PRESS RELEASE
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LUKOIL CONTINUES SCHEDULED RETAIL PRICE REDUCTION

LUKOIL Press Service reports that the Company continues scheduled petroleum products price reduction, which began in August/September, 2008.

In the near future the prices will be gradually reduced by 3-8% in all Russian regions of the Company's presence.

The markdown in petroleum products retail prices is conditioned by changes on the global market due to global oil price reduction and, consequently, in Russia, and due to seasonal demand diminution.

'If the oil prices continue their downward trend, our Company will reduce petroleum products retail prices based on economic pricing principles and market conditions', Vagit Alekperov, OAO LUKOIL President, said.

Previous reports suggest that on October 17, 2008 LUKOIL reduced aviation kerosene prices by 9% (RUR 2,000/ton). In total, the Company reduced its prices for this kind of petroleum products by 24% over the last three months.

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