative expenses	2,398	2,832	-15.3
2,116	1,978	+7.0	Total	5,992	6,880	-12.9

Net Income Reconciliation



* Change in revenue less cost of purchased crude oil, gas and products.

9M 2009 Cash Flow Reconciliation

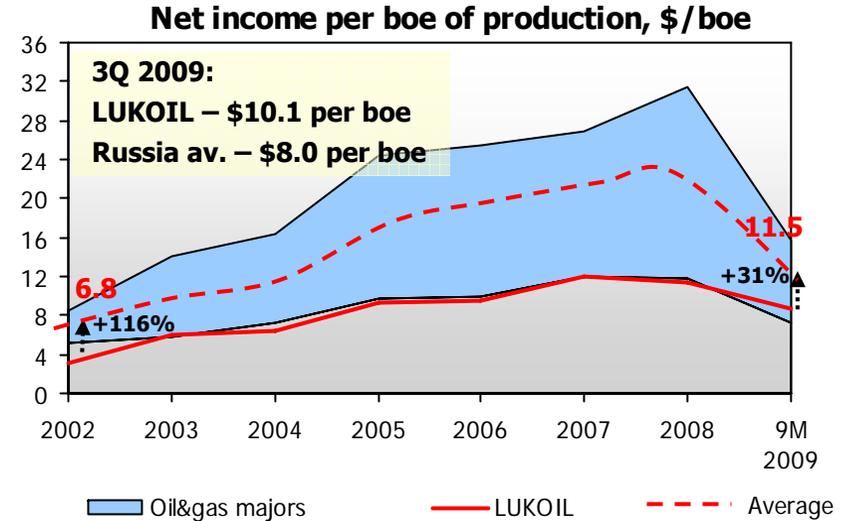
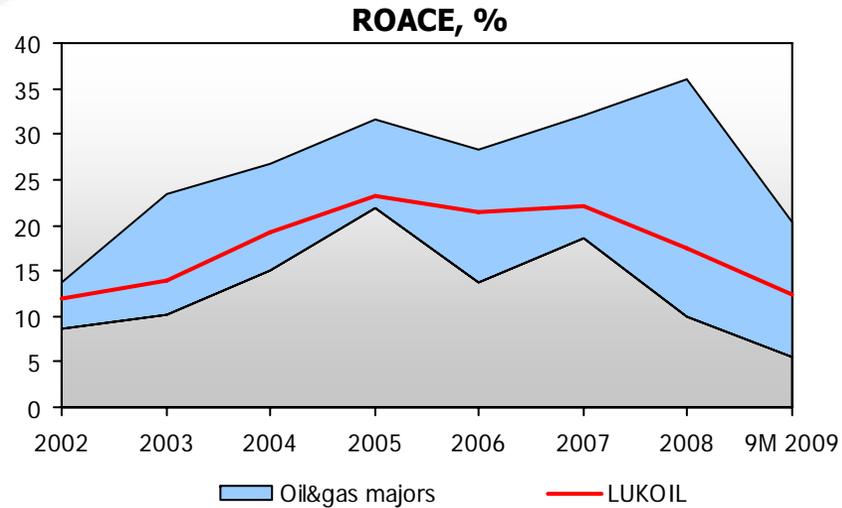


CAPEX Breakdown

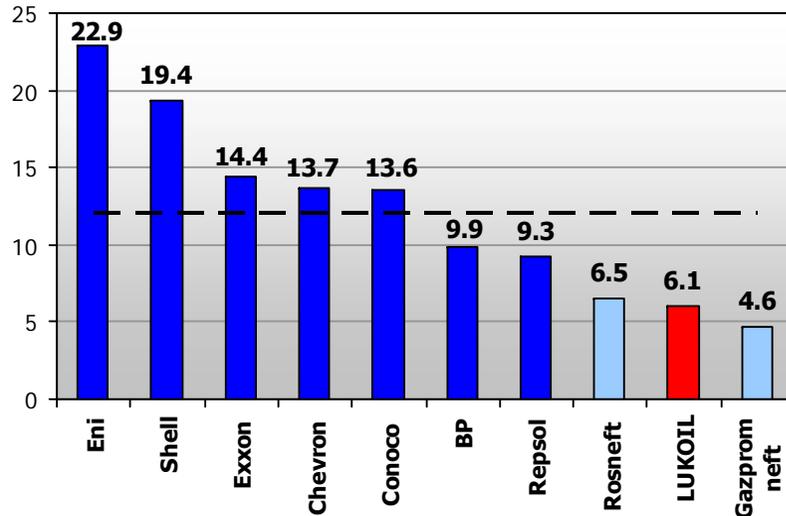


3Q 2009	2Q 2009	Δ, %	\$ million	9M 2009	9M 2008	Δ, %
1,227	1,123	+9.3	Exploration and production	3,468	6,151	-43.6
1,040	939	+10.8	<i>Russia</i>	2,939	5,439	-46.0
187	184	+1.6	<i>International</i>	529	712	-25.7
352	304	+15.8	Refining and marketing	959	1,439	-33.4
232	189	+22.8	<i>Russia</i>	575	914	-37.1
120	115	+4.3	<i>International</i>	384	525	-26.9
28	32	-12.5	Petrochemicals	89	93	-4.3
3	3	+0.0	<i>Russia</i>	9	16	-43.8
25	29	-13.8	<i>International</i>	80	77	+3.9
36	115	-68.7	Other	167	87	+92.0
1,643	1,574	+4.4	Total (cash and non-cash)	4,683	7,770	-39.7

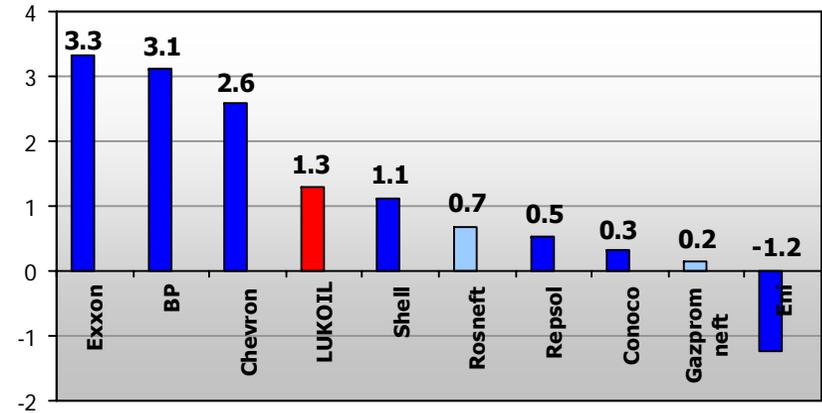
Strong Competitive Position in the Industry



E&P capex per boe of production in 3Q 2009, \$/boe



Free cash flow in 3Q 2009, \$ bln



Oil & Gas majors include ExxonMobil, Royal Dutch Shell, BP, Chevron, ConocoPhillips, Total.

Source: Companies' financial statements.

LUKOIL Achievements in Investor Relations in 2009



In the XIIth Annual Contest of Annual Reports held by the RTS Exchange, LUKOIL was voted to be #1 in 3 nominations:

- The best information disclosure in the annual report among companies with market capitalization in excess of 100 bln RUB
- The best presentation of a company's investment potential in the annual report
- The best annual report in the Central Federal District

125 companies took part in the contest.

In the XIIth Annual Federal Contest of Annual Reports and Websites held by the "Stock Market" magazine and MICEX, LUKOIL was voted to be #1 in 2 nominations:

- The best information disclosure for investors on the company web-site
- The best information disclosure in the English version of the annual report

105 companies took part in the contest.

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**
- Maintaining **conservative** financial policy, keeping **access** to domestic and international financial sources **comfortable and open**