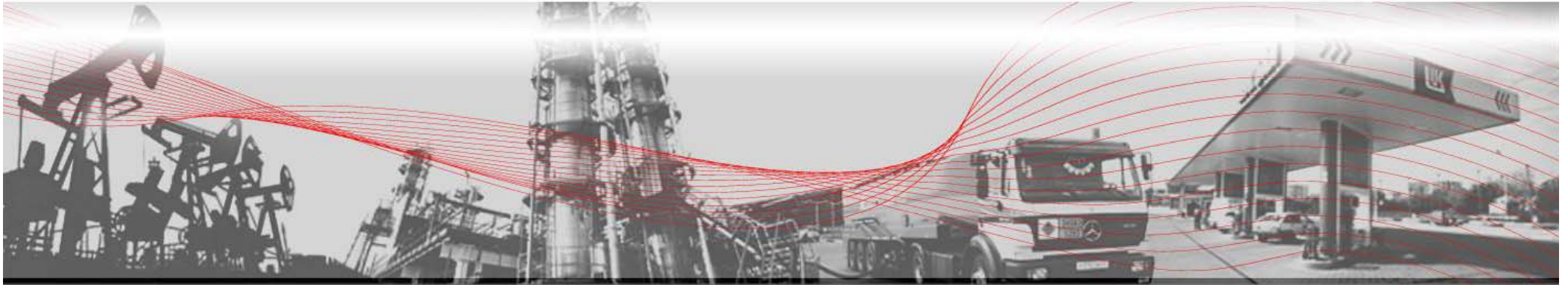




9M 2011 Financial Results

(US GAAP)



November 2011

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 2011 Financial Highlights

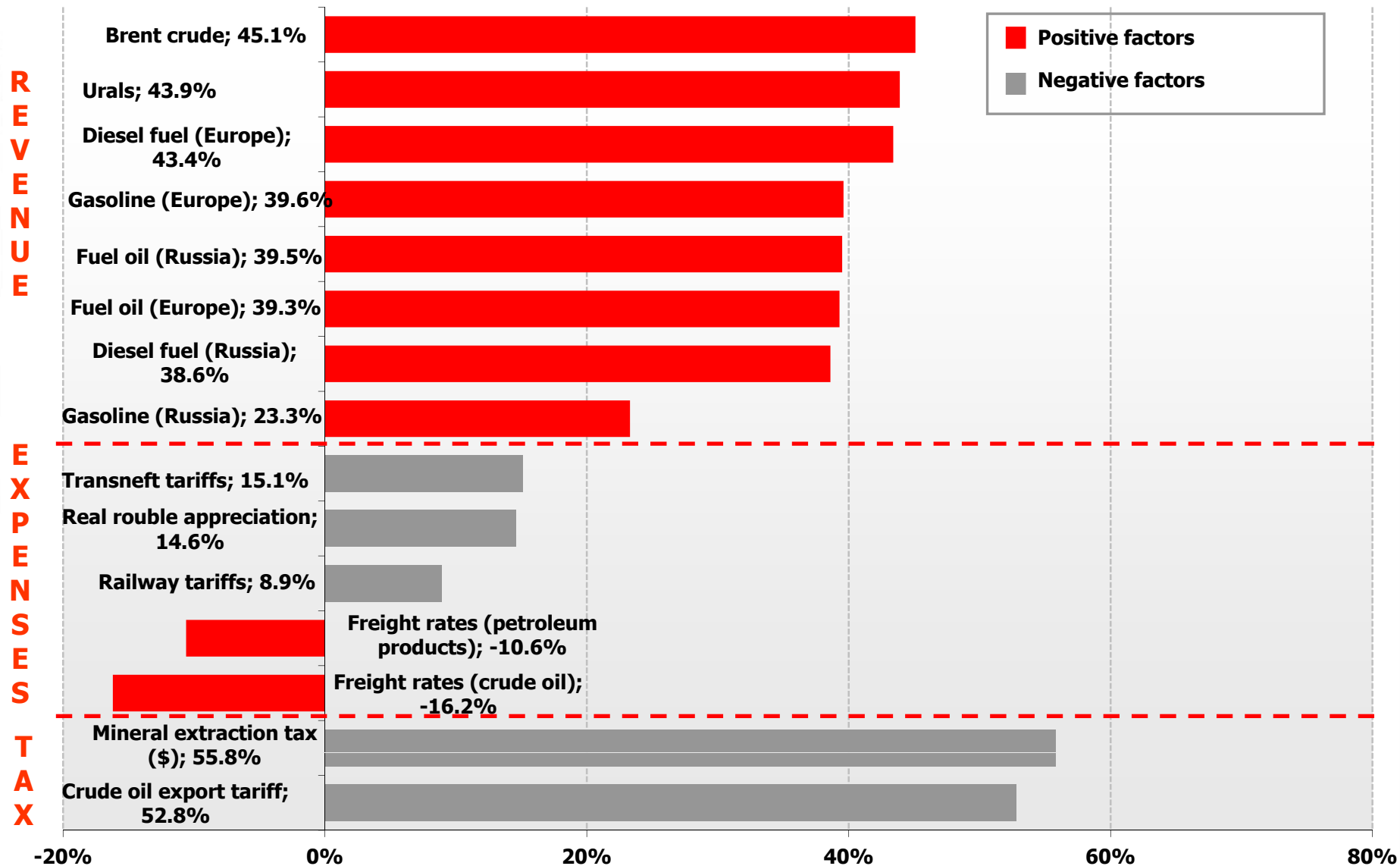


- **EBITDA – \$15,316 million (+28%)**
 - **Net income – \$9,012 million (+32% to 9M 2010)**
 - **Basic earning per share – \$11.55 (+42%)**
 - **Net Income per boe of production – \$15.4 per boe (+39%)**
- **Free Cash Flow – \$7,712 million (+11%)**

Macroeconomic and Tax Environment



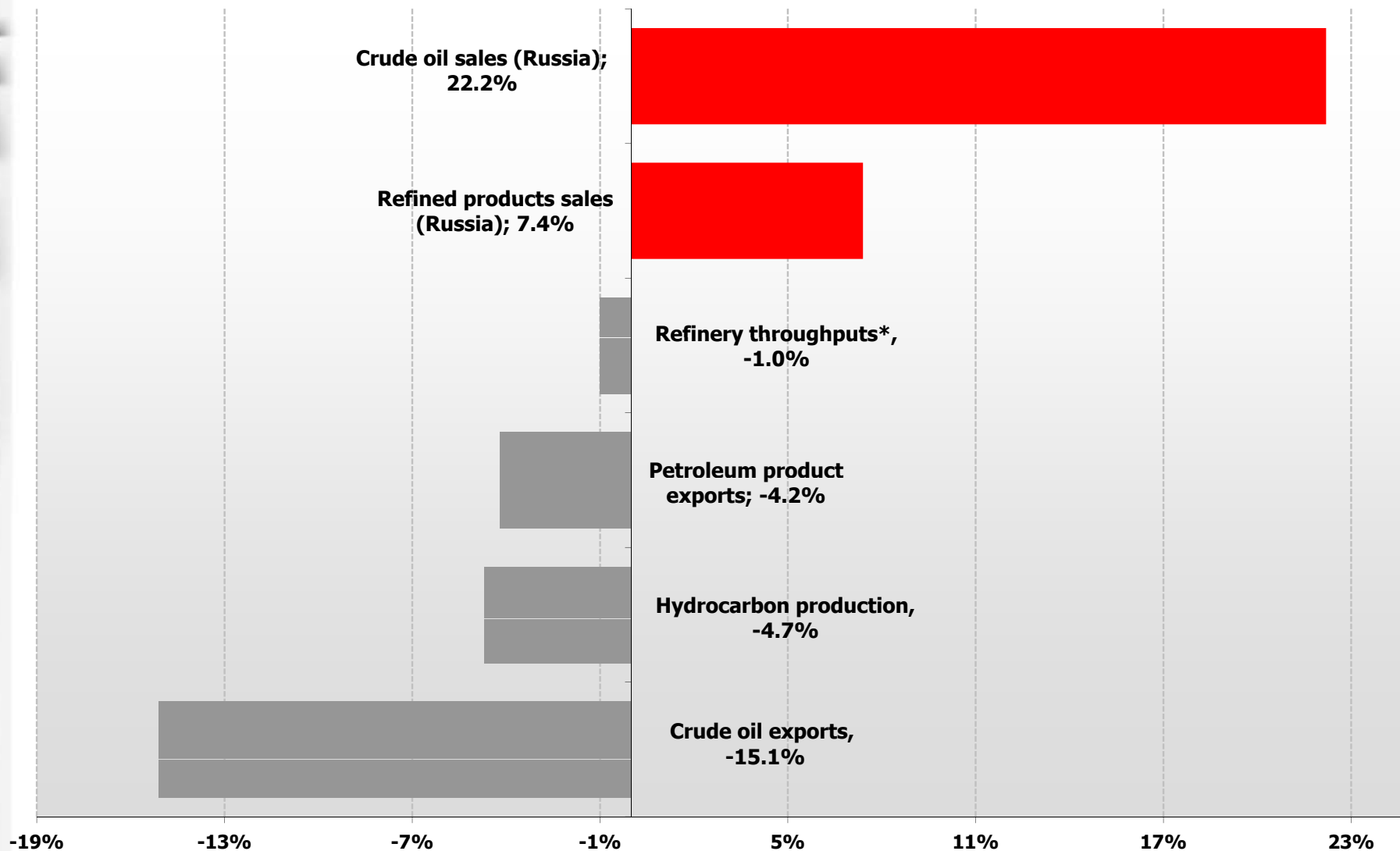
9M 2011 to 9M 2010



Main Operating Results



9M 2011 to 9M 2010

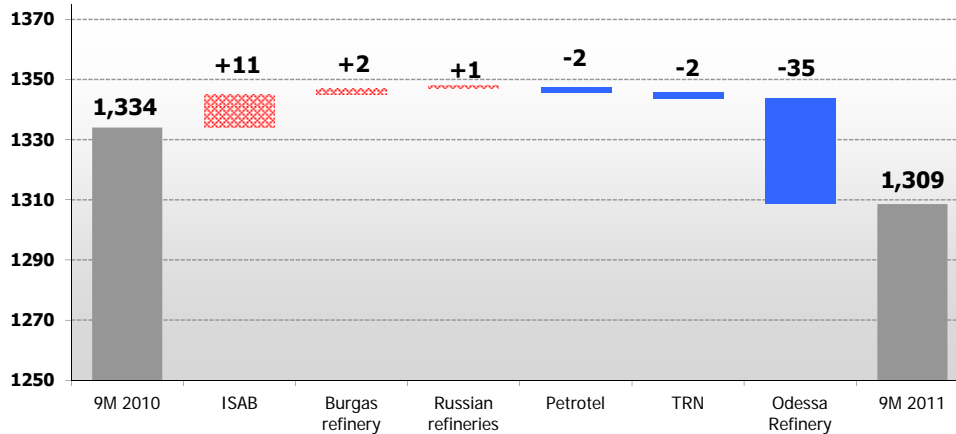


* Including mini-refineries and the Company's share in throughputs of oil and petroleum products at the ISAB and TRN refining complexes.

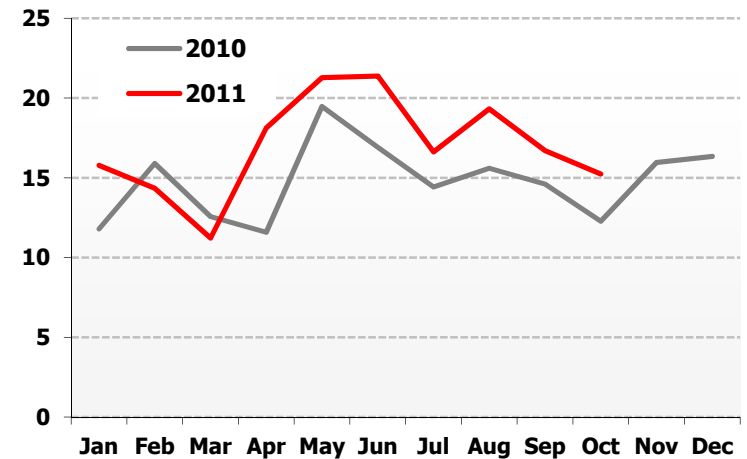
LUKOIL Increases Production of High-Octane Gasoline



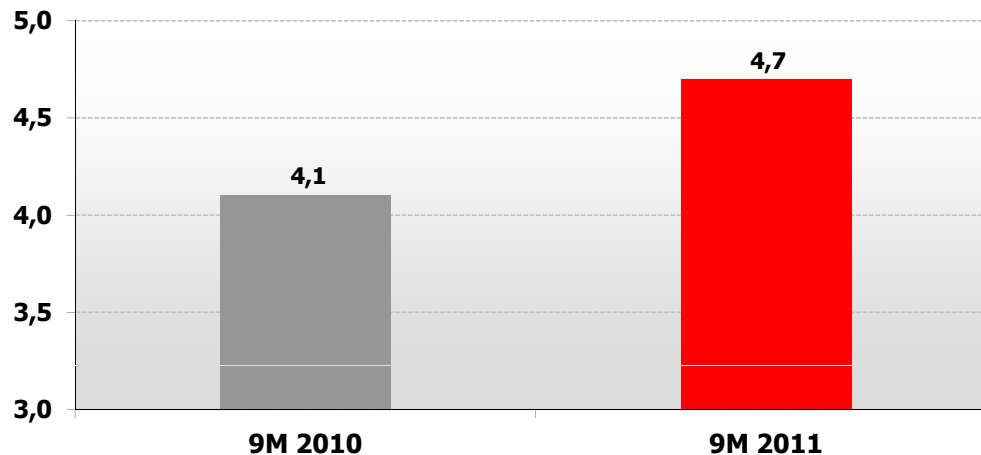
Refinery throughputs reconciliation (y-o-y), th. barrels per day*



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



Production of high-octane gasoline in Russia, mln tons



In 9M 2011 LUKOIL decreased refinery throughputs due to stoppage of **Odessa Refinery**

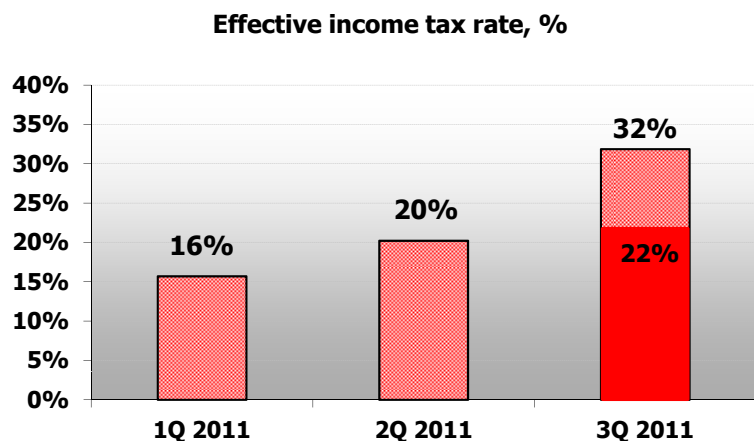
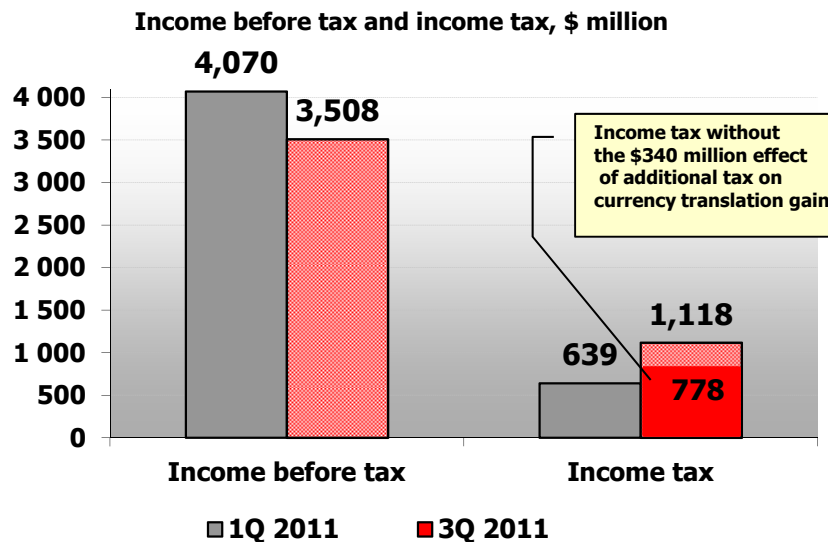
* Including mini-refineries and the Company's share in throughputs of oil and petroleum products at the ISAB and TRN refining complexes.

Financial Results



3Q 2011	3Q 2010	Δ, %	\$ million	9M 2011	9M 2010	Δ, %
34,563	26,517	30	Sales	99,101	76,272	30
(2,280)	(2,131)	7	OPEX	(6,858)	(6,165)	11
(9,570)	(6,905)	39	Taxes other than income tax (including excise and export tariffs)	(26,330)	(20,594)	28
3,671	3,167	16	Income from operating activities	11,508	8,525	35
3,508	3,391	3	Income before income tax	11,605	8,593	35
2,244	2,818*	(20)	Net income	9,012	6,820*	32
2.88	3.46	(17)	Basic EPS, \$	11.55	8.16	42
4,628	4,552	2	EBITDA	15,316	11,985	28

Sharp Increase in Income Tax – One-Off Event



LUKOIL subsidiaries in Russia increased accounts receivable and issued loans nominated in US dollars

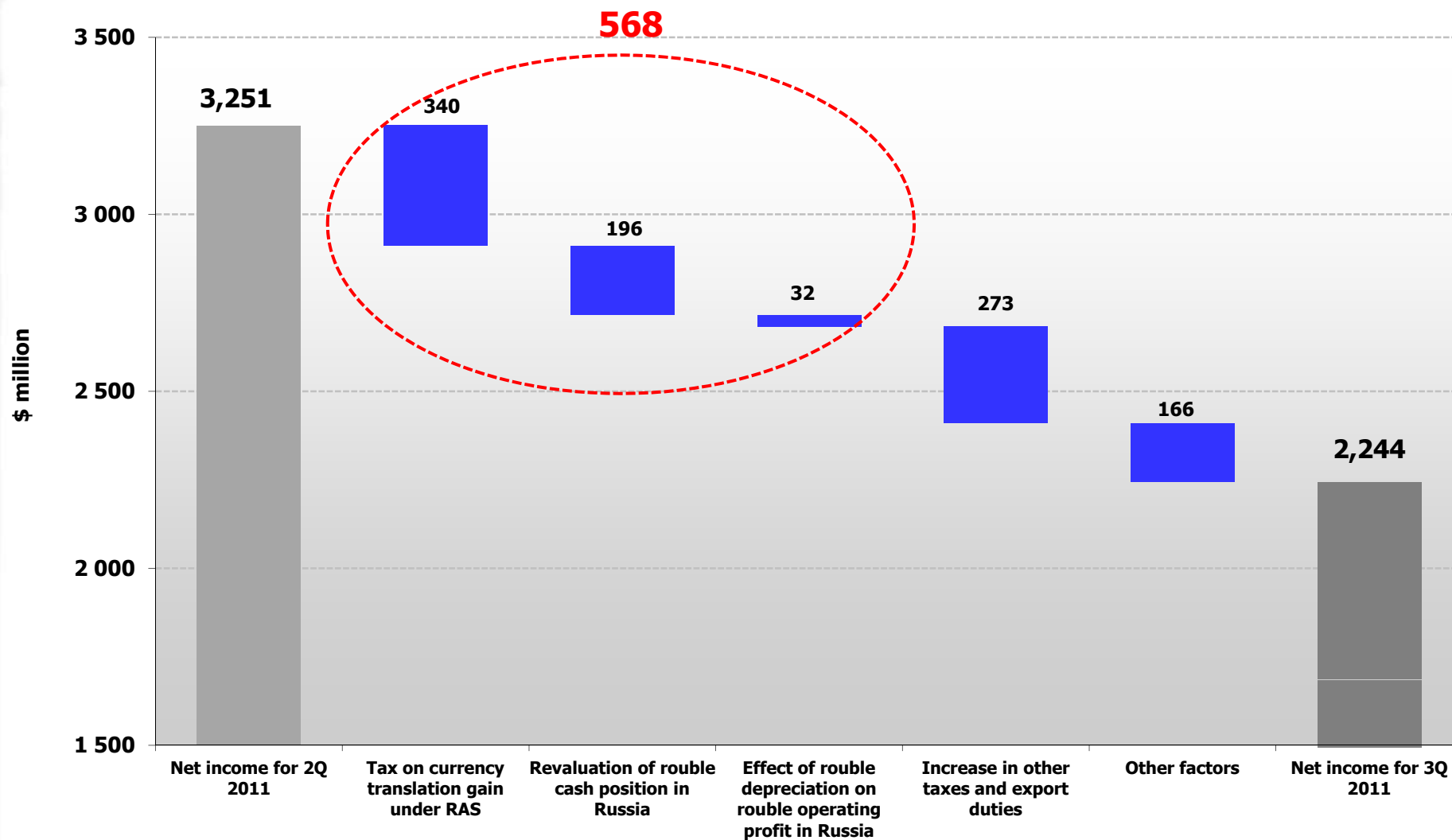
US dollar has appreciated with respect to Russian ruble for the period 3Q 2011 by 13,5%

Taxable currency translation gain has appeared in the LUKOIL subsidiaries financial statements

Additionally paid tax amounted in near \$340 million

Effective tax rate for LUKOIL without the effect of the one-off event increased from 16% in 1Q 2011 to **22%** in 3Q 2011

Quarterly Net Income Reconciliation



Operating Expenses



3Q 2011	3Q 2010	Δ, %	\$ million	9M 2011	9M 2010	Δ, %
889	804	11	Hydrocarbon lifting costs	2,666	2,388	12
383	269	42	Own refining expenses	1,069	801	34
228	183	25	Refining expenses at third-party refineries, ISAB and TRN	655	534	23
267	261	2	Expenses for crude oil transportation to refineries	807	802	1
108	159	(32)	Power generation and distribution expenses	477	452	6
81	58	40	Petrochemical expenses	229	138	66
324	397	(18)	Other operating expenses	955	1,050	(9)
2,280	2,131	7	Total	6,858	6,165	11
15,051	10,959	37	Cost of purchased crude oil, gas and products	43,058	31,002	39

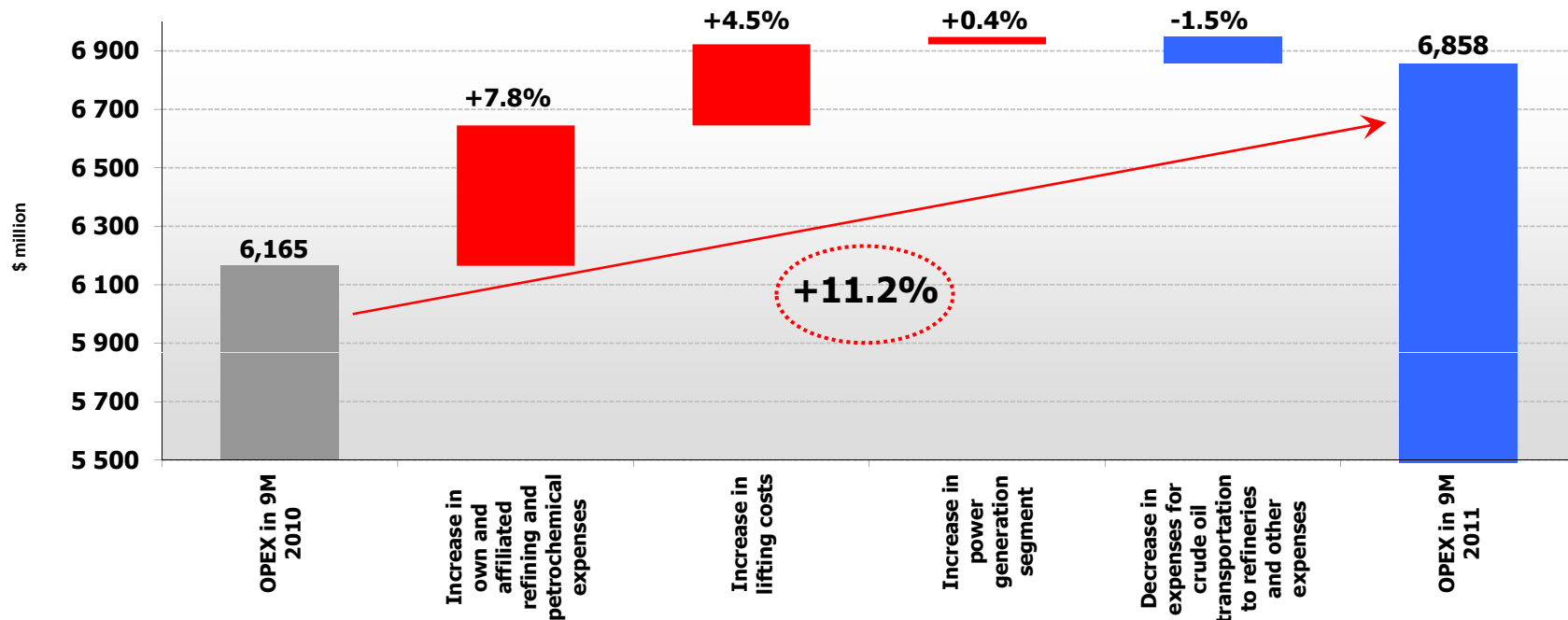
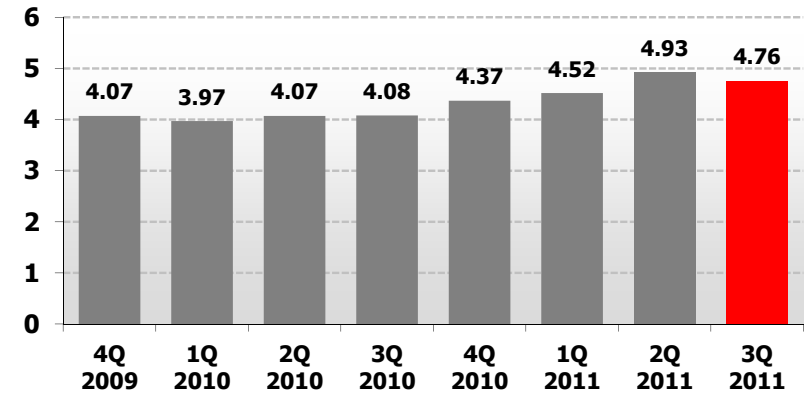
Operating Expenses



9M 2011 operating expenses increased by **11.2% y-o-y.**

Lifting costs increased in 3Q 2011 by **10.6% y-o-y**

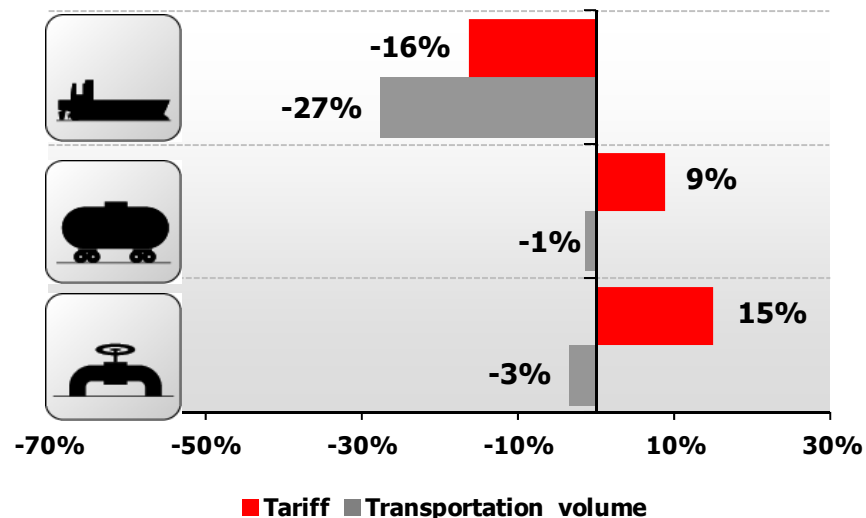
Lifting costs, \$ per boe



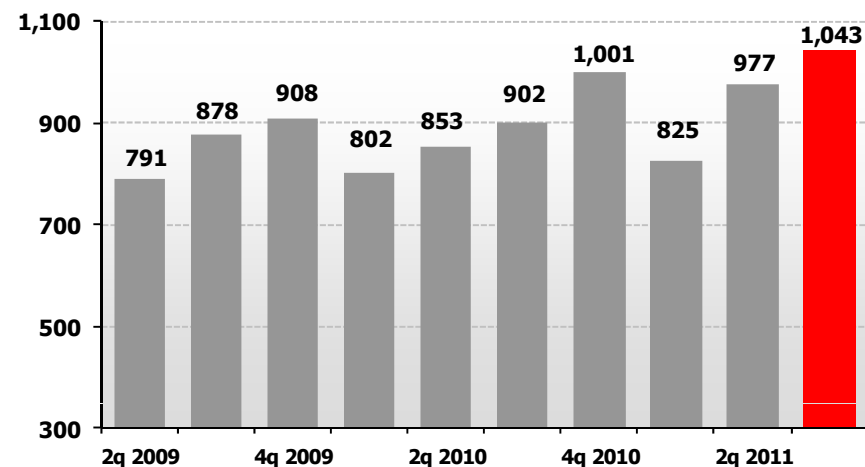
SG&A and Transportation Expenses



Transportation expenses
(9M 2011 to 9M 2010)

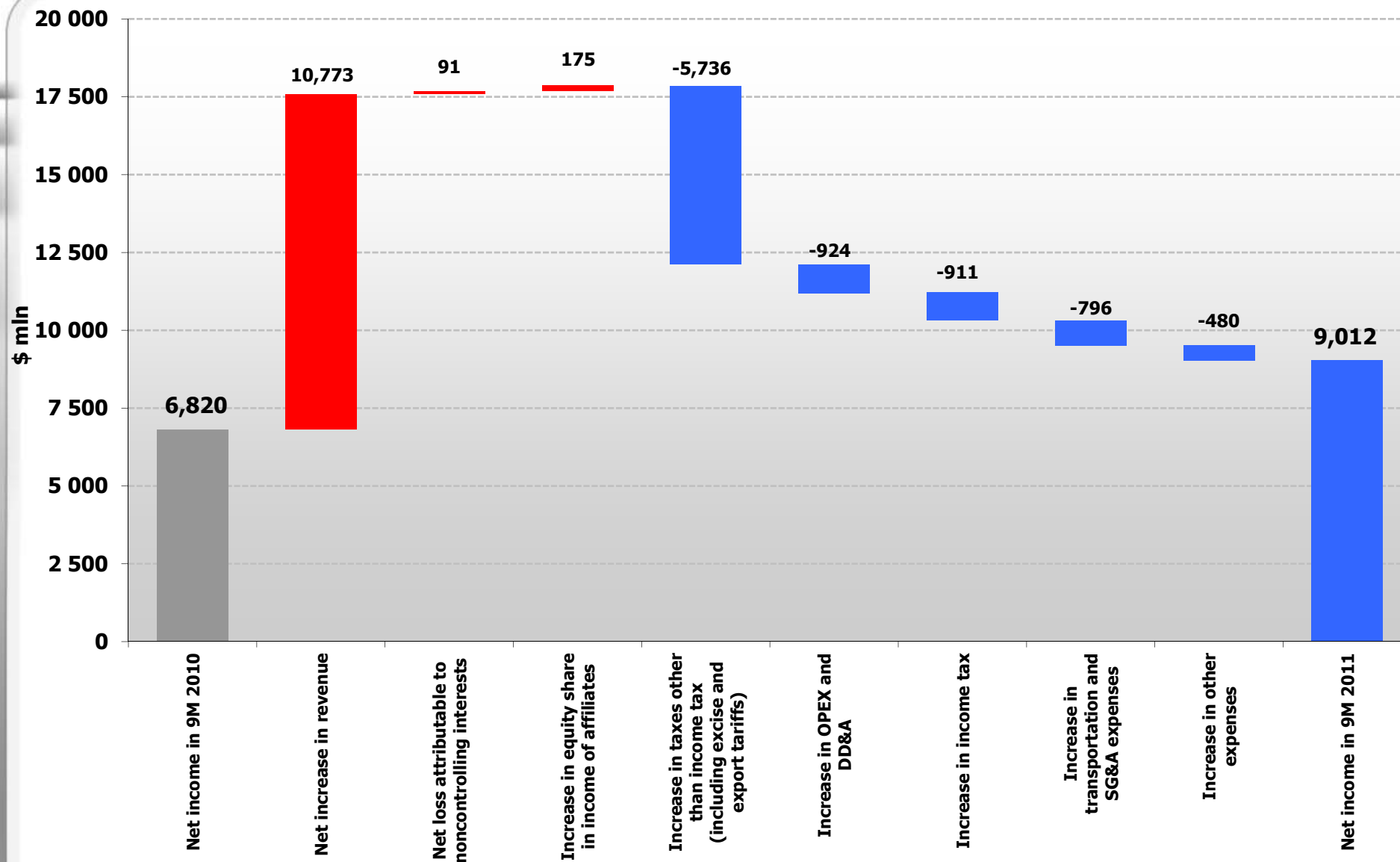


SG&A expenses, \$ million



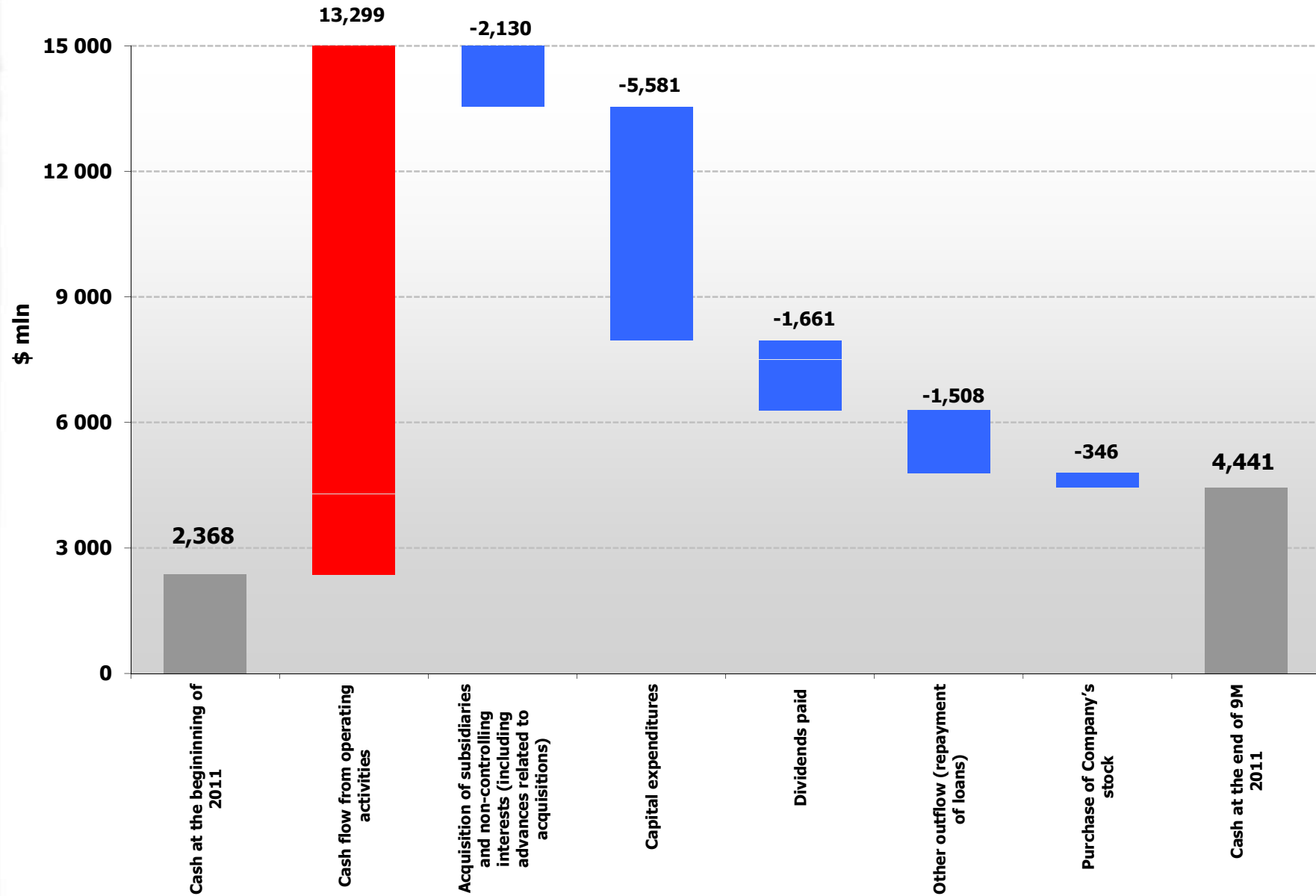
3q 2011	3q 2010	Δ, %	\$ million	9M 2011	9M 2010	Δ, %
1,604	1,389	15.5	Transportation expenses	4,677	4,169	12.2
1,043	902	15.6	Selling, general and administrative expenses	2,845	2,557	11.3
2,647	2,291	15.5	Total	7,522	6,726	11.8

9M 2011 Net Income Reconciliation

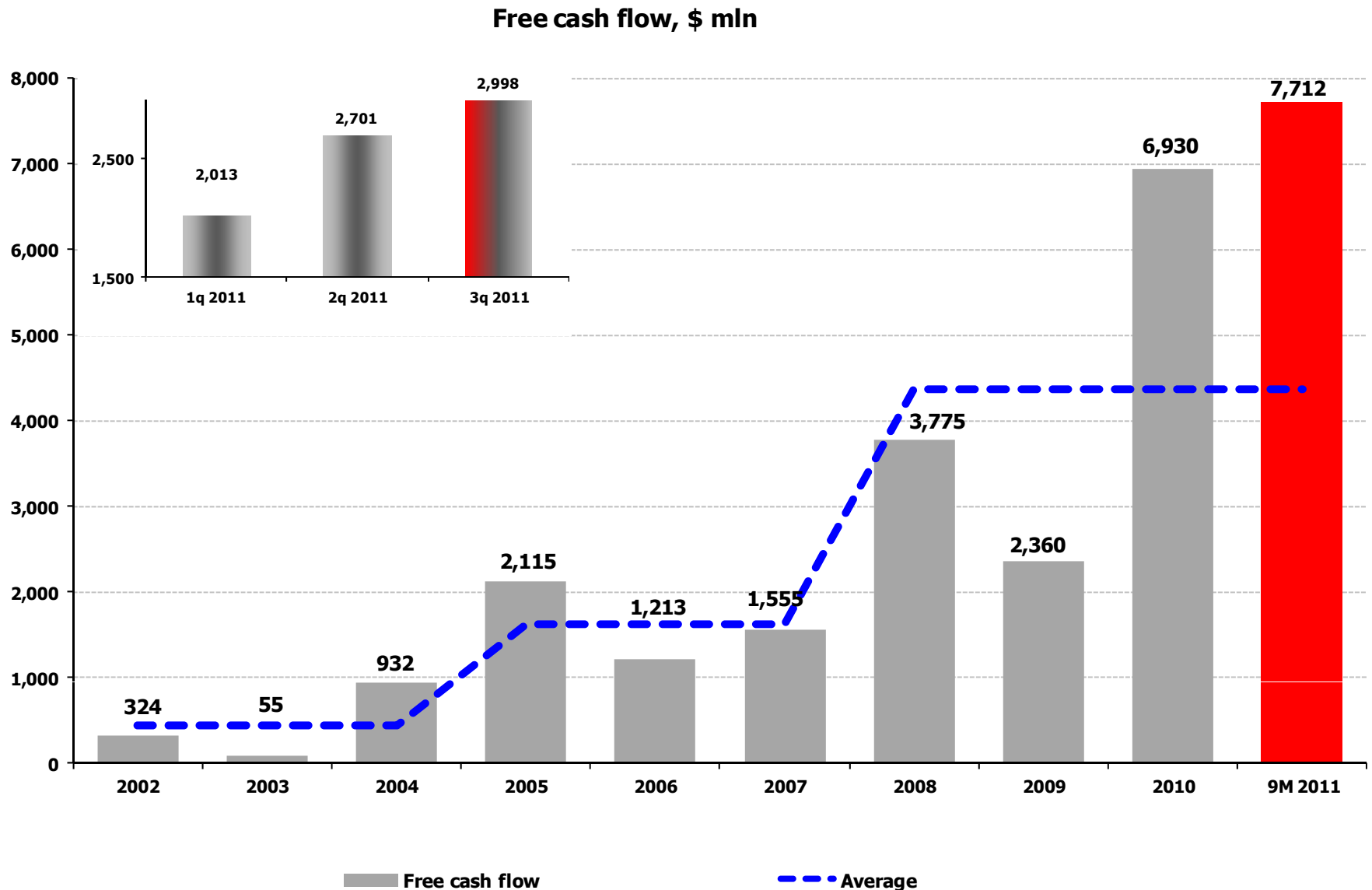


* Change in revenue less purchases of oil and gas and petroleum products.

9M 2011 Cash Flow Reconciliation



LUKOIL Continues to Increase Free Cash Flow

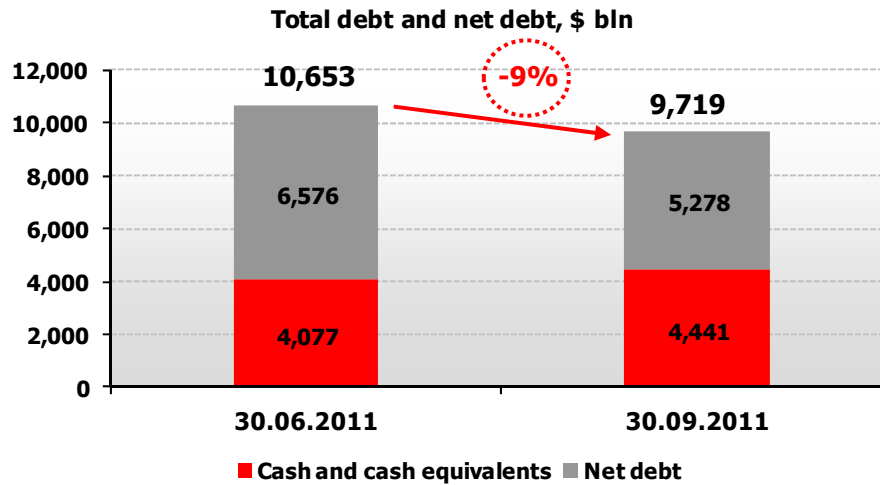


CAPEX Breakdown

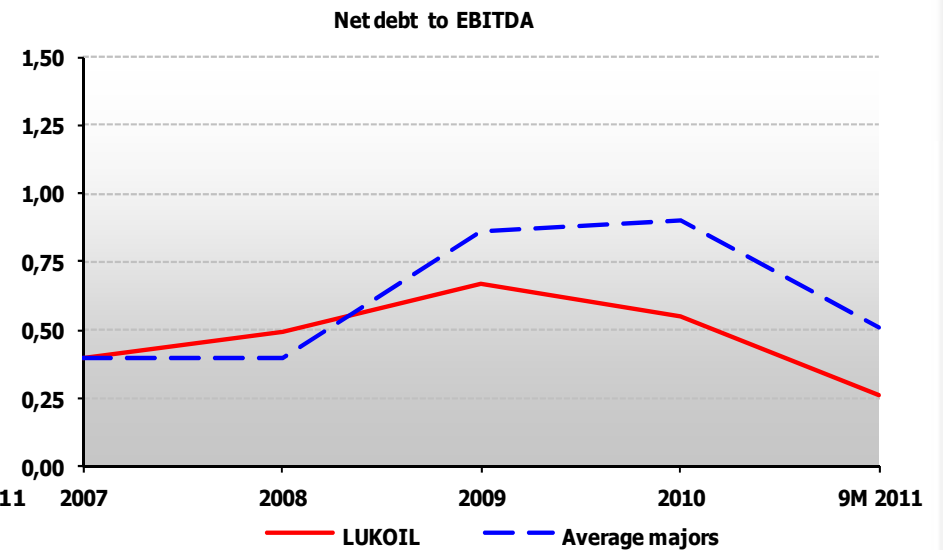
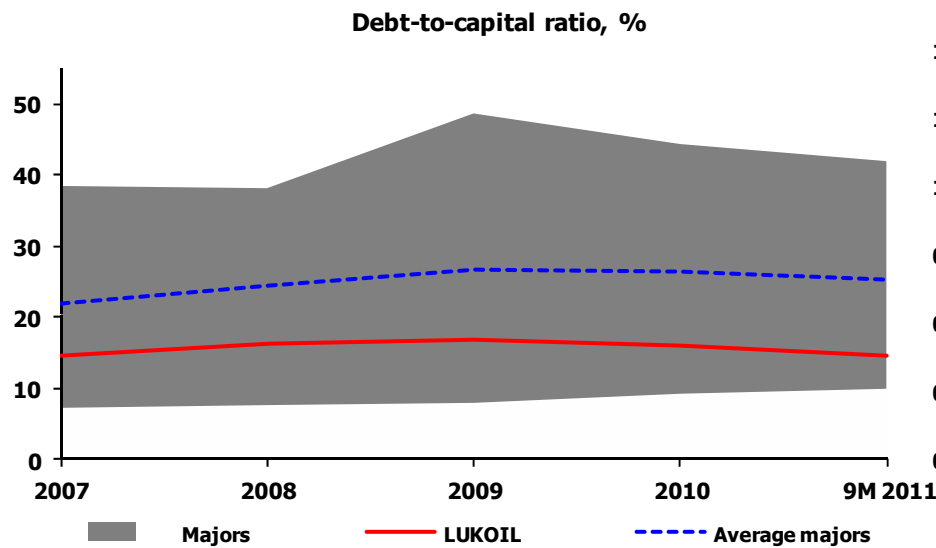


3Q 2011	3Q 2010	Δ, %	\$ million	9M 2011	9M 2010	Δ, %
1,565	1,080	45	Exploration and production	4,489	3,458	30
1,146	870	32	Russia	3,581	2,696	33
419	210	100	International	908	762	19
354	311	14	Refining and marketing	852	843	1
293	238	23	Russia	667	617	8
61	73	(16)	International	185	226	(18)
21	16	31	Petrochemicals	49	59	(17)
14	5	180	Russia	33	17	94
7	11	(36)	International	16	42	(62)
39	98	(60)	Power generation	117	298	(61)
55	24	129	Other	141	61	131
2,034	1,529	33	Total (cash and non-cash)	5,648	4,719	20

Robust Financial Position



LUKOIL net debt decreased by \$1.3 bln in 9M 2011 (-25%)



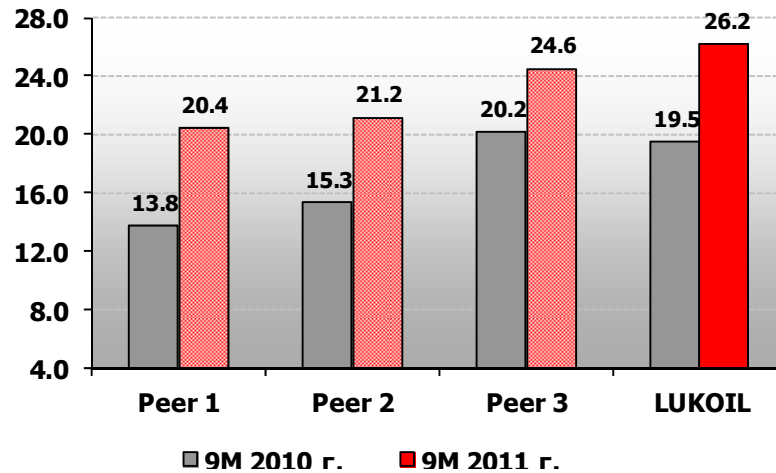
Oil & Gas Majors include ExxonMobil, Royal Dutch Shell, BP, ConocoPhillips, Total, Eni, Repsol YPF, Chevron.

Source: Companies' financial statements.

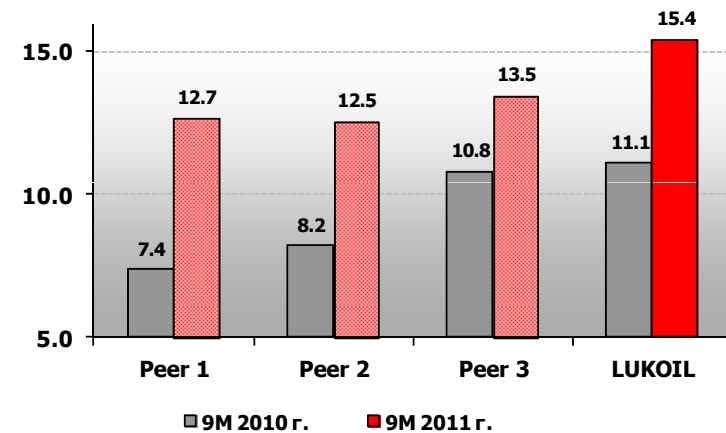
LUKOIL Shows the Best Financial Results in the Russian Oil Industry



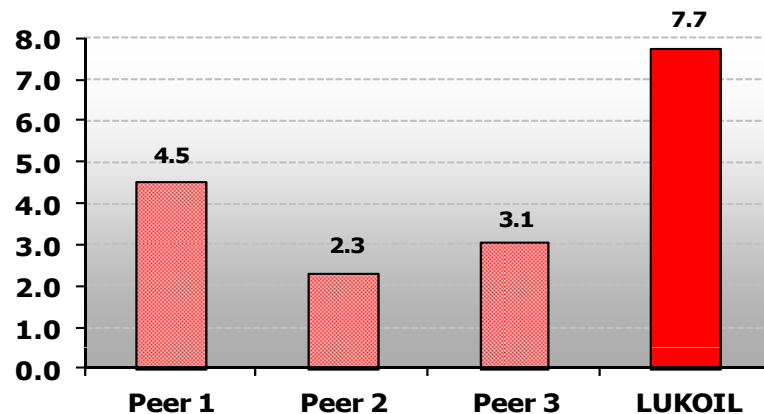
EBITDA* per boe, \$ per boe



Net income per boe, \$ per boe



9M 2011 Free Cash Flow**, \$ bln



LUKOIL is leader in financial performance in Russian oil industry

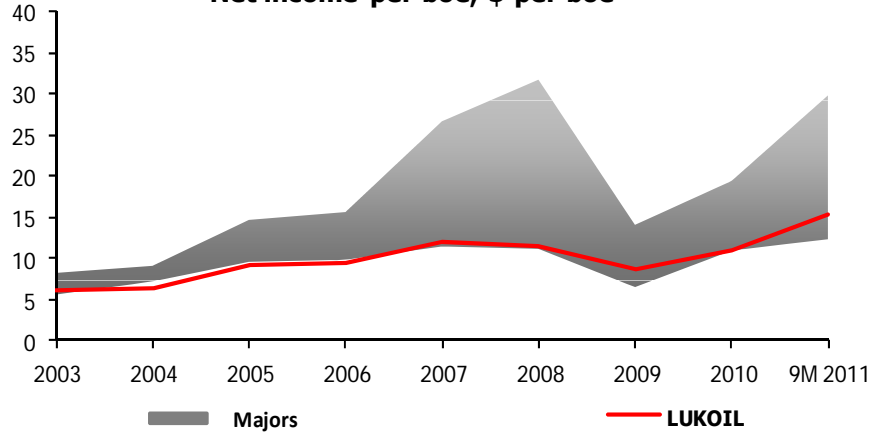
*EBITDA is calculated as the sum of net income, DD&A, interest expense, total income tax expense minus interest and dividend income.

** Free Cash Flow is calculated as operating cash flow minus capital expenditures and acquisition of licenses.

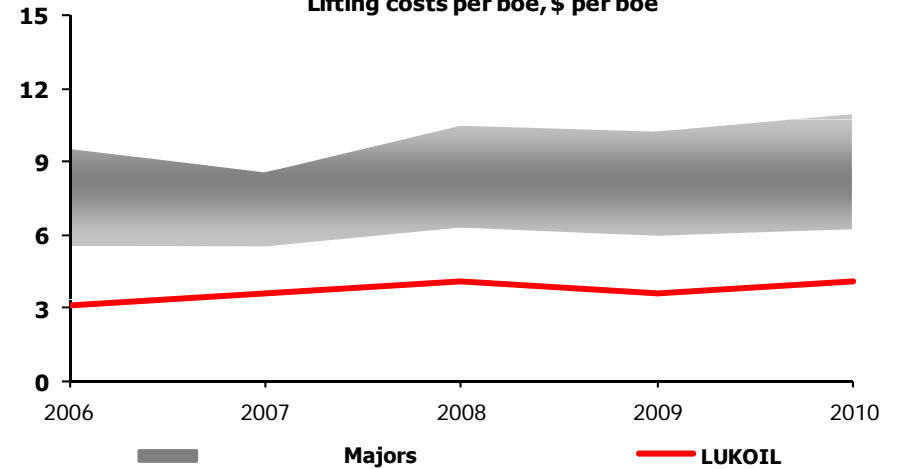
Robust Competitive Position in the Industry



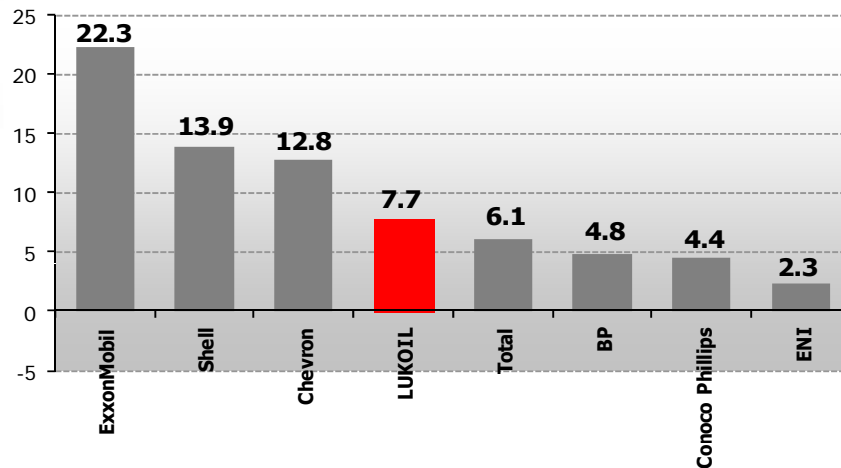
Net income per boe, \$ per boe



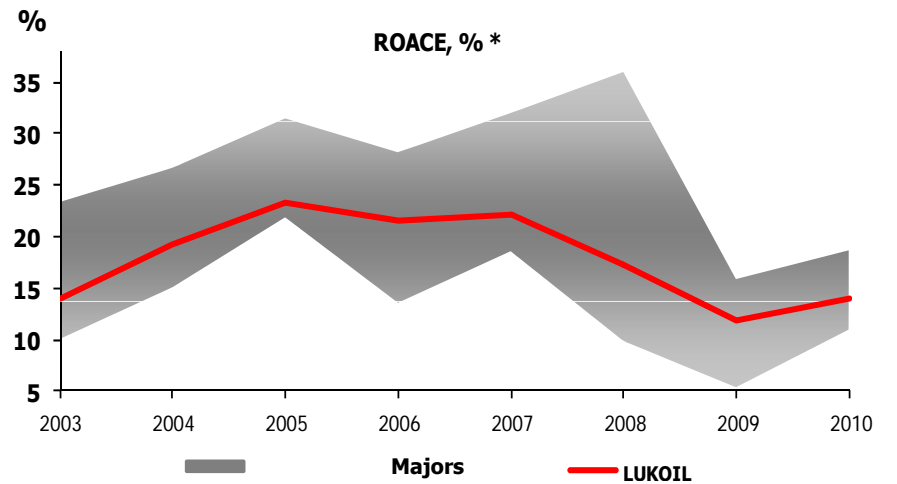
Lifting costs per boe, \$ per boe



9M 2011 Free Cash Flow, bln USD



ROACE, % *



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

Oil & Gas Majors include ExxonMobil, Royal Dutch Shell, BP, ConocoPhillips, Total, Eni, Repsol YPF, Chevron.
Source: Companies' financial statements.

Conclusion



Financial and Investment Policy Highlights:

- Investment policy focuses on the development of E&P segment, increase of E&P share in total CAPEX
- Continuing modernization of Russian refineries under new tax regime
- **Increasing efficiency** of operating activities, cost control, and **OPEX optimization**
- Maintaining **conservative financial policy**
- Maintaining **strong financial discipline**

LUKOIL shows the best financial performance in the Russian oil industry