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OPEN JOINT STOCK COMPANY "OIL COMPANY "LUKOIL"

NOTICE
of the Annual General Shareholders Meeting
of Open Joint Stock Company "Oil company "LUKOIL"

Dear Shareholder,

Open Joint Stock Company "Oil company "LUKOIL" located at the address: Sretensky bulvar 11, Moscow, 101000, Russian Federation, hereby informs you that the Annual General Shareholders Meeting of OAO "LUKOIL" will take place on **23 June 2011** in the form of a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots before the conduct of the Meeting.

Place and time of the Meeting: OAO "LUKOIL", Sretensky bulvar 11, Moscow, in the Conference Hall (entrance from Kostyansky pereulok), at 11:00 a.m.

Registration of persons participating in the meeting begins at 9:30 a.m.

Agenda of the Meeting:

1. Approval of the 2010 Annual Report of OAO "LUKOIL" and the annual financial statements, including income statements (profit and loss accounts) of the Company, and also distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the financial year. Determination of the size, date, form and procedure of payment of dividends.
2. Election of the members of the Board of Directors of OAO "LUKOIL".
3. Appointment of the President of OAO "LUKOIL".
4. Election of the members of the Audit Commission of OAO "LUKOIL".
5. On the remuneration and reimbursement of expenses to members of the Board of Directors of OAO "LUKOIL".
6. On the remuneration of members of the Audit Commission of OAO "LUKOIL".
7. Approval of the Auditor of OAO "LUKOIL".
8. Approval of a new version of the Charter of Open Joint Stock Company "Oil company "LUKOIL".
9. Approval of amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*.
10. On the approval of an interested-party transaction.

The date of preparation of the list of persons entitled to take part in the Annual General Shareholders Meeting of OAO "LUKOIL" is 6 May 2011.

In order to take part in the meeting, you or your representative must bring with you your/his/her passport or other identification document and the notice of the Annual General Shareholders Meeting of OAO "LUKOIL"; your representative must additionally have a power of attorney drawn up in accordance with the requirements of article 57 of the Federal Law *On Joint Stock Companies*.

In accordance with Articles 58 and 60 of the Federal Law *On Joint Stock Companies*, you can vote on the items of the Meeting agenda by filling out the ballots and mailing them to the following address: OAO Registrar NIKoil, ulitsa Ivana Franko 8, Moscow, 121108 Russian Federation. The deadline for receipt of ballots is 20 June 2011, for determining a quorum of the Meeting and tallying votes.

Information on decisions taken and voting results at the Annual General Shareholders Meeting of OAO "LUKOIL" will be published not later than 8 July 2011, in printed media *Izvestiya* and *Rossiyskaya Gazeta*.

The procedure for providing information (materials) to be provided to shareholders in preparation for the Annual General Shareholders Meeting of OAO "LUKOIL" is in line with the deadlines established by the Federal Law *On Joint Stock Companies*. In preparation for the Annual General Shareholders Meeting of OAO "LUKOIL", the persons entitled to take part in the Annual General Shareholders Meeting of OAO "LUKOIL" are granted the opportunity to examine the information in the premises of the executive body of OAO "LUKOIL", at the address: Sretensky bulvar 11, Moscow, 101000 Russian Federation, tel. (495) 983 2171, at the Company's website –ww.lukoil.ru, and also at other places – at OAO Registrar NIKoil, its branches, and at transfer agents of OAO Registrar NIKoil, at the following addresses:

Head office of OAO Registrar NIKoil:

ulitsa Ivana Franko 8, Moscow, 121108 Russian Federation

telephone: (495) 926 8173, 926 8160

Branches of OAO Registrar NIKoil:

Naberezhnaya Severnoi Dviny 30, Arkhangelsk, 163000
ulitsa Savushkina 6, building 6, Astrakhan, 414000

telephone: (8182) 63 5085
telephone: (8512) 54 1040

ulitsa Mira 19, Volgograd, 400131
ulitsa Lenina 6, office 401, Irkutsk, 664025
ulitsa Leitenanta Yanalova 42B, Kaliningrad, 236023
ulitsa Gorkogo 5, 5th floor, office 50, Kirov, 610017
ulitsa Lenina 113, office 205, Krasnoyarsk, 660017
ulitsa Belinskogo 9/1, 5th floor, offices 10 & 11, Nizhni Novgorod, 603022
ulitsa Svobody 1, office 117, Novorossyisk, Krasnodarsky Krai, 353900
Leninsky prospekt 16, Norilsk, Krasnoyarsky Krai, 663305
OPS airport Sheremetievo-1, building 6, Khimki, Moscow Oblast, 141426
ulitsa Rabochaya 85, Section A, Samara, 443041
ulitsa N.G. Chernyshevskogo 60/62A, Sarayov, 410004
prospekt Lenina 148, Rybinsk, Yaroslavl Oblast, 152900
Izmailovskiy prospekt 4-A, St. Petersburg, 190005
ulitsa Beloostrovskaya 28, St. Petersburg, 197342
prospekt Bumazhnikov 2, Syktyvkar-26, Komi Republic, 167026
ulitsa Sovetskaya 34, Tambov, 392002
ulitsa Liteinaya 4, Tula, 300002
prospekt Pobedy 160, Chelyabinsk, 454084
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telephone: (8442) 24 1274
telephone: (3952) 34 2248
telephone: (4012) 91 6573
telephone: (8332) 40 5630
telephone: (391) 274 6063
telephone: (831) 296 0661
telephone: (8617) 64 2900
telephone: (3919) 42 2151
telephone: (495) 578 3680
telephone: (846) 979 7218
telephone: (8452) 29 3236
telephone: (4855) 29 6600
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telephone: (8212) 29 3180
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telephone: (351) 791 5462
telephone: (4852) 73 2752

Transfer agents of OAO Registrator NIKoil:

OAO Komi regional bank Ukhtabank, ulitsa Oktyabrskaya 14, Ukhta, Komi Republic, 169300

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FKB Petrocommerce, ulitsa Pribaltiyskaya 11A, Kogalym, Tyumen Oblast, 628486

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Additional office No.5 of FKB Petrocommerce, ulitsa Lenina 32, Langepas, Tyumen Oblast, 628672

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Additional office No.1 of FKB Petrocommerce, ulitsa Lenina 118, Urai, Tyumen Oblast, 628285

telephone: (34676) 2 0266

OAO Bank Petrocommerce, ulitsa Petrovka 24, building 1, Moscow, 127051

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Additional office of OAO Bank Petrocommerce ('Sretenka'), Sretensky bulvar 11, Moscow, 101000

telephone: (499) 973 7655

Additional office of OAO Bank Petrocommerce ('Pokrovka'), Pokrovsky bulvar 3, building 1, Moscow, 109028

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Additional office of OAO Bank Petrocommerce ('Prospekt Mira'), Prospekt Mira 180, Moscow, 129366

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Additional office of OAO Bank Petrocommerce ('Yakimanka'), ulitsa Malaya Yakimanka 4, Moscow, 109180

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ZAO Registrator INTRAKO, prospekt Lenina 47, office 327, Berezniki, Perm oblast, 618400

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ZAO Registrator INTRAKO, ulitsa Lenina 64, 2nd floor, Perm, 614990

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OAO Tulainkom, ulitsa Kominterna 23, Tula, 300041

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OAO FKB Petrocommerce, ulitsa Zakharova 11, Krasnodar, 350007

telephone: (861) 268 7900

OAO FKB Petrocommerce, ulitsa Sergievskaya 9, Nizhni Novgorod, 603109

telephone: (831) 421 4888

Branch of OAO URALSIB, ulitsa Krasnoarmeiskaya 188, Rostov-on-Don, 344000

telephone: (863) 266 6002

OAO Uglemetbank, ulitsa Molodogvardeitsev 17B, Chelyabinsk, 454138

telephone: (351) 247 4979

In order to facilitate timely payment of dividends, please make sure your banking details are indicated in the shareholder questionnaire you complete.

Access to information (materials) provided to shareholders in preparation for the General Shareholders Meeting shall be also given to persons taking part in the Annual General Shareholders Meeting of OAO "LUKOIL" during the time the Meeting is held.

Board of Directors of OAO "LUKOIL"

Agenda
of the Annual General Shareholders Meeting of OAO "LUKOIL"

Moscow, 23 June 2011

1. Approval of the 2010 Annual Report of OAO "LUKOIL" and the annual financial statements, including income statements (profit and loss accounts) of the Company, and also distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the financial year. Determination of the size, date, form and procedure of payment of dividends.
2. Election of the members of the Board of Directors of OAO "LUKOIL".
3. Appointment of the President of OAO "LUKOIL".
4. Election of the members of the Audit Commission of OAO "LUKOIL".
5. On the remuneration and reimbursement of expenses to members of the Board of Directors of OAO "LUKOIL".
6. On the remuneration of members of the Audit Commission of OAO "LUKOIL".
7. Approval of the Auditor of OAO "LUKOIL".
8. Approval of a new version of the Charter of Open Joint Stock Company "Oil company "LUKOIL".
9. Approval of amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*.
10. On the approval of an interested-party transaction.

Open Joint Stock Company “Oil company “LUKOIL”
Summary of 2010 performance results and main objectives for 2011

This year OAO “LUKOIL” celebrates its twentieth anniversary. Over the years we have achieved impressive results: from our beginnings with nothing more than a few production assets in Russia, we have become a global energy company operating in 37 countries on four continents worldwide. Over the first two decades of our existence, we have worked every day to improve the performance of all lines of the Group’s business to increase the income of Company shareholders.

Looking forward with confidence to our third decade of development, we are embarking on a new era of operating in a global business environment, and plan to unveil a new development strategy in the autumn of 2011. Considering the global trend toward a reduction in traditional hydrocarbon reserves, we are paying special attention to new technologies that will help us to develop our existing raw materials base in the most effective way in future, thereby creating new competitive advantages and additional shareholder value.

The LUKOIL Group achieved strong financial results in 2010 against the backdrop of the gradual recovery of the global economy from the world financial crisis. The Company’s ability to adapt quickly to the changing business environment has allowed us to achieve good financial results and to remain one of the leaders in the Russian oil-and-gas industry. Strict financial discipline, shrewd strategic decisions and good management have enabled us to achieve a record level of free cash flow. We have concentrated our efforts on the Company’s priority projects and improving business performance through the development of our innovation policy and optimisation of the business structure.

The LUKOIL Group’s net profit increased by 28.5% in 2010, and equalled USD 9.006 billion (with a 14.0% return on capital employed). Free cash flow reached USD 6.930 billion, the highest figure in the Company’s history. The fact that the Company has been able to remain on top of the Russian oil-and-gas industry in terms of business performance indicators for so long is a notable achievement. For example, in the reporting year net profit per barrel of production was USD 11/barrel.

Thanks to the growth in net profit, the Company is continuing its policy of increasing shareholder returns. On account of the decision of ConocoPhillips to withdraw from share capital, the Company performed one of the largest share buyback programmes on the Russian market. This transaction was worth more than USD 3.4 billion. Earnings per share reached nearly USD 11, and growth was 32.2% compared to 2009.

We continue to steadily increase the amount of dividend payments to shareholders. On 26 April 2011 the Board of Directors recommended that the annual General Shareholders’ Meeting approve dividends on 2010 performance results in the amount of RUB 59 per share (USD 1.94 at the exchange rate on 31 December 2010). Dividend payments equal 18.3% of the LUKOIL Group’s consolidated net profit, and 35.8% of the net profit of OAO “LUKOIL” (based on 2010 results). Dividend yield in 2010 equalled 3.5%.

Geological exploration, oil and gas reserves

The Company showed a positive trend in hydrocarbon production, thanks to a significant increase in gas production, active development of international projects and stabilisation of production in Western Siberia. Based on the 2010 results, the Group’s hydrocarbon production increased by 1.2%, to 2.24 million BOE/day. Production of marketable gas increased by 24.5% as a result of an increase in purchases by OAO Gazprom.

The most important event in 2010 was the start of production in the Caspian region. The Yu. Korchagin field became the first in a line of promising Caspian projects to be developed by the Company, and will serve as a guarantee of long-term qualitative growth in production.

The Company is also proceeding with the active development of its international segment. As part of the 10th licensing round held by the National Agency for Mineral Resources of Romania (NAMR), a consortium of OAO "LUKOIL" and the American company Vanco won the tender for blocks 29 and 30 (Black Sea).

The main achievement in geological surveying in 2010 was our Company's discovery of an oil-and-gas field on the deepwater continental rise in the Gulf of Guinea (Ghana). This was the first such discovery in the history of the domestic oil-and-gas industry. The discovery was made as part of the Cape Three Points Deep Water (CTPDW) project at the Dzata structure located at a depth of around 2,000 metres. The depth of the well is around 4.5 thousand metres below sea level.

Oil and gas production

The LUKOIL Group's production of marketable hydrocarbons increased by 1.2% in 2010, and equalled 817 million BOE. Average daily production equalled 2.24 million BOE/day.

The LUKOIL Group's oil production (with due account of its share in production performed by equity affiliate/associate companies) equalled 95,992 thousand tonnes in 2010 (1,940 thousand bbl/day). Average daily oil production fell by 1.6% compared to the 2009 level. The reduction in oil production at fields in Western Siberia, which account for 53% of the Company's overall production, had a negative effect on the growth rate in 2010. The fall was connected primarily with objective changes in the structure of recoverable reserves.

The Company's main achievement in 2010 was the start of oil production at the **Yu. Korchagin** field. The maximum level of oil production is forecast at around 2.4 million tonnes/year, and gas production – at 1 billion m³/year. The Yu. Korchagin field was the first of a group of fields located in the Russian part of the Caspian Sea to be brought into production by the Company. Development of the field envisages the use of a system of extremely long horizontal wells (more than 5 km), a unique feat for the Russian Federation. Plans include the performance of well logging during the process of drilling the horizontal part of a well. Radial well placement will make it possible to open all productive formations at once.

Production of marketable gas in the reporting year (after own needs, injection into formation and transportation losses) equalled 18,554 million m³ (1,795 million cubic feet/day). Average daily production of marketable gas increased year on year by 24.5%, including by 27.9% in Russia. This significant increase in production of marketable gas was due to increased purchases by OAO Gazprom, in conjunction with increased demand for gas in Europe, and the low figures for 2009.

The principle growth in production was seen at the Nakhodkhinskoye field, where production of marketable gas increased by 37.2% in 2010, and equalled 8,146 million m³. All of this gas was sold to OAO Gazprom. We also increased the share of utilisation of associated gas in Western Siberia during the reporting year. The LUKOIL Group's net profit under gas projects in Russia equalled USD 116 million, or 107.1% more than in 2009.

The Company is building gas-powered electrical power plants at fields as part of its small-scale power generation, to increase the level of utilisation of associated petroleum gas. This enables the Company to reduce the flaring of gas and to cut electricity costs, thereby reducing oil production expenses. The Company is implementing the Associated Petroleum Gas Utilisation Programme of LUKOIL Group organisations for 2009-2011, approved in 2009, which foresees bringing the level of utilisation of associated petroleum gas at LUKOIL Group fields up to 95% by 2012.

Oil refining

The LUKOIL Group continued its active work to develop the oil refining segment through the modernisation and expansion of oil refining capacity to ensure a further increase in the depth of refining.

Including the share of refining at the ISAB and TRN complexes, the Group's oil refineries refined 5.6% more oil and petroleum products in 2010, up to 66.2 million tonnes.

The key event for the Company in the oil refining sector was the commissioning of a catalytic cracking complex at the Nizhny Novgorod oil refinery. With the commissioning of the complex, the production of high-octane automobile gasoline at the enterprise will increase by 1.4 million tonnes/year, diesel fuel by 400 thousand tonnes/year, and the output of light petroleum products will increase by 12%. The entire output of gasoline will meet Euro-4 and Euro-5 requirements. The Nelson Complexity Index increased by 2.3 points with the commissioning of the complex. In addition, the reconstruction of the diesel hydrotreating unit (completed in December 2009) significantly increased the production of Euro-5 grade diesel fuel.

During the 2010 reporting year the Group's oil refineries took steps to improve operating performance, aimed at optimising production capacity and increasing the workload of facilities, improving the energy efficiency and reliability of equipment, increasing the time between repairs, and optimising staffing numbers and rotation. The summary effect of the measures performed was around USD 208 million. The measures had the greatest effect at the Perm, Nizhny Novgorod and Ukhta oil refineries (USD 85 million).

Refining of raw materials at the Group's gas processing enterprises

In 2010 the Company's gas processing plants processed 3,178 million m³ of raw gas and 760 thousand tonnes of natural gas liquids, or 7% and 6% more than in 2009, respectively. This growth was the result of an increase in demand for refining products.

Output of Company refineries included 2,471 million m³ of stripped gas, 846 thousand tonnes of liquefied gases and 889 thousand tonnes of liquid hydrocarbons (stable natural gasoline, isopentane and hexane-heptane fractions, natural gas liquids).

Production of petrochemical products

In 2010 the petrochemical plants of the LUKOIL Group manufactured 1,036 thousand tonnes of products, or 14.9% more than in 2009. This growth in production was the result of the start up of OOO Karpatneftkhim in September 2010, and the increase in demand for petrochemical products.

Measures to modernise existing and to create new production facilities were taken in 2009 as part of the LUKOIL Group's development strategy for the petrochemical sector. The Company's capital expenditures in the petrochemical sector equalled USD 76 million, or 33% less than the previous year.

Production at OOO Karpatneftkhim was launched after a lengthy downtime upon the completion of construction of new chlorine and sodium hydroxide production facilities with a capacity of 200 thousand tonnes/year in September 2010. The facilities have a capacity of 182 thousand tonnes of chlorine gas and 200 thousand tonnes of sodium hydroxide a year. Thanks to the completion of this project, the plant has begun to produce sodium hydroxide that meets global quality standards, and now covers all of its internal needs for chlorine.

Power generation industry

We completed the formation of the **Power generation business sector** in 2010. The current generating capacity of the LUKOIL Group equals around 4.4 GW. In 2011 we plan to bring 600 MW worth of new power generation facilities on line with the use of modern high technology combined cycle gas turbine equipment, which will make it possible to significantly

increase the efficiency of production of electricity and thermal power. The Group's total output of electricity in 2010, including that produced through small-scale power generation, remained at practically the 2009 level, and equalled 14.6 billion kWh. Production of thermal energy in 2010 equalled 15.3 million Gcal.

Oil and gas shipments

The total amount of oil sold by the Company in 2010, including shipments for refining at Company and third-party refineries, equalled 114 million tonnes. However, due to the increased efficiency of oil shipments to the domestic market compared to most shipping routes outside the former Soviet Union, large volumes of oil were reoriented from ineffective export routes to the Company's oil refineries and for sale on the domestic market of Russia.

A total of 3.6 million tonnes of oil was sold in Russia in 2010, which is 22% higher than in 2009. The increase in the volume of sales is due to the termination of oil refining at third-party refineries in Russia and Belarus; this freed up additional oil resources, which were then redirected to the domestic market.

Oil exports from Russia by OAO "LUKOIL" subsidiaries (taking into account oil purchased from third-party producers) were 40.59 million tonnes (815,000 bbl/day) in 2010, or 3.4% lower than in 2009. The fall in exports was due to a reduction in oil production, and also to the termination of oil refining at third-party refineries in Belarus at the end of 2009 in connection with the fall in the profitability of such operations. In the reporting year, the Company exported 8.73 million tonnes of oil through its own terminals. The Company exported 7.5 million tonnes of oil through the Varandei terminal in 2010, and 1.2 million tonnes through the port of Svetly.

In 2010 sales of natural gas, associated petroleum gas, stripped gas and dry gas by Russian Group companies totalled 14.087 billion m³, which is 29% more than in 2009. Of this, the Group sold 10.051 billion m³ to OAO Gazprom (including more than 8 billion m³ of natural gas from the Company's Nakhodkhinskoye field) and 4.036 billion m³ to other consumers. The increase in gas sales was due to higher global demand for gas and the corresponding removal of limitations on the acceptance of gas by OAO Gazprom. In addition, deliveries of associated petroleum gas from the resources of OOO LUKOIL-Western Siberia to ZAO Purgaz more than tripled in the reporting year, due to start of full operations at the Severo-Gubkinskoe field, which came on stream in June 2009.

Retail sale of petroleum products

At the end of 2010, the LUKOIL Group retail network covered 27 countries and included 189 tank-farm facilities, with a total reservoir capacity of 2.88 million m³, and 6,508 filling stations (including those operating as franchises).

The Company's retail sales of oil products remained virtually unchanged in the reporting year: company-owned filling stations sold 14.34 million tonnes of oil products, 1.8% more than in 2009. Average Group sales per filling station (company-owned and leased) equalled 8.1 tonnes per day, compared to 7.8 tonnes per day in 2009. The increase in average daily sales was due to the optimisation of the Group's retail network and a reduction in the number of underperforming filling stations.

The increase in retail sales was achieved by increasing sales on the Russian market (+13.0% compared to 2009). However, sales on the international market fell in 2010, largely due to a drop in consumer demand.

In the reporting year, the Company continued measures to optimise its distribution network with the aim of reducing costs and improving efficiency. In Europe and the CIS, 100 filling stations were optimised (1 leased out, 13 closed, 1 sold, and 85 transferred to dealer management), along with 3 tank farms (mothballed). In Russia, 25 filling stations were optimised (8 filling stations were leased out, 1 closed, and 16 sold), as were 9 tank farms (7 sold and 2 mothballed). At the same time, the construction and acquisition of strongly performing stations continued, including reconstruction of existing stations. In particular, in Europe and the CIS 23 new filling stations were built, 59 acquired and 50 rebuilt. In Russia, 38 filling stations were built, 26 were acquired and 45 rebuilt.

Stock market

2010 was a year of stock market consolidation for OAO “LUKOIL”. After the substantial fall in the value of the Company’s shares in 2008 (–53.6%) caused by the global financial crisis and the significant growth in capitalisation in 2009 (+76.3%), a period of stabilisation for the Company’s shares began in 2010 as the global economy recovered from the most serious phase of the crisis. During the year OAO “LUKOIL” shares continued to be one of the most liquid securities on the Russian stock market, and were part of the calculations of all major stock indexes. The main trading floors in Russia for Company shares remain ZAO Moscow Interbank Currency Exchange (hereinafter MICEX) and OAO RTS Stock Exchange (hereinafter RTS). OAO “LUKOIL” shares made up 6.5% and 5.87% of trading on these stock exchanges in 2010, respectively.

One of the key factors which to a large extent determined the Company’s share price trend in 2010 was stock market pressure from information on changes in the structure of major shareholders in the Company (the withdrawal of ConocoPhillips from OAO “LUKOIL”). In addition to this, the Company’s share price was affected by preparations by the Russian government to introduce amendments to tax legislation for the entire oil-and-gas sector, as well as the stable, moderate rise in the oil market over the entire reporting year.

Other than external factors, the share price was affected by internal events as well. For example, in 2010 measures were taken to improve operating efficiency and increase free cash flow, oil production in the Caspian Sea began, and projects were successfully realised in Western Africa, Iraq and Uzbekistan). The Company’s operating results earned high praise from industry experts and laid the foundation for future growth in the capitalisation of OAO “LUKOIL”.

As a result, the price of OAO “LUKOIL” shares rose by 2.16% over 2010 (MICEX trading) and equalled RUB 1,732.00 (USD 56.80) at the end of the reporting period. The Company’s share price trend in 2010 lagged somewhat behind oil-and-gas sector companies and the Russian stock market as a whole (2.16%, versus 17.6% for the MICEX Oil and Gas index and 23.2% for the MICEX index).

There was a slight decrease in the volume of trading in OAO “LUKOIL” shares in 2010 on Russian exchanges versus 2009 results, and an increase in the volume of trading in depositary receipts for Company shares on the London Stock Exchange. Depositary receipts were also traded on the over-the-counter market in the USA and on the London, Frankfurt, Munich and Stuttgart exchanges. At year end 2010 the total number of depositary receipts (ADRs) issued for ordinary shares was the equivalent of 563.99 million shares (66.31% of the Company’s charter capital). The volume of trading in ADRs on the main foreign trading floor – the London Stock Exchange – increased by 13.2% in 2010 and reached USD 50.1 billion. In 2010, ADRs issued for OAO “LUKOIL” shares were the second-most traded ADRs of foreign companies listed on the London Stock Exchange in the IOB system (16.2% of aggregate average monthly trading in this system).

At the end of 2010, a subsidiary of OAO “LUKOIL” issued and placed two issues of Eurobonds guaranteed by OAO “LUKOIL”. In November 2010, the Company completed the placement of a USD 1 billion Eurobond issue maturing in 2020 with an interest income of 6.125%. The bonds were offered in two tranches placed at the same time in one issue. USD 800

million in bonds were issued at a price equal to 99.08% of their par value, with a rate of return to maturity of 6.25% per annum. USD 200 million in bonds were issued at a price equal to 102.44% of their par value, as a result of which their rate of return to maturity was 5.80%. In December 2010 OAO "LUKOIL" completed the issue of unsubordinated unsecured convertible Eurobonds maturing in June 2015. The bonds were issued to a value of USD 1.5 billion, with a rate of return of 2.625% per annum.

LUKOIL exerted maximum effort during the reporting year to maintain and grow shareholder value. Operating indicators were improved, a strict policy of restraining capital costs was pursued, and as a result the Company was able to achieve record levels of free cash flow. This allowed the Company to maintain its investment appeal despite the instability of the global financial system.

Optimisation of corporate structure.

OAO "LUKOIL" has been carrying out a restructuring programme since 2002. Its main goal has been an increase in shareholder value, including by improving the transparency and efficiency of management processes, consolidating core subsidiaries, and divesting the Group of non-core and underperforming assets.

The most significant event in 2010 was the complete withdrawal of ConocoPhillips from the Company's share capital. In July 2010 a LUKOIL Group organisation signed an agreement with a ConocoPhillips subsidiary on the purchase from it of 64.6 million (7.6%) ordinary shares of OAO "LUKOIL" at a price of USD 53.25 per share. The total amount of the buyout was thus USD 3.4 billion. The transaction was completed in August 2010. The agreement also stipulated the option to acquire the remaining 98.7 million shares in OAO "LUKOIL" (11.61%) in the form of depositary receipts. In September, the Company partially exercised this option and acquired 42.5 million of its own shares from ConocoPhillips in the form of ADRs, in conjunction with a group of investors and UniCredit bank. The size of the transaction was USD 2.38 billion. In the first quarter of 2011, ConocoPhillips sold its remaining shares in OAO "LUKOIL" and thereby withdrew entirely from the Company's share capital.

In 2011 the Company will make every effort to improve its business efficiency in all areas of the Group's operations, thereby increasing the income of Company shareholders.

The Company's main objectives for 2011 are:

- to maintain the proper balance between business growth and high financial efficiency
- to implement high-return projects in the Exploration and Production business segment
- to strengthen the Company's financial position and ensure positive cash flow despite the instability of the global economy
- to increase shareholder return.

Board of Directors of OAO "LUKOIL"

OAO "LUKOIL" (not including subsidiaries and equity affiliates)

BALANCE SHEET

as at 31 December 2010

million roubles

	Opening balance	Closing balance
<i>Non-current assets</i>		
Intangible assets	119	163
Fixed assets	2,984	3,665
Construction in progress	1,925	2,514
Income-bearing investments in tangible assets	1	-
Financial investments	693,032	482,730
Deferred tax assets	709	534
Other non-current assets	359	600
<u>Non-current assets, total</u>	<u>699,129</u>	<u>490,206</u>
<i>Current assets</i>		
Inventories	67	50
VAT on purchased assets	2,526	62
Accounts receivable	140,202	126,115
Financial investments	45,784	358,759
Cash	15,346	14,105
<u>Current assets, total</u>	<u>203,925</u>	<u>499,091</u>
ASSETS	TOTAL	903,054
<i>Equity and reserves</i>		
Charter capital	21	21
Additional paid-in capital	12,625	12,625
Reserve capital	3	3
Retained earnings	318,152	413,960
<u>Equity and reserves, total</u>	<u>330,801</u>	<u>426,609</u>
<i>Non-current liabilities</i>		
Loans and borrowings	86,172	47,044
Deferred tax liabilities	115	101
Other non-current liabilities	206	7
<u>Non-current liabilities, total</u>	<u>86,493</u>	<u>47,152</u>
<i>Current liabilities</i>		
Loans and borrowings	389,319	404,047
Accounts payable	94,420	109,409
Provisions for future expenses	2,021	2,080
<u>Current liabilities, total</u>	<u>485,760</u>	<u>515,536</u>
LIABILITIES AND EQUITY	TOTAL	903,054
		989,297

OAO "LUKOIL" (not including subsidiaries and equity affiliates)

INCOME STATEMENT

for the year ended 31 December

million roubles

	2009	2010
Net sales revenues	536,708	35,042
Cost of goods sold	(429,194)	(13,583)
Gross profit	107,514	21,459
Selling expenses	(49,899)	(649)
Administrative expenses	(12,707)	(13,752)
Sales income	44,908	7,058
Interest receivable	37,757	33,681
Interest payable	(32,886)	(22,834)
Income from equity participation in other organisations	12,614	133,455
Result of non-sales income and expenses	(8,430)	(8,947)
Profits before tax	53,963	142,413
Deferred corporate profits tax	1,069	(161)
Current corporate profits tax and other mandatory payments	(9,884)	(2,214)
Net profit	45,148	140,038

INFORMATION ON CANDIDATES TO THE BOARD OF DIRECTORS OF OAO "LUKOIL"

Valery Isaakovich Grayfer

Chairman of the Board of Directors of OAO “LUKOIL”, Chairman of the Board of Directors of OAO RITEK

Born: 1929

Graduated from the I.M. Gubkin Moscow Oil Institute in 1952. Candidate of Technical Sciences (PhD). Recipient of six orders, four medals, and a Certificate of Honour of the Supreme Soviet of the Tatar ASSR. Awarded a Certificate of Honour of the Russian Federation President in 2009. 1985: USSR Deputy Minister of Oil Industry in charge of the Chief Tyumen Production Division for the oil and gas industry. 1992-2009: General Director of OAO RITEK. Since 2010: Chairman of the Board of Directors of OAO RITEK. Since 2000: Chairman of the Board of Directors of OAO “LUKOIL”. Professor of the I.M. Gubkin Russian State Oil and Gas University, Lenin Prize winner and the Government of the Russian Federation Prize winner.

Vagit Yusufovich Alekperov

President of OAO “LUKOIL”, Member of the Board of Directors of OAO "LUKOIL", Chairman of the Management Committee of OAO “LUKOIL”

Born: 1950

Graduated from the M. Azizbekov Azerbaijan Oil and Chemistry Institute in 1974. Doctor of Economics. Full member of the Russian Academy of Natural Sciences. Recipient of four orders and eight medals. Two times winner of the RF Government Prize. Employed since 1968; worked at oil fields in Azerbaijan and Western Siberia. 1987-1990: General Director of the Production Association Kogalymneftegaz of Glavtyumenneftegaz of the USSR Ministry of Oil and Gas. 1990–1991: Deputy Minister; First Deputy Minister of the USSR Ministry of Oil and Gas. 1992-1993: President of the Oil Concern Langepasuraikogalymneft. 1993–2000: Chairman of the Board of Directors of OAO “LUKOIL”. Since 1993: President of OAO “LUKOIL”.

Igor Vyacheslavovich Belikov*

Director of the Russian Institute of Directors, Member of the Human Resources and Compensation Committee of the Board of Directors of OAO “LUKOIL”

Born: 1956

Graduated from Voronezh State University in 1980. Completed a post-graduate program at the African Studies Institute under the USSR Academy of Science in 1986, Candidate of Historical Sciences (PhD). Diploma in Banking and Insurance from the Institute of Professional Skills Improvement and New Qualifications at Academy of Finance under the Government of the Russian Federation. Since 2002: Director of the Russian Institute of Directors.

Victor Vladimirovich Blazheev*

Rectoer of the Kutafin Moscow State Academy of Law, Member of the Audit Committee of the Board of Directors of OAO “LUKOIL”

Born: 1961

Graduated from the evening department of the All-Union Extra-Mural Law Institute (AELI) in 1987; completed a post-graduate program at AELI/Moscow Law Institute in the department of civil litigation in 1990. Since 1994 he has been engaged in educational (as a lecturer) and administrative activities occupying various positions at Moscow State Academy of Law. 1999-2001: Dean of the full-time day department of Moscow State Academy of Law. 2001-2002: Vice-Rector of Moscow State Academy of Law in charge of academic agenda. 2002 –2007: First Vice-Rector of Moscow State Academy of Law in charge of academic agenda. Since 2007: Rector of the Kutafin Moscow State Academy of Law.

Herman Oskarovich Gref*

President, Chairman of the Executive Board of the Savings Bank of the Russian Federation (SBERBANK), Chairman of the Audit Committee of the Board of Directors of OAO “LUKOIL”

Born: 1964

Graduated from Omsk State University in 1990, completed a post-graduate program at St. Petersburg State University in 1993. 1998 – 2000: First Deputy Minister of the Ministry of Property Relations of the Russian Federation. 2000 – 2007: Minister of Economic Development and Trade of the Russian Federation. Since 2007: President, Chairman of the Executive Board of the Savings Bank of the Russian Federation (SBERBANK).

Igor Sergeevich Ivanov*

Professor of the Moscow State Institute of International Relations, Chairman of the Strategy and Investment Committee of the Board of Directors of OAO “LUKOIL”

Born: 1945

Graduated from the Maurice Thorez Moscow State Institute of Foreign Languages in 1969. Doctor of History. Professor. Recipient of Russian and foreign orders and medals. 1993-1998: First Deputy Minister of Foreign Affairs of the Russian Federation. 1998-2004: Minister of Foreign Affairs of the Russian Federation. March 2004 – July 2007: Secretary of the Security Council of the Russian Federation.

Ravil Ulfatovich Maganov

Member of the Board of Directors of OAO "LUKOIL", Member of the Management Committee of OAO "LUKOIL", First Executive Vice-President of OAO “LUKOIL” (Oil and Gas Exploration and Production), Member of the Strategy and Investment Committee of the Board of Directors of OAO “LUKOIL”

Born: 1954

Graduated from the I.M. Gubkin Moscow Institute of the Oil and Gas Industry in 1977. Distinguished Oil and Gas Specialist of the Russian Federation. Recipient of two orders and three medals. Three times winner of the RF Government Prize in Science and Engineering. 1988–1993: Chief Engineer, Deputy General Director, General Director of PO Langepasneftegaz. 1993–1994: Vice-President of OAO “LUKOIL”. 1994-2006: First Vice-President of OAO “LUKOIL”. Since 2006: First Executive Vice-President of OAO “LUKOIL”.

Richard Herman Matzke*

Born: 1937

Graduated from Iowa State University in 1959, Pennsylvania State University in 1961, and St. Mary’s College of California in 1977. MS in Geology, Master of Business Administration. 1989–1999: President of Chevron Overseas Petroleum, member of the Board of Directors of Chevron Corporation. 2000–2002: Vice-Chairman of Chevron, Chevron-Texaco Corporation. 2006: Recipient of a public non-governmental medal "For the Development of the Oil and Gas Complex of Russia" and the "Director of the Year 2006" National Award, Russia, in the "Independent Director of the Year" nomination category, inspired by the Independent Directors Association (IDA) and PricewaterhouseCoopers.

Sergei Anatolievich Mikhailov**

Chairman of the Board of Directors of ZAO Kapital Upravlenie aktivami [Kapital Asset Management], Member of the Board of Directors of OOO Upravlyayushchaya Kompaniya Kapital [Kapital Management Company], Member of the Audit Committee of the Board of Directors of OAO “LUKOIL”, Member of the Human Resources and Compensation Committee of the Board of Directors of OAO “LUKOIL”

Born: 1957

Graduated from the F.E. Dzerzhinsky Military Academy in 1979, Moscow Aviation Institute (Refresher Training Course) in 1981, the Plekhanov Russian Economics Academy in 1998. Candidate of Technical Sciences (PhD), Doctor of Economics, professor. Recipient of four medals. 1974–1992: service in the armed forces. 1992-1996: head of department, Deputy Chairman of the Russian Federal Property Fund. 1996–1997: head of the department of restructuring and investment of the Ministry of Industry of the Russian Federation. 1997-2003: General Director of ZAO Upravlyayushchaya Kompaniya Menedzhment-Tsentri [asset management company]. 2001 - 2011: General Director of OOO Menedzhment-Konsalting [Management Consulting limited liability company]. Since 2005: Member of the Board of Directors of ZAO IFD Kapital, OAO Editorial Board of *Izvestia*. Since 2008: Chairman of the Board of Directors of ZAO Kapital Upravlenie aktivami [Kapital Asset Management], Member of

the Board of Directors of OOO Upravlyayushchaya Kompaniya Kapital [Kapital Management Company]. Since 2010: Chairman of the Board of Directors of ZAO Gruppya Kapital Upravlenie aktivami [Kapital Asset Management Group], since 2011: Deputy General Director of OOO Upravlyayushchaya Kompaniya Kapital [Kapital Management Company].

Mark Mobius*

Executive Chairman, Templeton Emerging Markets Group; Member of the Strategy and Investment Committee of the Board of Directors of OAO “LUKOIL Born:1936

Graduated from the Massachusetts Institute of Technology (1964). Dr. Mobius earned a Ph.D. in economics and political science from the Massachusetts Institute of Technology, as well as Bachelor’s and Master’s degrees from Boston University. Executive Chairman, Templeton Emerging Markets Group. Joined Franklin Templeton Investments in 1987.

Guglielmo Antonio Claudio Moscato*

Born: 1936

Graduated from Polytechnic University of Milan (Politecnico di Milano) (Italy), 1961. Chairman and CEO of Gas Mediterraneo & Petrolio, former Chairman of the Board of Directors of Eni SpA, Chairman and Chief Executive Officer of AGIP SpA.

Alexander Nikolaevich Shokhin*

President of the Russian Union of Industrialists and Entrepreneurs, President of the State University – Higher School of Economics, Chairman of the Human Resources and Compensation Committee of OAO “LUKOIL”

Born: 1951

Graduated from the Economics Department of the Lomonosov Moscow State University in 1974. Doctor of Economics, professor. Recipient of an order and a medal. Employed since 1969. 1991–1994: Deputy Chairman of the Government of the Russian Federation, Minister of Economy of the Russian Federation, Minister of Labor and Employment of the Russian Federation. 1994–2002: Deputy of the State Duma (Parliament) of the Russian Federation of three convocations. 2002–2005: Chairman of the Supervisory Board of Renaissance Capital Group. Since 2005: President of the Russian Union of Industrialists and Entrepreneurs. Member of the RF Public Chamber, Member of the Presidential Council on Priority National Projects and Demographic Policy, Member of the Business Competition and Enterprership Board under the Chairman of the Government of the Russian Federation, Member of the Governmental Commissions: for administrative reform, legislature and investment projects of national importance.

* Qualifying as an independent candidate to the Board of Directors of OAO "LUKOIL" in accordance with the Corporate Governance Code recommended for application by FCSM Resolution No. 421/r of 04 April 2002, and the UK Corporate Governance Code developed by the Financial Reporting Council (FRC) of the United Kingdom of Great Britain and Northern Ireland

** Qualifying as an independent candidate to the Board of Directors of OAO "LUKOIL" in accordance with the UK Corporate Governance Code developed by the Financial Reporting Council (FRC) of the United Kingdom of Great Britain and Northern Ireland

INFORMATION ON THE CANDIDATE
FOR THE POSITION OF THE PRESIDENT OF OAO “LUKOIL”

Vagit Yusufovich Alekperov

President of OAO “LUKOIL”, Member of the Board of Directors of OAO “LUKOIL”, Chairman of the Management Committee of OAO “LUKOIL”

Born: 1950

Graduated from the M. Azizbekov Azerbaijan Oil and Chemistry Institute in 1974. Doctor of Economics. Full member of the Russian Academy of Natural Sciences. Recipient of four orders and eight medals. Two times winner of the RF Government Prize. Employed since 1968; worked at oil fields in Azerbaijan and Western Siberia. 1987-1990: General Director of the Production Association Kogalymneftegaz of Glavtyumenneftegaz of the USSR Ministry of Oil and Gas. 1990–1991: Deputy Minister; First Deputy Minister of the USSR Ministry of Oil and Gas. 1992-1993: President of the Oil Concern Langepasuraikogalymneft. 1993–2000: Chairman of the Board of Directors of OAO “LUKOIL”. Since 1993: President of OAO “LUKOIL”.

The candidate has given his written consent to be appointed President of OAO “LUKOIL”.

INFORMATION ON CANDIDATES
FOR THE AUDIT COMMISSION OF OAO “LUKOIL”

Pavel Gennadievich Kondratiev was born on 8 July 1963. Graduated from the Kuibyshev Planning Institute in 1986 with a degree in “Accounting and business analysis”. Employed since 1986. 1997-2002: Chief Accountant of OAO Nizhegorodnefteorgsintez. 2002-2008: Chief Accountant of OAO LUKOIL-Nizhegorodnefteorgsintez. Since 2008: Chief Accountant of OOO LUKOIL-Nizhegorodnefteorgsintez.

Vladimir Nikolaevich Nikitenko was born on 23 April 1958. Graduated from the Saratov Economics Institute in 1982 with a degree in “Finance and credit”. Employed since 1977. 1996-1998: Chairman of the Board of OAO Bank Kaspiisky. Since 1998: President of OAO Petrocommerce Bank.

Mikhail Mikhailovich Shendrik was born on 28 May 1958. Graduated from the Kuibyshev Planning Institute in 1979 with a degree in “Industrial Accounting”. Employed since 1979. 2000-2002: Chief Accountant of TPP Uraineftegaz [oil & gas production unit] of OOO LUKOIL-Zapadnaya Sibir [Western Siberia]. Since 2002: Chief Accountant of OOO LUKOIL-Zapadnaya Sibir [Western Siberia].

All the candidates have given their written consent to be elected to the Audit Commission of OAO “LUKOIL”.

Information on an interested-party transaction

In accordance with article 83 of the Federal Law *On Joint Stock Companies*, interested-party transactions must be approved by the Board of Directors or General Shareholders Meeting of the company prior to their conclusion.

One interested-party transaction is being submitted for the consideration of the Annual General Shareholders Meeting of OAO "LUKOIL" - Policy (contract) on insuring the liability of directors, officers and corporations between OAO Kapital Strakhovanie (Insurer) and OAO "LUKOIL" (Policyholder). This transaction is being submitted for the approval of the General Shareholders Meeting of the Company based on point 3 of article 83 of the Federal Law *On Joint Stock Companies*, since all the members of the Board of Directors of OAO "LUKOIL" qualify as parties interested in the conclusion of the transaction. Under this transaction, all members of the Board of Directors of the Company are considered interested parties to this transaction as beneficiaries under the transaction, as they will be entitled to a compensation should an insured event occur. The President of the Company and the members of the Management Committee are also deemed interested parties. Under the Policy (contract) on insuring the liability of directors, officers and corporations, insured is the liability of Board members and other officials of the Company, i.e. the President and the members of the Management Committee (Coverage A), and the liability of the Company itself (Coverage B) for 2011-2012. Under the indicated contract OAO "LUKOIL" (Policyholder) undertakes to pay the insurance premium by the indicated date and to comply with the terms of the contract, and OAO Kapital Strakhovanie (Insurer) undertakes to pay insurance compensation in accordance with the contractual terms in the event of the occurrence of an insured event. The aggregate limit of liability under coverage A and B, including legal defence costs, is at least USD 50,000,000. The insurance premium for coverage A is up to RUB 305,000, and for coverage B – up to RUB 19,520,000.

Professional liability insurance is a generally accepted practice throughout the world. The Corporate Governance Code recommended for application by the Federal Commission on Security Markets by Resolution No. 421/r of 04 April 2002 also recommends that joint stock companies obtain this type of insurance using internal funds, so that any losses caused to third parties by the culpable actions of the members of the Board of Directors can be compensated using the funds of the insurance company.

Interested-party transaction

No.	Names of parties	Name of transaction	Beneficiary	Subject of the transaction	Other material terms of the transaction	Price
1.	<p>ОАО Kapital Strakhovanie (Insurer)</p> <p>ОАО "ЛУКОЙЛ" (Policyholder)</p>	<p>Policy (contract) on insuring the liability of directors, officers and corporations.</p>	<p>Under coverage A – the President, members of the Board of Directors, members of the Management Committee of ОАО "ЛУКОЙЛ", pursuant to the list given in the appendix to the policy, and also any individual who occupied in the past or occupies in the future the aforementioned positions in ОАО "ЛУКОЙЛ".</p> <p>Under coverage B – ОАО "ЛУКОЙЛ".</p>	<p>The Insurer undertakes, for the payment stipulated in the policy (insurance premium) and when the event stipulated in the policy occurs (an insured event), to cover the damage caused by this event (to pay insurance compensation) to the Policyholder (the Insured) within the limits of the insurance coverage (the liability limit) set by the policy.</p> <p>Coverage A "Insurance of Directors and Officers" insures the losses of each and every Director and Officer of ОАО "ЛУКОЙЛ" arising from suits initially filed against these persons during the insurance period (effective term of the policy) or the discovery period (a 30-day period beginning after the end of the insurance period, if the contract is not renewed), for any real or alleged improper actions in their performance of the relevant functions of the Directors and Officers of ОАО "ЛУКОЙЛ".</p> <p>Coverage B "Insurance of Liability of the Corporations" insures the losses of ОАО "ЛУКОЙЛ" arising from suits on compensation of losses on securities of ОАО "ЛУКОЙЛ", initially filed against ОАО "ЛУКОЙЛ", and/or suits initially filed against the Directors or Officers, where ОАО "ЛУКОЙЛ" is obligated and may compensate the Director or Officer for expenses borne thereby as a result of the compensation of losses under suits filed.</p>	<p>The policy is effective from 19 July 2011 through 18 July 2012.</p> <p>The premium under coverage A applies in equal measure to each of the Directors and Officers indicated in the list shown in the appendix to the policy.</p> <p>The liability limit is at least USD 50,000,000 (total aggregate limit for coverage A and B, including legal defence costs).</p> <p>The insurance premium will be paid in roubles in accordance with the terms and conditions of the policy.</p>	<p>up to RUB 305,000 – premium for coverage A; up to RUB 19,520,000 – premium for coverage B.</p>

**Opinion
of the Audit Commission
based on a review of the financial and business activity
of OAO “LUKOIL” in 2010**

Moscow

12 May 2011

1. Introduction

In accordance with the legislation of the Russian Federation, the Charter of OAO “LUKOIL” (hereinafter also the “Company”), the *Regulations on the Audit Commission of OAO “LUKOIL”*, and on the basis of the audit opinion of the ZAO KPMG, the Audit Commission performed a review of the Company’s financial and business activity in 2010.

No requests for extraordinary reviews and audits were received during the year by the Audit Commission from shareholders or the Board of Directors.

In accordance with the Work Plan (Appendix to Minutes No.2 of the Audit Commission meeting of 30 July 2010), the Audit Commission performed a review of:

1. Compliance of the procedure for keeping accounts of business operations with the accounting policy of OAO “LUKOIL” and the regulatory legal acts of the Russian Federation;
2. Compliance with the procedure for performing stocktakes of assets and financial liabilities and documenting their results for the preparation of annual financial statements;
3. Timeliness of preparation and provision of financial statements to interested users;
4. Reliability of the data contained in the annual financial statements and Annual Report of OAO “LUKOIL” for 2010.

In addition, the main indicators characterising the financial and business activity of OAO “LUKOIL” in 2010 were assessed.

2. Analysis

During the review it was established that:

1. OAO “LUKOIL” (the “Company”) keeps its accounts on the basis of the *Accounting Policy for 2010* approved by OAO “LUKOIL” Order No. 271 of 31 December 2009 (with the wording of 31 December 2010, No. 221) and prepared in accordance with Federal Law No. 129-FZ *On Accounting*, the accounting regulations and other regulatory acts governing accounting issues, and the Tax Accounting Policy (OAO “LUKOIL” order No. 269 of 29 December 2009) prepared in accordance with the requirements of tax legislation.

2. For the purposes of ensuring the reliability of the data in the accounting and reporting before the preparation of the annual financial statements, a stocktake of the Company's assets and liabilities was performed on the basis of OAO "LUKOIL" order No. 172 of 27 September 2010.

The stocktake of the assets and financial liabilities was performed at the Company by the established deadlines and in accordance with the requirements of the *Methodological Recommendations on Stocktakes of Assets and Financial Liabilities* approved by RF Ministry of Finance Order No. 49 of 13 June 1995, and the *Methodological Recommendations on Stocktakes of Assets and Financial Liabilities of OAO "LUKOIL"*, approved by Order No. 167/1 OAO "LUKOIL" of 13 September 2006, as amended by Order No. 209 of 29 November 2010.

The performance of the stocktake was documented and the results were presented in the accounts using the unified forms approved by Resolution No. 88 of the RF State Statistics Committee of 18 August 1998 and the forms approved by order No. 167/1.

The stocktake of assets was performed by working commissions at facilities that are subordinate to the Company's accountable officers, with the preparation of inventory sheets. All inventory sheets are signed by members of the stocktake commissions and the accountable officers.

The stocktake of all types of settlements, financial investments, provisions, etc. was performed on the basis of source and supporting documents, with the preparation of Stocktake Reports.

All Reports on the stocktake of assets and liabilities were signed by the members of the working audit commissions.

The results of the stocktake of assets and financial liabilities were documented in minutes of the working stocktake commissions, which were sent to the Company's Main Stocktake Commission.

The results of the stocktake were recorded in the minutes of the Main Stocktake Commission and approved by OAO "LUKOIL" Order No. 5 of 18 January 2011.

3. The Audit Commission confirms that the financial statements were prepared by the deadlines set by the Company's document-flow regulations and were provided on time to interested users.

4. The data contained in the forms of the annual financial statements correspond to the data presented in the accounting registers. The Company's financial statements include data on assets, liabilities, income and expenses provided by trustees. The explanatory note contains information that must be disclosed in accordance with the requirements of accounting regulations.

The reliability of the financial statements for 2010 was confirmed by an auditor's report issued by audit firm ZAO KPMG.

The Company's financial and business operations in 2010 are characterised by the following indicators:

From 1 January 2010 the Company changed to a new production and sales business arrangement, whereby it performs shipment of purchased gas to

the domestic market, and exports oil, petroleum and gas products, and petrochemicals under commission contracts.

As a result, sales revenue for 2010 equalled RUB 35,041,423 thousand, and **the cost of goods and services sold** was RUB 13,582,622 thousand, and gross profit was RUB 21,458.801.

The Company's **selling expenses** were RUB 649,269 thousand, a significant fall year on year caused by termination of marketable oil export and domestic sales. The share of selling expenses in sales revenue decreased from 9.3 to 1.9%.

Administrative/Management expenses increased by RUB 1,045,036 thousand, or 8.2%, year on year in 2010, and equalled RUB 13,751,734 thousand. The increase in management expenses was connected with a growth in expenses on the services of third-party organisations.

With due account of the changes in gross profit, selling and management expenses, **sales income** equalled RUB 7,057,745 thousand. However, the profit margin on sales significantly increased from 8.4% to 20.1%.

The positive difference between interest received on loans to subsidiaries and interest paid equalled RUB 10,846,741 thousand, or 2.2 times more than in 2009.

The Company's interest expenses paid in 2010 equalled RUB 22,833,804 thousand, compared with RUB 32,886,068 thousand in 2009 , i.e. a decrease in expenses amounted to 30.6%.

Income received from equity participation in other organisations equalled RUB 133,455,313 thousand in 2010, which is RUB 120,841,699 thousand more than in 2009.

Other income in 2010 equalled RUB 3,454,388 thousand, which is RUB 3,099,906 thousand less than in 2009. **Other expenses** decreased by RUB 2,582,864 (17.2%) thousand and equalled RUB 12, 401,458 thousand.

Considerable changes were seen in the following items included in other income and expenses:

- Income from the purchase and sale of foreign currency in 2010 equalled RUB 2,834,723 thousand, compared to RUB 3,157,756 thousand in 2009;
- Income from disposal of fixed and other assets was RUB 148,461 (RUB 4,931 thousand in 2009);
- Exchange differences – in 2010 there was an expense of RUB 9,448,060 thousand, as foreign-exchange losses exceeded foreign-exchange gains, while in 2009 there was a an expense from exchange differences of RUB 9,717,281 thousand;
- Income related to the reestablishment of the impairment provisions for financial investments decreased in 2010 by RUB 675,729 thousand year on year, and equalled RUB 391,419 thousand;
- Expenses related to financial charity equalled RUB 1,037,915 thousand.

As a result, profit before tax increased by 2.6 times in 2010 compared to 2009, and equalled RUB 142,412,782 thousand (against RUB 53,962,446 thousand).

Corporate profits tax fell by 77.6% (from RUB 9,883,873 thousand in 2009 to RUB 2,565,107 thousand in 2010). This significant decrease in the corporate profits tax was due to the income received from equity participation in other organisations subject to a 0% tax rate.

The reduction in the tax burden had a positive effect on the amount of **net profit** of the reporting year. The net profit equalled RUB 140,037,510 thousand in 2010, which rose by 3.1 times year on year.

The increase in the Company's net assets compared to the previous period equalled 29%, with their total amount reaching RUB 426,609,438 thousand.

3. Conclusions

OAO "LUKOIL" (the "Company") keeps its accounts on the basis of the *Accounting Policy for 2010* approved by OAO "LUKOIL" Order No. 271 of 31 December 2009 (with the wording of 31 December 2010, No. 221) and prepared in accordance with Federal Law No. 129-FZ *On Accounting*, the accounting regulations and other regulatory acts governing accounting issues, and the Tax Accounting Policy (OAO "LUKOIL" order No. 269 of 29 December 2009) prepared in accordance with the requirements of tax legislation.

The Audit Commission did not identify any instances of violations of the accounting and reporting procedure established by the legislative acts of the Russian Federation and the Company's accounting and reporting policy that would be capable of materially affecting the reliability of the financial statements of OAO "LUKOIL".

The financial statements were prepared by the established deadlines and were provided on time to interested users.

The reliability of the financial statements of OAO "LUKOIL" for 2010 was confirmed by an auditor's report issued by ZAO KPMG.

Annual Report of OAO "LUKOIL"

The OAO "LUKOIL" Annual Report contains reliable information on the Company's operations, its priority areas of activity and growth prospects.

The OAO "LUKOIL" Annual Report was signed by President of OAO "LUKOIL" V.Yu. Alekperov and Chief Accountant I.A. Kozyrev.

The OAO "LUKOIL" Annual Report was prepared in accordance with the requirements of RF FCSM Resolution No. 17/ps of 31 May 2002 (point 3.6).

The Audit Commission confirms the reliability of the data contained in the Annual Report of OAO "LUKOIL" and the annual financial statements for 2010.

Chairman of the Audit
Commission

V.N. Nikitenko

Members of the Audit Commission:

L.G. Ivanova
P.G. Kondratiev

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

Auditors’ report

on the financial statements of
the Open Joint Stock Company
“Oil Company “LUKOIL”
for the 2010 reporting year

Set out below is an unofficial translation of the auditors’ report on the statutory financial statements of the Open Joint Stock Company “Oil Company “LUKOIL” as at and for the year ended 31 December 2010. The statutory financial statements to which the auditors’ report relates have been prepared in accordance with the accounting and reporting regulations of the Russian Federation. Russian accounting and reporting regulations differ from accounting frameworks in other jurisdictions. Consequently, the accompanying statutory financial statements are not intended to present the financial position, financial performance and cash flows of the Open Joint Stock Company “Oil Company “LUKOIL” in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Russian Federation.

Information on the audit firm

Name of the audit firm:	Closed Joint Stock Company KPMG.
Location (legal address):	18/1, Olympiyskiy prospect, Room 3035, Moscow 129110.
Postal address:	10, Presnenskaya Naberezhnaya, Block C, floor 31, Moscow 123317.
State registration:	Registered by the Moscow Registration Chamber on May 25, 1992, Registration No. 011.585. Included in the Unified State Register of Legal Entities on August 13, 2002 by the Moscow Inter-Regional Tax Inspectorate No. 39 of the Ministry for Taxes and Duties of the Russian Federation, Registration No. 1027700125628, Certificate series 77 No. 005721432.
Membership in a self-regulating auditors' organisation	Member of the Non-commercial Partnership "Chamber of Auditors of Russia". The Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: No.10301000804.

Information on the audited company

Name of audited company:	Open Joint Stock Company "Oil Company "LUKOIL"
Location (legal address):	11, Sretenskiy boulevard, Moscow, 101000.
Postal address:	11, Sretenskiy boulevard, Moscow, 101000.
State registration:	Registered by Moscow registration chamber on April 22, 1993, Registration No. 024020. Entered in the Unified State Register of Legal Entities on July 17, 2002 by the Direction of the Ministry of the Russian Federation of tax and duties in Moscow, Registration No. 1027700035769, Certificate series 77 No. 007892347.

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 2010 reporting year.

The financial statements, set on 51 pages, comprise:

- the balance sheet as at 31 December 2010;
- the income statement for 2010;
- the appendices to the balance sheet and the income statement including:
 - the statement of changes in equity for 2010;
 - the cash flow statement for 2010;
 - the attachments to the balance sheet;
- the explanatory notes to the financial statements.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and reliability of the financial statements in accordance with the requirements of the Russian reporting legislation and for the system of internal control necessary for the preparation of the financial statements which are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements in all material respects based on our audit. We conducted our audit in accordance with the Federal Standards on Auditing. These standards require that we comply with relevant ethical requirements and planning and performing the audit in order to obtain sufficient assurance as to whether the financial statements are free from material misstatements.

The audit included performing procedures to obtain audit evidence confirming the amounts and disclosures in the financial statements. The selection of the procedures is a matter of our judgment, which is based on the assessment of risk of material misstatement, whether due to fraud or error. In the process of risk assessment we considered the system of internal control relevant to the preparation and reliability of the financial statements in order to select appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The audit also included an assessment of the appropriateness of the Company's accounting policy and the reasonableness of the estimates made by management, as well as the evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the reliability of the financial statements.

Opinion

In our opinion, the accompanying financial statements present reliably, in all material respects, the financial position of the Company as at 31 December 2010 and its financial performance and cash flows for the 2010 reporting year in accordance with the requirements of the Russian reporting legislation.

Director of CJSC KPMG
(power of attorney dated October 1, 2010 No. 24/10)

Altukhov K. V.

21 March 2011

**Summary review
of the Independent Auditors' Opinion
performed by the Audit Committee of the Board of Directors of OAO "LUKOIL"**

MINUTES No. 2
OF THE MEETING OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

06 April 2011

Moscow

EXCERPT

CHAIRMAN: H.O. Gref

PRESENT:

Committee members V.V. Blazheev, S.A. Mikhailov

Secretary of the Committee E.L. Khavkin

Chairman of the Board of Directors V.I. Grayfer

Chief Accountant: I.A. Kozyrev

KPMG representatives

Company employees in charge

The Committee meeting is being conducted with the attendance in person of three members of the Committee.

The meeting is quorate.

**I. Examination of the Independent Auditors' opinion before submitting it to shareholders at the Annual
General Shareholders Meeting of the Company**

**(I.A. Kozyrev, S.V. Skachko, S.V. Mikhailov, V.I. Grayfer,
A.I. Oussov, V.V. Blazheev, H.O. Gref)**

RESOLVED:

1. To take note of the financial statements of OAO "LUKOIL" for the period from 1 January to 31 December 2010 (Appendix) supported by the report of the Company's independent Auditor, ZAO KPMG.

2. Having considered the report of the Company's independent Auditor, ZAO KPMG, on the financial statements of OAO "LUKOIL" for the period from 1 January to 31 December 2010, based on the result of the analysis and the discussion of issues of material importance to the preparation of complete and reliable financial statements, and also in light of the fact that the audit of the financial statements of OAO "LUKOIL" for the period from 1 January to 31 December 2010 resulted in an unqualified audit opinion, to propose to the Board of Directors that it recommend to the annual General Shareholders Meeting of the Company that the Meeting approve the audited financial statements of the Company for 2010 and include the Summary review of the Independent Auditors' Opinion performed by the Audit Committee of the Board of Directors of OAO "LUKOIL" in the list of materials to be provided to shareholders when preparing for the General Shareholders Meeting.

Voting results:

IN FAVOR voted the following Committee members: H.O. Gref, V.V. Blazheev, S.A. Mikhailov

Decision passed unanimously.

Chairman

H.O. Gref

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 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 2010 was equal to 140,037,510,000 roubles.

To distribute 50,183,232,000 roubles to the payment of dividends for 2010.

The rest of the net profit shall be left undistributed.

To pay dividends for the 2010 financial year in the amount of 59 roubles per ordinary share. Payment of dividends to be made in cash from the account of OAO "LUKOIL", with the term of dividend payment not exceeding 60 days from the date the payment decision is taken.

If the dividends transferred by OAO "LUKOIL" are returned due to incorrect banking details in the shareholder register of OAO "LUKOIL" or the death of a shareholder, repeat payment of dividends will be performed after information is provided to OAO Registrator NIKoil (hereinafter the "Registrar") on changes in payment and other details and the relevant amendments are made to the shareholder 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 shareholder 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. 6 May 2011.

The proposed decisions are based on the recommendations of the Strategy and Investment Committee of the Board of Directors of OAO "LUKOIL" (Minutes No. 2 of 11 April 2011).

The Board of Directors will provide recommendations on the approval of the 2010 Annual Report of OAO "LUKOIL" when taking decision on the tentative approval of the Annual Report.

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 2011 (Minutes No. 3).

On item 3 on the agenda of the meeting:

To appoint Vagit Yusufovich ALEKPEROV President of OAO "LUKOIL", from the list of candidates approved by the Board of Directors of OAO "LUKOIL" on 4 February 2011 (Minutes No. 3).

On item 4 on the agenda of the meeting:

To elect the Audit Commission from the list of candidates approved by the Board of Directors of OAO "LUKOIL" on 4 February 2011 (Minutes No. 3)

On item 5 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 – 4,470,000 roubles
 - V.Yu. Alekperov – 4,470,000 roubles
 - I.V. Belikov – 4,470,000 roubles
 - V.V. Blazheev – 4,470,000 roubles
 - D.E. Walette – 4,470,000 roubles
 - H.O. Gref – 4,470,000 roubles
 - I.S. Ivanov – 4,470,000 roubles
 - R.U. Maganov – 4,470,000 roubles
 - S.A. Mikhailov – 4,470,000 roubles
 - M. Mobius – 4,470,000 roubles
 - A.N. Shokhin – 4,470,000 roubles
2. In accordance with the decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 26 June 2008 (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 – 1,040,000 roubles;
 - to I.S. Ivanov, for performance of the functions of Chairman of the Strategy and Investment Committee – 520,000 roubles;
 - to H.O. Gref, for performance of the functions of Chairman of the Audit Committee – 520,000 roubles;
 - to A.N. Shokhin, for performance of the functions of Chairman of the Human Resources and Compensation Committee – 520,000 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 of OAO “LUKOIL” 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 26 June 2008 (Minutes No. 1), and also for their participation in conferences and other events on written instructions from the Chairman of the Board of Directors, in the amount established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2010 (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 23 June 2011, in accordance with the actual participation of members of the Board of Directors at meetings and conferences (other events).
4. To reimburse members of the Board of Directors of OAO “LUKOIL” 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.
5. 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 – 4,700,000 roubles;
 - for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 1,100,000 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 – 550,000 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 – 110,000 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) – 275,000 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;

- for participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 110,000 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. 2 of 11 February 2011).

On item 6 on the agenda of the meeting:

1. 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 26 June 2008 (Minutes No. 1) – 2,600,000 roubles.
2. To establish remuneration for newly elected members of the Audit Commission of OAO "LUKOIL" in the amount of 2,730,000 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. 2 of 11 February 2011).

On item 7 on the agenda of the meeting:

To approve the independent auditor of OAO "LUKOIL" - Closed joint stock company KPMG.

The proposed decision is based on the recommendations of the Audit Committee of the Board of Directors of OAO "LUKOIL" (Minutes No. 1 of 21 February 2011).

On item 8 on the agenda of the meeting:

Approve a new version of the Charter of Open Joint Stock Company "Oil company "LUKOIL".

On item 9 on the agenda of the meeting:

To approve amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*.

On item 10 on the agenda of the meeting:

To approve an interested-party transaction

**DRAFT DECISIONS
OF THE ANNUAL GENERAL SHAREHOLDERS MEETING OF OAO "LUKOIL"**

Draft decision on item 1 on the agenda: ‘Approval of the 2010 Annual Report of OAO “LUKOIL” and the annual financial statements, including income statements (profit and loss accounts) of the Company, and also distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the financial year. Determination of the size, date, form and procedure of payment of dividends.’:

To approve the Annual Report of OAO “LUKOIL” for 2010 and the annual financial statements, including the income statements (profit and loss accounts) of the Company, and the distribution of profits:

The net profit of OAO “LUKOIL” for distribution for 2010 was equal to 140,037,510,000 roubles.

To distribute 50,183,232,000 roubles to the payment of dividends for 2010.

The rest of the net profit shall be left undistributed.

To pay dividends for the 2010 financial year in the amount of 59 roubles per ordinary share. Payment of dividends to be made in cash from the account of OAO “LUKOIL”, with the term of dividend payment not exceeding 60 days from the date the payment decision is taken.

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

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

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

Draft decision on item 2 on the agenda: ‘Election of the members of the Board of Directors of OAO “LUKOIL”’:

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 2011 (Minutes No. 3).

1. ALEKPEROV, Vagit Yusufovich
2. BELIKOV, Igor Vyacheslavovich
3. BLAZHEEV, Victor Vladimirovich
4. GRAYFER, Valery Isaakovich
5. GREF, Herman Oskarovich
6. IVANOV, Igor Sergeevich
7. MAGANOV, Ravil Ulfatovich
8. MATZKE, Richard
9. MIKHAILOV, Sergei Anatolievich
10. MOBIUS, Mark
11. MOSCATO, Guglielmo Antonio Claudio
12. SHOKHIN, Alexander Nikolaevich

Draft decision on item 3 on the agenda of the meeting: ‘Appointment of the President of OAO “LUKOIL”.

To appoint Vagit Yusufovich ALEKPEROV President of OAO "LUKOIL" from the list of candidates approved by the Board of Directors of OAO “LUKOIL” on 4 February 2011 (Minutes No. 3).

Draft decision on item 4 on the agenda: 'Election of the members of the Audit Commission of OAO "LUKOIL":

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 2011 (Minutes No. 3).

1. KONDRATIEV, Pavel Gennadievich
2. NIKITENKO, Vladimir Nikolaevich
3. SHENDRIK, Mikhail Mikhailovich

Draft decision on item 5 on the agenda: 'On the remuneration and reimbursement of expenses to members of the Board of Directors of OAO "LUKOIL":

1. To pay remuneration and reimburse expenses to members of the Board of Directors of OAO "LUKOIL" according to Appendix No.1. to Ballot No.5
2. To establish remuneration for newly elected members of the Board of Directors of OAO "LUKOIL" according to Appendix No.2 to Ballot No.5.

Draft decision on item 6 on the agenda: 'On the remuneration of members of the Audit Commission of OAO "LUKOIL":

1. 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 26 June 2008 (Minutes No. 1): 2,600,000 roubles.
2. To establish remuneration for newly elected members of the Audit Commission of OAO "LUKOIL" in the amount of 2,730,000 roubles.

Draft decision on item 7 on the agenda: 'Approval of the Auditor of OAO "LUKOIL":

To approve the independent auditor of OAO "LUKOIL" - Closed joint stock company KPMG.

Draft decision on item 8 on the agenda: 'Approval of a new version of the Charter of Open Joint Stock Company "Oil company "LUKOIL" ':

To approve a new version of the Charter of Open Joint Stock Company "Oil company "LUKOIL", pursuant to the Appendix to Ballot No.8.

Draft decision on item 9 on the agenda: 'Approval of amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*:

To approve amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*, pursuant to the Appendix to Ballot No.9.

Draft decision on item 10 on the agenda: 'On the approval of an interested-party transaction':

To approve an interested-party transaction - Policy (contract) on insuring the liability of directors, officers and corporations between OAO "LUKOIL" and OAO Kapital Strakhovanie, on the terms and conditions indicated in the Appendix to Ballot No.10.

Appendix No. 3 to Minutes No. 7 of the meeting
of the Board of Directors of OAO “LUKOIL”,
26 April 2011

CHARTER
of Open Joint Stock Company
“Oil company “LUKOIL”
(new version)

Open Joint Stock Company “Oil company “LUKOIL” (hereinafter referred to as the “Company”) was established in accordance with Decree No. 1403 of the President of the Russian Federation *On Specific Features of the Privatization and Transformation into Joint Stock Companies of State Enterprises and Industrial and Research-Industrial Associations in the Oil and Oil-Refining Industries and Oil Product Supply*, dated November 17, 1992 and Directive No. 299 of the Council of Ministers - Government of the Russian Federation *On the Establishment of Open Joint Stock Company “Oil company “LUKOIL”*, dated April 5, 1993, for the purpose of industrial–economic and financial–investment activity.

Article 1. Name and Location

1.1. The full official name of the Company is Открытое акционерное общество «Нефтяная компания «ЛУКОЙЛ».

The abbreviated official name of the Company is ОАО «ЛУКОЙЛ».

The full company name in English is Open Joint Stock Company “Oil company “LUKOIL”.

The abbreviated name in English is ОАО “LUKOIL”.

1.2. The location of the Company (legal address) is: Sretensky bulvar 11, Moscow, 101000, Russian Federation.

Article 2. Legal Status of the Company

2.1. The Company is a legal entity under the laws of the Russian Federation. The Company acquires the rights of a legal entity from the date of its state registration.

2.2. The Company has a round seal bearing its full name in Russian and indicating its location, stamps and letterheads with its name, its own logo, duly registered trademarks, and other means of visual identification, as determined by the internal documents of the Company.

The rules on the use of means of visual identification shall be established by applicable law, the Company’s internal regulations and agreements entered into by the Company.

2.3. The Company shall have the right to open bank accounts inside and outside the Russian Federation pursuant to the established procedure.

2.4. The Company shall have the right to enter into any transactions in its own name in compliance with the laws of the Russian Federation, to acquire and exercise property and personal non-property rights, to incur obligations and act as plaintiff and defendant in a court of law.

2.5. As an independent business entity, the Company may own, use and dispose of its separate property accounted for on its independent balance sheet.

2.6. The founder of the Company is the Council of Ministers - Government of the Russian Federation (hereinafter referred to as the “Founder”).

2.7. The provisions of this Charter shall be amended, or a new version of this Charter shall be approved by decision of the General Meeting of Shareholders (hereinafter referred to as the “Shareholders Meeting” or the “Meeting”) of the Company or, in such cases as provided for by this

Charter, by the Board of Directors, subject to the requirements of effective legislation and the provisions of this Charter.

2.8. The Company is the owner of assets transferred thereto as contributions, payment for shares or otherwise to the charter capital by its Founder and shareholders, and also of assets received as a result of its activity and from other sources.

2.9. The Company is liable for its obligations to the extent of its assets. The Company is not liable for the obligations of its shareholders.

Shareholders are not liable for the Company's obligations and bear the risk of losses related to the Company's operations to the extent of the value of the Company's shares owned by shareholders.

The state and its bodies are not liable for the Company's obligations; likewise, the Company is not liable for the obligations of the state and its bodies.

2.10. The Company has the right to own an interest in other for-profit and non-profit organizations.

2.11. The Company may establish subsidiaries and associates/equity affiliates.

2.12. The Company shall have the right to establish branches and open representative offices, both in the Russian Federation and abroad.

2.13. The Company's branches and representative offices are not legal entities and shall act on behalf of the Company. The Company's branches and representative offices shall operate on the basis of the Regulations on the Branch (Representative Office) in compliance with the laws of the jurisdiction in which such branch or representative office is located.

2.14. The Company shall take part in negotiations on concluding inter-state and inter-governmental agreements on the supply of oil and oil products by the Company.

2.15. The Company shall independently plan and carry out its activity, determine the remuneration of its employees (hereinafter, "Company employees"), the prices of products and services, the procedure and form of settlements under its transactions, unless otherwise is provided by applicable law.

2.16. The Company shall disclose information according to applicable law and the obligations it assumes, including in connection with the listing of the Company's securities on stock exchanges.

2.17. The relationship between the Company and the governmental authorities of the political subdivisions of the Russian Federation and the local governmental authorities in the regions where the Company explores and extracts oil, gas and other mineral resources shall be governed by applicable law and any contracts and agreements between them, with due account of the interests of the Company and the population of such regions.

2.18. The Oil Concern LUKOIL, registered by the Moscow Registration Chamber on April 22, 1992 and entered into the Register under No. 2106-14, was reorganized through a takeover by

the Company. The Company is the legal successor to all property and personal non-property rights and obligations of the Oil Concern LUKOIL.

Article 3. Objective and Types of Activity of the Company

3.1. The main objective of the Company is to make profit.

3.2. The main types of the Company's activity are as follows:

3.2.1. Exploration at oil and gas fields and other deposits, geological survey of the subsoil, drilling of wells, extraction, transportation and refining of oil and gas, production of oil products, petrochemical and other products (including consumer goods and services), sale of oil, oil products and other products of the refining of hydrocarbons and other raw materials (including retail sales and exports);

3.2.2. Investment and financial activities in Russia and abroad;

3.2.3. Coordination of activities of the Company's subsidiaries;

3.2.4. Procedures for the issue of the Company's securities in compliance with applicable law;

3.2.5. Creation of production facilities and performance of actions furthering the objectives of the Company and the interests of its shareholders, including advertising, publishing and printing activity, organization of exhibitions, trade exhibitions, and auctions;

3.2.6. Exports and imports of goods and services, development of new forms of mutually beneficial foreign economic relations, trade, economic, scientific and technological cooperation with foreign companies;

3.2.7. Organisation and performance of actions on preparation for mobilization, civil defense, registration and reservation of individuals eligible for military call-up in the Russian Federation, and the protection of information constituting a state or trade secret in accordance with the laws and regulatory acts of the Russian Federation;

3.2.8. Organisation and performance of research and technical, design and exploration, and commissioning activity;

3.2.9. Construction, renovation and operation of facilities for oil and gas extraction, transportation, oil and gas refining, production and sale of oil, gas, oil products and petrochemicals, and also housing, social, and cultural facilities;

3.2.10. Legal support and provision of legal services, including settlement of economic disputes through the standing Arbitration Tribunal of the Company;

3.2.11. Intermediary, consulting, educational and marketing activities, provision of telecommunications services to legal entities and individuals and any other types of activities that do not contravene the Company's objectives and are not prohibited by applicable law;

3.2.12. Environmental protection, occupational and industrial safety in accordance with international standard ISO 14001 and standard OHSAS 18001;

3.3. The Company's activities to execute orders for the implementation of federal special-purpose programs and the purchase and supply of products to meet state needs shall be carried out on the basis of state supply contracts to meet state needs, and state supply agreements entered into in connection therewith.

Article 4. Charter Capital

4.1. The Charter Capital of the Company shall consist of the par value of shares acquired by shareholders (placed) and shall be 21,264,081 roubles 37.5 kopecks (twenty-one million two hundred sixty-four thousand eighty-one roubles thirty-seven and one-half kopecks).

4.2. The Charter Capital of the Company is divided into 850,563,255 registered ordinary shares with a par value of 2.5 kopecks per share, representing in aggregate 100 percent of the Charter Capital.

4.3. As necessary and pursuant to the procedure stipulated by the laws of the Russian Federation and this Charter, the Company may:

4.3.1. increase the Charter Capital by placing additional shares within the limit of the authorized shares established by this Charter, or by increasing the par value of shares;

4.3.2. consolidate issued shares or split them into shares of smaller par value;

4.3.3. reduce the amount of the Charter Capital by decreasing the par value of shares of the Company or through the purchase by the Company of a portion of the shares in order to reduce the total number thereof or through the retirement of shares not paid-up in full, and through the retirement of shares acquired or repurchased by the Company.

4.4. Any changes in the Company's Charter Capital shall be made pursuant to a decision on:

4.4.1. an increase in the Charter Capital:

4.4.1.1. by increasing the par value of shares, to be adopted by the Shareholders Meeting;

4.4.1.2. by placing additional shares, to be unanimously adopted by the Company's Board of Directors, except as otherwise stipulated by sub-points 4.4.1.3, 4.4.1.4 of point 4.4 of this Charter;

4.4.1.3. by placing additional shares through private subscription, to be adopted by the Shareholders Meeting;

4.4.1.4. by placing, through open subscription, ordinary shares equal to more than 25 percent of outstanding ordinary shares, to be adopted by the Shareholders Meeting;

4.4.2. a reduction of the Charter Capital through a decrease in the par value of shares or through the acquisition of a portion of shares in order to reduce the total number thereof, to be adopted by the Shareholders Meeting.

4.5. The price of additional shares placed by subscription shall be determined by the Board of Directors, but shall not be less than par value.

The value of assets contributed as payment for shares and other issuable securities shall be expressed in roubles.

4.6. The Company shall have the right to issue, in addition to shares already placed, 85,000,000 (eighty-five million) ordinary registered shares with a par value of 2.5 kopecks each, for a total par value of 2,125,000 (two million one hundred twenty-five thousand) roubles.

Ordinary registered shares declared for placement by the Company shall give their owners the rights stipulated by point 5.5 of article 5 of this Charter.

Article 5. Shares and Other Securities of the Company. Shareholders' Rights

5.1. The issue, registration, and rules for the trading of the Company's securities and their offering shall be determined by this Charter and applicable securities law.

5.2. If the Company offers additional shares and issuable convertible securities by open subscription, the Company's shareholders shall have a preemptive right to acquire such additional shares and issuable convertible securities in an amount proportionate to the number of such class (type) of shares held by them.

If the Company offers shares and issuable convertible securities by private subscription, the Company's shareholders who voted against or who did not participate in the voting on such offering shall have a preemptive right to acquire such securities in an amount proportionate to the number of such class (type) of shares held by them. Such right shall not apply where shares and other issuable convertible securities are offered by private subscription to shareholders only, if the shareholders may acquire a whole number of the shares and other issuable convertible securities in proportion to the number of such class of shares held by them.

In each additional issue of shares or issuable convertible securities, the Company shall give notice to all holders of such class (type) of shares, stating the amount of shares and issuable convertible securities so offered, their offering price or the procedure for determining the same, the procedure for determining the number of securities to which any such shareholder shall be entitled, and the effective term of the preemptive right, at least 45 calendar days prior to the start of the offering.

Such notice shall be published in the same printed periodical in which notices of Shareholders Meetings are published.

5.3. The Company, acting in compliance with the laws of the Russian Federation, may acquire its outstanding shares based on a decision of the Board of Directors. The Company may not take such decision on the acquisition of shares by the Company if the par value of outstanding Company shares thereby becomes less than 90 percent of the Company's Charter Capital.

Shares acquired by the Company pursuant to the decision of the Board of Directors shall not provide voting rights, shall be disregarded for the purposes of tallying votes, and shall not accrue

any dividend. Such shares shall be sold within one year of their acquisition at the price not lower than their market value.

5.4. If a shareholder is unable acquire a whole number of shares in exercising the preemptive right to acquire additional shares or in consolidation of shares, fractional shares may be created (hereinafter, “fractional shares”). Fractional shares shall be traded *pari passu* with whole shares. Any fractional share shall grant to the holder thereof the rights granted by the relevant class (type) of shares in an amount equal to that portion of a share which it represents. In order to reflect the total number of shares outstanding in the Company’s Charter, all outstanding fractional shares shall be aggregated. If the resulting number is a fraction, such fraction shall be specified in the Company’s Charter to reflect the number of shares outstanding.

5.5. Each ordinary share shall grant equal rights to the holder thereof.

Pursuant to the procedure stipulated in this Charter, Company shareholders have the right:

5.5.1. to participate in the management of the Company through participation in the Shareholders Meetings of the Company in compliance with effective legislation and this Charter;

5.5.2. to purchase shares and other securities of the Company, including by exercising the preemptive right in accordance with the provisions of point 5.2 of this Charter;

5.5.3. to sell the shares owned by them without permission from other shareholders and the Company;

5.5.4. to receive information about the Company’s activities, including all information related to the items on the agenda of the Shareholders Meeting, and review minutes of the Shareholders Meetings;

5.5.5. to receive a portion of the Company’s assets available after settlements with creditors are performed in the event of its liquidation;

5.5.6. to exercise their rights directly or by proxy, who may be other shareholders, or other persons acting on the basis of a power of attorney, issued in compliance with the procedure determined by applicable law;

5.5.7. to receive the Company's dividends.

5.6. The shareholders shall be obligated not to disclose confidential information on the Company’s operations.

5.7. A party that has purchased more than 30 percent of the total shares of the Company, taking into account the number of shares already owned by the party or its related parties, shall be required to publicly offer to purchase the remaining ordinary shares in the Company and the issuable securities of the Company convertible into ordinary shares from the shareholders that hold them, according to the procedure and by the deadlines established by the effective legislation of the Russian Federation.

Article 6. Share Register

6.1. The Company shall maintain a share register through a professional securities market participant maintaining a register of the holders of registered securities (hereinafter, the “Registrar”).

The Board of Directors shall adopt a decision to approve the Registrar in accordance with the internationally accepted practice, provided that the rules of its operation comply with the standards and rules for maintaining the share register of a joint stock company approved by the federal executive body for the securities market.

6.2. The share register of the Company shall be maintained in accordance with the laws of the Russian Federation using a computer database that ensures identification of registered persons, certification of title to securities registered on the personal accounts of registered persons, and which also allows information to be received and sent to registered persons.

6.3. The Company shall provide for the safekeeping of the share register. The share register shall be kept at the premises of the Company or its Registrar.

Article 7. Control and Management Bodies

7.1. The Company shall establish the following bodies of governance/management and control for the purpose of conducting Company’s activities.

7.1.1. Management bodies shall be:

7.1.1.1. The General Shareholders Meeting;

7.1.1.2. The Board of Directors;

7.1.1.3. The President (General Director) – a single-person executive body (hereinafter, the “President”);

7.1.1.4. The Management Committee – a collective executive body.

7.1.2. The supervisory body shall be: the Audit Commission.

7.2. Members of the Board of Directors, the President of the Company and other members of the Management Committee shall be officers of the Company (hereinafter, the “officers of the Company”).

7.3. The Company shall employ the necessary specialists to support daily operations.

7.4. The Company’s executive bodies shall be located at the Company’s location.

Article 8. Shareholders Meeting

8.1. The Shareholders Meeting shall be the highest governance body of the Company.

8.2. The following issues shall be within the jurisdiction of the Shareholders Meeting:

8.2.1. amendments and addenda to the Company Charter or approval of any new versions of the Company Charter;

8.2.2. reorganization of the Company;

8.2.3. liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balance sheets;

8.2.4. determination of the number of members of the Company's Board of Directors, election of its members, early termination of their powers, determination of remuneration and compensation payable to the Board members;

8.2.5. determination of the amount, par value, class (type) of authorized shares and the rights granted by these shares;

8.2.6. increase in the Charter Capital through:

8.2.6.1. an increase in the par value of the shares;

8.2.6.2. placement of additional shares by private subscription;

8.2.6.3. placement of additional shares representing more than 25 percent of outstanding shares, by open subscription;

8.2.7. decrease in the Charter Capital of the Company through:

8.2.7.1. a decrease in the par value of shares;

8.2.7.2. acquisition by the Company of part of the shares in order to reduce the total number thereof;

8.2.7.3. the retirement of shares acquired or repurchased by the Company in accordance with the laws of the Russian Federation;

8.2.8. appointment of the President; early termination of the powers of the President;

8.2.9. election of members of the Audit Commission and early termination of their powers, determination of remuneration and compensation payable to the members of the Audit Commission;

8.2.10. approval of the Company's Auditor;

8.2.11. approval of annual reports, annual financial statements, including income statements (profit and loss accounts) of the Company, distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the financial year;

8.2.12. determination of the rules for the conduct of Shareholders Meetings;

8.2.13. election of members of the Counting Commission and early termination of their powers, in cases stipulated by effective legislation;

8.2.14. split and consolidation of shares;

8.2.15. approval of interested-party transactions, in cases stipulated by effective legislation;

8.2.16 adoption of decisions on:

8.2.16.1 approval of major transactions, which are understood to mean transactions or a series of related transactions on the acquisition, disposal or the possibility of disposal by the Company, directly or indirectly, of assets with the value exceeding 50 percent of the book value of the Company's assets according to its financial statements as of the latest reporting date, with the exception of transactions completed in the ordinary course of the Company's business, transactions related to placement by the Company of ordinary shares by means of subscription (sale) and transactions related to placement of issuable securities convertible into Company's ordinary shares; and transactions that must be performed by the Company in accordance with federal laws and/or other regulatory acts of the Russian Federation, settlements on which are made at prices determined according to the procedure established by the Government of the Russian Federation or at prices and tariffs established by the federal executive authority designated by the Government of the Russian Federation;

8.2.16.2 approval of a major transaction requiring approval under decision of the Board of Directors in accordance with sub-point 9.7.17 of point 9.7 of this Charter, if the Board of Directors has not reached unanimity on the issue;

8.2.17. acquisition by the Company of outstanding shares in order to reduce the total number thereof;

8.2.18. decisions on participation in financial–industrial groups, associations and other unions of for-profit organizations;

8.2.19. approval of internal regulations governing the activities of the Company's bodies;

8.2.20. placement of issuable convertible securities through private subscription, and placement through open subscription of issued convertible securities representing more than 25 percent of the Company's outstanding ordinary shares;

8.2.21. other issues stipulated by effective legislation.

8.3. Shareholders Meetings may be annual and extraordinary.

8.4. Annual Shareholders Meetings shall be held annually, not earlier than two and not later than six months after the end of the financial year.

The annual Shareholders Meeting shall settle issues of the election of the Board of Directors and the Audit Commission of the Company, approval of the Auditor of the Company, approval of the annual report and annual financial statements, including income statements (profit and loss accounts) of the Company, distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the financial year. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective legislation.

8.5. Extraordinary Shareholders Meetings shall be held by decision of the Company's Board of Directors, on its own initiative or at the request of the Audit Commission, the Company's Auditor, or a shareholder (shareholders) holding at least 10 percent of the Company's voting shares as at the date of such request.

8.6. Proposals for the agenda of the Shareholders Meeting and candidates to the Board of Directors, Audit Commission and Counting Commission, and to the office of President shall be made not later than 30 days after the end of the financial year of the Company by Company shareholder (shareholders) holding in aggregate at least two percent of the Company's voting shares. The number of candidates such shareholders may nominate to the Board of Directors, the Audit Commission and the Counting Commission may not exceed the number of positions in the relevant body.

In addition to issues proposed for the agenda of the Shareholders Meeting by shareholders, and also in cases where no such issues are submitted or no candidates or an insufficient number of candidates are nominated by the shareholders to the relevant body of the Company, the Board of Directors may at its own discretion place issues on the agenda and nominate candidates.

8.7. The notice of any Shareholders Meeting shall be published in the newspapers *Rossiyskaya Gazeta* or *Izvestiya*, at least 30 days prior to the date when it is to be held, unless an earlier deadline is stipulated by law, and may also be published in any regional print media.

The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 30 days before the annual Shareholders Meeting and no later than 25 days before the extraordinary Shareholders Meeting. For the purposes of determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the Counting Commission not later than two days before the Shareholders Meeting shall be taken into account.

Where the number of persons entitled to participate in any Shareholders Meeting is more than 500,000, forms of voting ballots shall be published in the print media specified herein.

The information (materials) to be provided to persons entitled to participate in the annual Shareholders Meeting includes the annual report, including the report of the Board of Directors; the annual financial statements; the opinions of the Auditor and the Internal Audit Commission on the results of the audit of the annual financial statements; information on candidates for election to the Board of Directors, the Internal Audit Commission and the single-person executive body of the Company; the draft amendments and addenda to the Company Charter or the draft new version of the Company Charter; drafts of internal documents of the Company or amendments and addenda to such documents; draft decisions of the Shareholders Meeting of the Company; and other information and materials established by effective legislation, internal documents of the Company and decisions of the Board of Directors of the Company.

If the agenda of the Shareholders Meeting includes the issue of reorganization of the Company, shareholders will be informed of the reason for the reorganization and provided with the annual balance sheets of all organizations participating in the reorganization for the last three financial years.

8.8. The Meeting shall be presided by the Chairman of the Board of Directors or a person designated by the Board of Directors. Should they be absent from the Meeting, it will be presided by a person designated pursuant to the procedure stipulated by the *Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of OAO "LUKOIL"*.

8.9. The meeting shall be authorized (quorate) if it is attended by shareholders holding in aggregate more than half of the outstanding voting shares of the Company. If the agenda of any Shareholders Meeting contains issues to be voted by different types of voters, quorum for voting on such issues shall be determined separately. In such cases, a lack of quorum for voting on issues to be voted by one set of voters shall not preclude voting on issues to be voted by another set of voters for which a quorum is present.

Shareholders registered to participate in the Meeting and shareholders whose ballots are received by the Company at least two days prior to the date of the Shareholders Meeting shall be deemed to have participated in the Meeting. In the event a Shareholders Meeting is held in the form of absentee voting, shareholders whose ballots are received prior to the deadline for receipt of ballots shall be deemed to have participated in the Meeting.

8.10. In the absence of a quorum, the date of a rescheduled Shareholders Meeting with the same agenda shall be announced.

The rescheduled Shareholders Meeting convened in place of the canceled meeting shall be quorate if attended by shareholders (their proxies) holding in aggregate at least 30 percent of the outstanding voting shares of the Company.

8.11. The Shareholders Meeting where there is a quorum may decide to suspend its session for a period of up to 30 days. When resumed, the Meeting may take decisions only on issues on the original agenda.

8.12. The functions of the counting commission shall be performed by the Registrar authorized by the decision of the Board of Directors.

8.13. The right to participate in the Shareholders Meeting may be exercised by a shareholder in person or by proxy.

A shareholder's proxy shall act to the extent of the authority provided for in the orders of the federal bodies or the acts of the competent governmental or local authorities, or a written power of attorney.

8.14. Experts (including Company employees) may be invited to the Shareholders Meetings for assistance in the review of certain special issues included in the agenda.

8.15. The Shareholders Meeting shall make decisions by a majority vote of the shareholders holding voting shares and present at the Shareholders Meeting, with the exception of the cases stipulated by this Charter.

8.16. Decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.16.2, 8.2.17 and 8.2.20 of point 8.2 of this Charter shall be taken by the Shareholders Meeting by a three-fourths majority vote of the shareholders holding voting shares present at the Shareholders Meeting.

8.17. Decisions on the issues indicated in sub-points 8.2.2, 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18 and 8.2.19 of point 8.2 of this Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.

8.18. Decisions on issues specified in sub-point 8.2.15 of point 8.2 of this Charter shall be made by a majority vote of the holders of voting shares who have no material benefit (interest) in relation to the transaction.

8.19. The minutes of the Shareholders Meeting shall be signed by the Chairman of the Board of Directors or other person presiding at the Shareholders Meeting and the secretary of the Shareholders Meeting, and shall be certified with the Company seal.

The protocol on voting results shall be attached to the Minutes of the Shareholders Meeting.

8.20. The decisions adopted and the voting results shall be announced at the Shareholders Meeting at which the voting was held, except for Meetings conducted in the form of absentee voting. When a Meeting is conducted in the form of absentee voting, decisions passed at such a Meeting and voting results shall be communicated to the persons included on the list of persons entitled to participate in the Shareholders Meeting, within 10 days after the compilation of the protocol of voting results in the form of a report on voting results, pursuant to the procedure stipulated by this Charter for notification of the conduct of a Shareholders Meeting.

8.21. A decision of the Shareholders Meeting may be adopted without holding a meeting (joint attendance of shareholders to discuss agenda items and adopt decisions put to voting) by an absentee vote, with the exception of the cases stipulated by effective legislation.

Article 9. The Board of Directors

9.1. The Company's Board of Directors shall exercise general management of the Company's activities, with the exception of issues within the jurisdiction of the Shareholders Meeting. The procedure for convocation and conduct of meetings of the Board of Directors shall be set forth in the *Regulations on the Board of Directors of the Company*.

9.2. Members of the Board of Directors shall be elected by the Shareholders Meeting through cumulative voting, for a term lasting until the next annual Shareholders Meeting. The Board shall consist of 11 members. If the annual Shareholders Meeting is not held within the period stipulated by law, the authority of the Board of Directors of the Company shall terminate as of the date following the last day of the period for holding the annual Shareholders Meeting stipulated by law, except for the authority to prepare, convene and hold the annual Shareholders Meeting.

Board members may be re-elected an unlimited number of times.

Shareholders shall make every effort to nominate and elect at least three independent directors to the Board of Directors.

9.3. Pursuant to a decision of the Shareholders Meeting, the authority of all members of the Board of Directors may terminate before the expiry of their term.

9.4. The Board of Directors shall retain its powers irrespective of any vacancies that may occur. If the number of the Board members becomes less than the number constituting a quorum, the Board of Directors shall decide on holding an extraordinary Shareholders Meeting to elect a new Board of Directors.

9.5. The members of the Board of Directors shall elect a Chairman from among their number for the entire term of office of the Board of Directors.

9.6. The Chairman of the Board of Directors shall preside over meetings of the Board. In his absence, Board members shall elect a person to preside over the meeting from among those present.

The Chairman of the Board of Directors shall sign contracts with the President of the Company on behalf of the Company.

9.7. The following issues shall be referred to the authority of the Board of Directors, with the exception of cases where decisions on the issues listed in this point may only be taken by the Shareholders Meeting in accordance with effective legislation:

9.7.1 definition of priorities of Company's activities;

9.7.2 convocation of the annual and extraordinary Shareholders Meetings of the Company except for cases provided for by the laws of the Russian Federation;

9.7.3 approval of the agenda of the Shareholders Meeting and including the following items on the agenda upon a proposal of the Board of Directors:

9.7.3.1. the issue provided for in sub-point 8.2.2 of point 8.2 hereof;

9.7.3.2. the issues provided for in sub-points 8.2.6 and 8.2.7.1 of point 8.2 hereof;

9.7.3.3. issues provided for in sub-points 8.2.14 – 8.2.19 of point 8.2 hereof;

9.7.3.4 other issues in accordance with the laws of the Russian Federation;

9.7.4 setting the date for compiling the list of persons entitled to participate in the Shareholders Meeting, as well as other matters related to preparation and holding of the Shareholders Meeting provided for by the laws of the Russian Federation;

9.7.5 deciding on the following issues relating to an increase of the Company's Charter Capital:

9.7.5.1 increase of the Company's Charter Capital by way of placement of additional shares within the quantity and classes (types) of the authorized shares, except for the cases provided for in sub-point 8.2.6 of point 8.2 hereof;

9.7.5.2. making amendments and addenda to this Charter related to the increase of the Company's Charter Capital in the events provided for by the laws of the Russian Federation and this Charter;

9.7.6 placement of bonds and other issuable securities by the Company, including securities convertible into the Company's shares, except as provided for in sub-point 8.2.20 of point 8.2 hereof;

9.7.7 determination of the value (monetary value) of assets, price of placement and redemption of issuable securities in accordance with the laws of the Russian Federation;

9.7.8 approval of a decision on securities issue, a prospectus of securities issue and a report on the results of securities issue;

9.7.9 acquisition of shares, bonds and other issuable securities placed by the Company, except for cases provided for in sub-point 8.2.17 of point 8.2 hereof;

9.7.10 formation of the Management Committee – the Company's collective executive body, termination of its members' powers before the expiration of their term, determination of the principal terms of contracts entered into by the President and members of the Management Committee;

9.7.11 recommendation on the amount of remuneration and compensation payable to the members of the Company's Audit Commission and determination of the amount of the Auditor's fee;

9.7.12 recommendation on the amount of dividends on shares and the procedure for their payment;

9.7.13 recommendations to shareholders at the initiative of the Board of Directors on voting on issues included in the agenda of the Shareholders Meeting;

9.7.14 use of the reserve and other funds of the Company;

9.7.15 approval of the internal corporate documents other than those the approval of which falls within the authority of the Shareholders Meeting and the Company's executive bodies;

9.7.16 establishment of branches and representative offices of the Company and their liquidation, and amending the Company's Charter accordingly;

9.7.17 approval of major transactions involving assets with a value of 25 to 50 percent of the book value of the Company's assets according to its financial statements as of the latest reporting date with the exception of transactions made during the usual course of the Company's business, transactions related to placement of the Company's ordinary shares by way of subscription (sale) and transactions related to placement of issuable securities convertible into the Company's ordinary shares; and transactions that must be performed by the Company in accordance with federal laws and/or other regulatory acts of the Russian Federation, settlements on which are made at prices determined according to the procedure established by the Government of the Russian Federation or at prices and tariffs established by the federal executive authority designated by the Government of the Russian Federation;

9.7.18 approval of a transaction or a series of related transactions relating to acquisition, disposal or the possibility of disposal of assets with a value of 10 to 25 per cent of the book value of the Company's assets according to its financial statements as of the latest reporting date with the exception of transactions made during the usual course of the Company's business;

9.7.19 approval of interested party transactions involving, in accordance with the Russian law, members of the Board of Directors, persons holding offices in other management bodies of the Company, shareholders holding together with their affiliated persons 20 or more percent of the Company's voting shares, except for transactions specified in sub-point 8.2.15 of point 8.2 hereof;

9.7.20 approval of the Company's Registrar and the terms of the agreement with the Registrar, termination of such agreement;

9.7.21 regulation of the activities of the Company's Arbitration Tribunal;

9.7.22 formation of committees and commissions of the Board of Directors, approval of internal regulations governing formation and proceedings of such committees and commissions;

9.7.23 other issues provided for in the laws of the Russian Federation and this Charter.

9.8. The procedure for making decisions by the Board of Directors:

9.8.1. At a meeting, the Board of Directors shall make decisions by a majority vote of those participating in the meeting, unless more votes are required for making relevant decisions as provided for in the effective legislation, this Charter or the *Regulations on the Board of Directors*. In case of a tie vote, the Chairman of the Board of Directors shall have the casting vote;

9.8.2. Decisions on the following issues should be taken unanimously by all members of the Board of Directors (without taking into account votes of the members withdrawn from the Board of Directors):

9.8.2.1 the issue provided for in sub-point 9.7.5.1 of point 9.7 hereof;

9.8.2.2 the issue provided for in sub-point 9.7.6 of point 9.7 hereof;

9.8.2.3 the issue provided for in sub-point 9.7.17 of point 9.7 hereof. If a unanimous decision on the approval of a major transaction or a series of related transactions, referred to in sub-point 9.7.17 of point 9.7 of this Charter cannot be reached by the Board of Directors, such issue may be submitted to the Shareholders Meeting by decision of the Board of Directors made by a majority vote of its members present at the meeting;

9.8.3 Participation shall mean personal presence of a Board member at the meeting or a written opinion on the agenda items sent in the established manner by a Board member absent from such meeting.

The Board of Directors may adopt decisions by an absentee vote.

9.8.4. When establishing the basic conditions of the contracts to be concluded with the President and members of the Management Committee of the Company, the votes of the members of the Board of Directors that are simultaneously the President and/or members of the Management Committee of the Company shall not be taken into account when tallying votes.

9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, the Audit Commission, the Company's Auditor, the President or the Company's Management Committee.

Written notice of each Board meeting shall be sent to each member of the Board of Directors pursuant to the procedure and by the deadlines established by the *Regulations on the Board of Directors*. If necessary, any meeting of the Board of Directors may be temporarily adjourned, pursuant to the procedure set forth in the *Regulations on the Board of Directors*.

9.10. The meeting shall be quorate if at least half of the elected members of the Board of Directors are present; in addition, the presence of at least one independent director (if there are any on the Board of Directors) shall be mandatory. Board members present at the meeting and written opinions on agenda items received from the Board members absent from the meeting shall be taken into account when determining quorum.

9.11. No member of the Board of Directors may transfer his/her voting rights to any other person, including to other Board members.

9.12. The Board of Directors may form committees and commissions, which may include Board members and Company employees. Such committees and commissions shall act on the basis of internal regulations governing the formation and operation of such committees and commissions, and also their functions and authority. Such regulations shall be approved by a simple majority vote of the Board of Directors.

9.13. Minutes of meetings of the Board of Directors shall be signed by the Chairman of the Board of Directors or, in his/her absence, by the person presiding at the meeting, and shall be certified by the Company seal.

9.14 Agendas shall be prepared for Board meetings and clerical support shall be provided by the Secretary of the Board of Directors, who shall be appointed by decision of the Board of Directors on the recommendation of the Chairman of the Board of Directors.

9.15. During the period of the performance of their duties, Members of the Board of Directors may receive remuneration and (or) reimbursement of expenses related to the performance of their functions as the Members of the Board of Directors, pursuant to the decision of the Shareholders Meeting. The amounts of such remuneration and reimbursement shall be established by decision of the Shareholders Meeting.

9.16 All issues not settled by this Article shall be governed by the *Regulations on the Board of Directors* of the Company.

Article 10. President of the Company and the Management Committee

10.1. The President of the Company, being the single-person executive body of the Company, shall manage the current operations of the Company and head the Management Committee, which is Company's collective executive body.

The President shall be appointed by the Shareholders Meeting for a term of five years.

10.2. Pursuant to the laws of the Russian Federation, the President of the Company is vested with all powers he may need to manage the Company.

The President shall act without the power of attorney on behalf of the Company within his competence set out by this Charter and effective legislation.

In the absence of the President of the Company (due to business travel, temporary disability, leave, or other reasons) the duties of the President of the Company shall be performed without power of attorney by the First Executive Vice-President or another person appointed acting President of the Company by executive order of OAO "LUKOIL".

10.3 The authority of the Company's President shall include all issues relating to the management of the Company's current operations, except for those within the authority of the Shareholders Meeting or the Board of Directors of the Company. The President shall perform, *inter alia*, the following duties:

10.3.1. management of the day-to-day operations of the Company;

10.3.2. exercise of the right of first signature on financial documents of the Company;

10.3.3. management of the Company's assets for the purpose of the Company's current operations, within the limits established by the Charter;

10.3.4. represent the Company inside and outside the Russian Federation;

10.3.5. approval of personnel, conclusion of employment contracts with Company employees, establishment of incentives and imposition of penalties;

10.3.6. performance of the function of chairman of the Management Committee and organization of its work;

10.3.7. submission for the approval of the Board of Directors of a list of nominees to the Management Committee and signing of contracts with members of the Management Committee on behalf of the Board of Directors;

10.3.8. performance of transactions on the Company's behalf, issue of powers of attorney on the Company's behalf, and opening and closing of the bank accounts of the Company;

10.3.9. organization of the accounting, reporting and document flow in the Company;

10.3.10. issuing of orders and instructions binding on all employees of the Company;

10.3.11. filing of claims and suits on the Company's behalf against legal entities and individuals in the Russian Federation and abroad;

10.3.12 representing the Company at general shareholders (participants) meetings of its subsidiaries and other entities in which the Company holds an interest and voting on all issues on the agenda of such general meetings;

10.3.13. approval of the Company's structure and regulations on the Company's structural and separate subdivisions;

10.3.14. approval of the Company's internal documents governing its current operations, other than internal documents whose approval is assigned by this Charter to the authority of the Management Committee of the Company.

10.3.15. Appointment (approval) of the first executive vice-president, first vice-presidents and vice-presidents.

10.4. The Management Committee, the Company's collective executive body, shall be formed annually by the Board of Directors. The President of the Company shall, within one month of the election of the Board of Directors at the annual Shareholders Meeting, submit for approval to the Board of Directors a proposal on the composition and candidates to the Management Committee. The Board of Directors may reject any candidate to the Management Committee, but may not approve any members of the Management Committee without recommendation of the President.

Members of the Management Committee need not be employees of the Company and may, in particular, hold top management positions in the Company's subsidiaries, subject to the Board's consent.

10.5. The term of office of members of the Management Committee shall be reckoned from the time they are approved by the Board of Directors to the moment when a new Management Committee is approved by the Board of Directors. The authority of any Management Committee member may be terminated at any time by the Board of Directors on the recommendation of the President. During the year the President may propose additional candidates to the Management Committee for approval by the Board of Directors. Newly approved Management Committee members replacing previous members shall hold their positions until approval of the new Management Committee by the Board of Directors.

Any Management Committee member may withdraw from the Management Committee before the expiration of his/her term, by submitting written notice to the President. This issue shall then be submitted to the Board of Directors for a decision.

The time and procedure for convocation and holding meetings and the procedure for decision-making shall be determined by the *Regulations on the Management Committee* of the Company.

10.6. The authority of the Management Committee shall include the following issues:

10.6.1. organization of efficient day-to-day management of the current operations of the Company;

10.6.2. development and implementation of the Company's current business policy to enhance its profitability and competitiveness;

10.6.3. development and approval of the Company's quarterly, annual and future plans of action, budget and investment program, and control over the implementation thereof;

10.6.4. arranging for Shareholders Meetings and activities of the Company's Board of Directors, ensuring implementation of the decisions made by them;

10.6.5. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities and decisions on acquisition and termination of rights to subsoil use, and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;

10.6.6. decisions on the sale of shares and other issued Company securities repurchased by the Company;

10.6.7. appointment of representatives of the President of the Company for the political subdivisions of the Russian Federation and foreign countries on recommendation of the President of the Company;

10.6.8. monitoring of work on collection of the accounts receivable of the Company;

10.6.9. decisions on the observation of anniversaries and other significant dates, on awards and grants of honorary titles to employees of the Company and its subsidiaries;

10.6.10. decisions on the Company's participation and termination of participation in other entities, except for cases provided for under sub-point 8.2.18 of point 8.2 hereof;

10.6.11. approval of the Company's internal documents on issues assigned by this Charter to the authority of the Management Committee;

10.6.12. decisions on approval of material transactions, entered into by the Company's subsidiaries; approval of the Company's internal documents establishing criteria and the procedure for approval of material transactions;

10.6.13. adoption of decisions on registration and use of Company trademarks, approval of the Company's corporate identity and recommendations on its use;

10.6.14 the Management Committee may exercise other authorities granted to it by the President of the Company, and may delegate any of its powers to the President.

Article 11. Duties of Officers and Other Persons

11.1. When exercising their rights and performing their duties, the Company's officers and other persons in cases stipulated by effective legislation shall act in the interests of the Company and shall exercise their rights and perform their duties in respect of the Company reasonably and in good faith.

11.2. The officers of the Company and other persons in cases stipulated by effective legislation shall be liable to the Company for losses incurred by the Company through their culpable actions (inaction), unless other grounds of liability are set forth by federal law.

The officers of the Company and other persons in cases stipulated by effective legislation shall be liable to the Company or shareholders for losses caused to the Company by their culpable actions (inaction) in violation of the procedure for acquiring shares in an open joint stock company stipulated by effective legislation.

No liability shall be borne by members of the Board of Directors and Management Committee of the Company who voted against a decision that caused losses to the Company or shareholder or who did not participate in the voting.

11.3. In determining the grounds and scope of liability of the persons specified in point 11.2 of this Charter, ordinary business custom and other relevant circumstances shall be taken into account.

11.4. If several persons are liable pursuant to the terms of this article of the Charter, they shall be jointly and severally liable to the Company, and in those cases stipulated by the second paragraph of point 11.2 of this Charter, to the shareholder.

11.5. The Company or a shareholder (shareholders) owning in aggregate not less than one percent of the outstanding ordinary shares of the Company shall have the right to file suit in court against the persons specified in point 11.2 of this Charter to recover the losses caused to the Company in cases stipulated in the first paragraph of point 11.2 of this Charter.

The Company or shareholder shall have the right to file suit in court against the persons specified in point 11.2 of this Charter to recover the losses caused to the Company (shareholder) in cases stipulated in the second paragraph of point 11.2 of this Charter.

11.6. The Company shall insure the liability of its officers in accordance with international practice.

Article 12. Audit Commission and Audit

12.1. The Audit Commission shall exercise control over the financial and economic activity of the Company. The rules of the Audit Commission shall be set forth in the *Regulations on the Audit Commission* of the Company.

12.2. The Audit Commission shall be elected by the annual Shareholders Meeting in accordance with the procedure established by this Charter and shall have three members.

The term of office of the Audit Commission shall be reckoned from the time of its election by the annual Shareholders Meeting to the time of the election of a new Audit Commission by the next annual Shareholders Meeting.

12.3. The authority of individual members or the entire Audit Commission may be terminated early by decision of the Shareholders Meeting.

In the event the number of members of the Audit Commission is less than half of the figure stipulated by the Company Charter, the Board of Directors must convene an extraordinary Shareholders Meeting to elect a new Audit Commission. The remaining members of the Audit

Commission shall perform their functions until a new Audit Commission is elected at an extraordinary Shareholders Meeting.

In the event of the early termination of the authority of the Audit Commission or specific members thereof, the authority of the new Audit Commission shall be effective until the Audit Commission is elected (re-elected) by the annual Shareholders Meeting one year after the annual Meeting that elected the Audit Commission whose authority was terminated.

12.4. Any shareholder or any person nominated by a shareholder may be a member of the Audit Commission. Members of the Audit Commission may not concurrently be members of the Board of Directors or hold any other positions in the management bodies of the Company.

12.5. Members of the Audit Commission shall elect a chairman from among their number.

12.6. An audit (review) of the financial and economic activities of the Company shall be conducted based on the Company's performance in the previous year.

An audit (review) of the Company's financial and economic activities may be performed at any time on the initiative of the Audit Commission, by decision of the Shareholders Meeting or Board of Directors, or at the request of a shareholder (shareholders) of the Company holding in aggregate at least 10 percent of the voting shares of the Company.

12.7. Persons holding positions in the Company's management bodies are obliged to provide documents about the Company's financial and economic activities at the request of the Audit Commission of the Company.

12.8. The Audit Commission of the Company shall have the right to request the convocation of an extraordinary Shareholders Meeting pursuant to the procedure established by effective legislation, this Charter and the Company's internal documents.

12.9. On the basis of audit of the Company's financial and economic activities, the Audit Commission of the Company shall prepare a report, which must contain the following:

confirmation of the reliability of the data contained in the reports and other financial documents of the Company;

information on violations of accounting and financial reporting rules established by the legal acts of the Russian Federation, and on violations of the legal acts of the Russian Federation in the course of the performance of financial and economic activities.

12.10. During the period of the performance of their duties, members of the Audit Commission may be paid remuneration and (or) reimbursement of related costs, pursuant to the procedure and in the amounts established by decision of the Shareholders Meeting.

12.11. The Auditor of the Company shall be approved by the Shareholders Meeting.

Acting on the basis of legal acts of the Russian Federation, the Auditor of the Company shall perform an audit of the Company's financial and economic activities, on the basis of a signed contract.

Article 13. Profits, Dividends and Funds

13.1. The Company's profits shall be determined pursuant to the procedure established by the laws of the Russian Federation. The Company's net profits shall remain at the disposal of the Company and shall be used by the Company at its own discretion.

13.2. The Company shall create a reserve fund and may create other financial funds. The procedure for the use of such funds shall be established by the Board of Directors.

13.3. The Company shall form a reserve fund in the amount of 15 percent of the Charter Capital. Until the reserve fund reaches this amount, annual deductions to the reserve fund shall be made in the amount of five percent of net profits.

The reserve fund shall be used to cover the Company's losses and to redeem Company bonds and repurchase Company shares in the absence of other resources.

13.4. The Company may decide on (declare) the payment of dividends on outstanding shares.

Dividends shall be paid from the Company's net profits.

13.5. Decisions on the payment of dividends, the size and form of payment of dividends on each class (type) of shares, as well as the date and procedure for the payment of dividends shall be taken by the Shareholders Meeting. Annual dividends may not exceed the amount recommended by the Company's Board of Directors.

The term of annual dividend payments shall not exceed 60 days from the date the decision on their payment was passed.

13.6. A list of persons entitled to receive dividends shall be compiled as at the date of compilation of the list of persons entitled to participate in the Shareholders Meeting at which the decision on payment of dividends is taken. In order to prepare the list of persons entitled to receive dividends, nominal shareholders shall provide information on the persons on whose behalf they hold shares.

13.7. Dividends shall be paid in cash by wire transfer to the bank account or bank deposit of the shareholder, by mail order, or in any other manner agreed with the shareholder, or in the form of other assets in the event the Shareholders Meeting passes a decision on the payment of dividends in other assets.

13.8. The tax on dividends payable to shareholders shall be withheld pursuant to the procedure established by applicable law.

Article 14. Accounting and Reporting

14.1. The Company shall perform financial, tax and other types of accounting and provide financial, tax and other reports according to the procedure established by effective legislation.

14.2. The President is responsible for the organisation, maintenance and reliability of financial and tax accounting at the Company; the timely submission of the annual report and other

financial statements to the relevant bodies; and the information on the Company's operations to be provided to shareholders, creditors and the mass media.

The Chief Accountant of the Company shall exercise control over the accuracy of recording on accounts and in tax ledgers of all business operations and the timely submission of financial statements and tax reports.

14.3. The financial year shall be from January 1 to December 31 inclusive of each year.

14.4. The Company's Audit Commission shall confirm the reliability of information contained in the annual report and annual financial statements of the Company.

14.5 The annual report of the Company shall be subject to preliminary approval by the Board of Directors of the Company, not later than 30 days prior to the date of the annual Shareholders Meeting.

Article 15. Reorganization and Liquidation of the Company

15.1. Reorganization and liquidation of the Company shall be carried out in accordance with the requirements of the laws of the Russian Federation.

15.2. The reorganization of the Company (merger, takeover, split-up, spin-off, transformation) shall be carried out by decision of the Shareholders Meeting only on the recommendation of the Board of Directors, and also in cases stipulated by the laws of the Russian Federation.

15.3. In the event of reorganization, the transfer of the rights and duties of the Company to its legal successor(s) shall be documented in an act of transfer or separation balance sheet.

15.4. The liquidation of the Company shall be carried out pursuant to the decision of the Shareholders Meeting and also in cases stipulated by the laws of the Russian Federation.

15.5. The liquidation of the Company shall be carried out by a liquidation commission appointed by the Shareholders Meeting or by a court.

15.6. The liquidation commission shall publish, in the print media where information on the registration of legal entities is published, an announcement of the liquidation of the Company and the procedure and deadlines for the filing of claims by creditors.

15.7. From the time the liquidation commission is appointed, all authorities in the management of the Company shall pass to the liquidation commission.

15.8. The procedure and time period for the Company's liquidation shall be established by the Shareholders Meeting or a court. The deadline for filing of claims by creditors may not be less than two months from the date of publication of the announcement of the Company's liquidation.

15.9. The order in which the creditors' claims are satisfied in case of the Company's liquidation shall be determined by the laws of the Russian Federation.

15.10. The Company shall be deemed to have been reorganized or liquidated from the date the appropriate entry is made in the Unified State Register of Legal Entities.

15.11. In the event of a reorganization of the Company that results in the termination of the Company's activity, all documents shall be transferred to the legal successor in compliance with applicable rules. In the event of the liquidation of the Company, documents designated for permanent storage, having scientific and historical value, shall be transferred to the State Archives Russian Federation.

**Table of amendments and addenda
to the current version of the Charter of Open Joint Stock Company “Oil company “LUKOIL”, drafted in the form of a new version of the
Charter of OAO “LUKOIL”**

№	Current version of the Charter	New version of the Charter	Comments
1.	<p>Preamble: «Oil company “LUKOIL” (hereinafter referred to as the "Company") was established as an open joint stock company in accordance with Decree No. 1403 of the President of the Russian Federation <i>On Specific Features of the Privatization and Transformation into Joint Stock Companies of State Enterprises and Industrial and Research-Industrial Associations in the Oil and Oil-Refining Industries and Oil Product Supply</i>, dated November 17, 1992 and Directive No. 299 of the Government of the Russian Federation <i>On the Establishment of the Open Joint Stock Company "Oil company “LUKoil”</i>, dated April 5, 1993, for the purpose of industrial-economic and financial-investment activity.».</p>	<p>Preamble: Open Joint Stock Company “Oil company “LUKOIL” (hereinafter referred to as the "Company") was established as an open joint stock company in accordance with Decree No. 1403 of the President of the Russian Federation <i>On Specific Features of the Privatization and Transformation into Joint Stock Companies of State Enterprises and Industrial and Research-Industrial Associations in the Oil and Oil-Refining Industries and Oil Product Supply</i>, dated November 17, 1992 and Directive No. 299 of the Council of Ministers - Government of the Russian Federation <i>On the Establishment of Open Joint Stock Company "Oil company “LUKoil”</i>, dated April 5, 1993, for the purpose of industrial-economic and financial-investment activity.</p>	<p>This amendment is being made for the correct indication of the name of the higher state executive body that issued resolution No. 299.</p>
2.	<p>Point 2.7: «2.7. The provisions of this Charter shall be amended, and the new version of this Charter shall be approved by decision of the General Meeting of Shareholders (hereinafter referred to as the “Shareholders Meeting” or the “Meeting”) of the Company or, in such cases as provided for by this Charter, by the Board of Directors, subject to the requirements of effective legislation and the provisions of this Charter.».</p>	<p>Point 2.7: «2.7. The provisions of this Charter shall be amended, or a new version of this Charter shall be approved by decision of the General Meeting of Shareholders (hereinafter referred to as the “Shareholders Meeting” or the “Meeting”) of the Company or, in such cases as provided for by this Charter, by the Board of Directors, subject to the requirements of effective legislation and the provisions of this Charter.»</p>	<p>This amendment is being made as an editorial revision.</p>
3.	<p>Point 2.9:</p>	<p>Point 2.9:</p>	<p>This amendment is being made to</p>

	<p>«2.9. The Company is liable for its obligations only to the extent of its assets. The Company is not liable for the obligations of its shareholders.</p> <p>Shareholders are not liable for the Company's obligations and bear the risk of losses related to the Company's operations to the extent of the value of the Company's shares owned by shareholders.</p> <p>The state, its bodies and organizations are not liable for the Company's obligations; the Company is not liable for the obligations of the state, its bodies and organizations. ».</p>	<p>«2.9. The Company is liable for its obligations only to the extent of its assets. The Company is not liable for the obligations of its shareholders.</p> <p>Shareholders are not liable for the Company's obligations and bear the risk of losses related to the Company's operations to the extent of the value of the Company's shares owned by shareholders.</p> <p>The state and its bodies and organizations are not liable for the Company's obligations; likewise, the Company is not liable for the obligations of the state and its bodies. ».</p>	<p>clarify the wording of point 2.9 of the Charter of OAO "LUKOIL" (hereinafter the "Company") pursuant to article 3 of Federal Law No. 208-FZ of 26 December 1995 <i>On Joint Stock Companies</i>, with subsequent amendments and addenda (hereinafter the "JSC Law").</p>
4.	<p>Point 2.12: «2.12. The Company shall have the right to establish branches and representative offices, both in the Russian Federation and abroad. ».</p>	<p>Point 2.12: «2.12 The Company shall have the right to establish branches and open representative offices, both in the Russian Federation and abroad. ».</p>	<p>This amendment is being made to clarify the wording of point 2.12 of the Company's Charter pursuant to article 5 (1) of the JSC Law.</p>
5.	<p>Sub-point 3.2.7: «3.2.7. Provision of guidelines, coordination of work and control over preparation for mobilization, civil defense, registration and reservation of men eligible for military call-up, and the protection of information constituting a state or trade secret in accordance with the laws and regulatory acts of the Russian Federation;».</p>	<p>Sub-point 3.2.7: «3.2.7. Provision of guidelines, coordination of work and control Organisation and performance of actions on preparation for mobilization, civil defense, registration and reservation of individuals eligible for military call-up in the Russian Federation, and the protection of information constituting a state or trade secret in accordance with the laws and regulatory acts of the Russian Federation.».</p>	<p>This amendment is being made to clarify the line of business of OAO "LUKOIL".</p>
6.	<p>Sub-point 3.2.12: «3.2.12. Environmental protection, occupational and industrial safety in accordance with international standard ISO 14001 and standard OHSAS 18001. ».</p>	<p>Sub-point 3.2.12: «3.2.12. Environmental protection, occupational and industrial safety in accordance with international standard ISO 14001 and standard OHSAS 18001. ».</p>	<p>This amendment is being made to clarify the line of business of OAO "LUKOIL" under the Health, Safety and Environmental Policy of Open Joint Stock Company "Oil Company</p>

			“LUKOIL” in the XXI Century, the new version of which was approved by the decision of the Management Committee of OAO “LUKOIL” dated 12 March 2009 (minutes No. 7).
7.	Sub-point 4.3.1: «4.3.1. increase the Charter Capital by placing additional shares within the limit of the authorized shares established by this Charter, or by increasing the par value of all outstanding shares or shares of a certain class (type);».	Sub-point 4.3.1: «4.3.1. increase the Charter Capital by placing additional shares within the limit of the authorized shares established by this Charter, or by increasing the par value of all outstanding shares or shares of a certain class (type); ».	This amendment is being made to clarify the wording of sub-point 4.3.1 of the Company’s Charter pursuant to article 28 (1) of the JSC Law.
8.	Sub-point 4.3.3: «4.3.3. reduce the amount of the Charter Capital by decreasing the par value of all outstanding shares of the Company or the par value of shares of a certain class, or through the purchase by the Company of a portion of the shares in order to reduce the total number thereof or through the retirement of shares not paid-up in full, and through the retirement of shares acquired or repurchased by the Company.».	Sub-point 4.3.3: • «4.3.3. reduce the amount of the Charter Capital by decreasing the par value of all outstanding shares of the Company or of shares of a certain class through the purchase by the Company of a portion of the shares in order to reduce the total number thereof or through the retirement of shares not paid-up in full, and through the retirement of shares acquired or repurchased by the Company.».	This amendment is being made to clarify the wording of sub-point 4.3.3 of the Company’s Charter pursuant to article 29 (1) of the JSC Law.
9.	Second paragraph of point 4.6: «Ordinary registered shares declared for placement by the Company shall give their owners the rights stipulated by point 5.6 of article 5 of this Charter. ».	Second paragraph of point 4.6: «Ordinary registered shares declared for placement by the Company shall give their owners the rights stipulated by point 5.56 of article 5 of this Charter.».	This amendment is being made due to the deletion of point 5.4 from the Company’s Charter and the resulting change in the numbering of the subsequent points of article 5 of the Charter, in particular point 5.6, which is point 5.5 in the new version of the Charter.
10.	Second, third and fourth paragraphs of point 5.2: «If the Company offers shares and issued convertible securities by private subscription, the Company’s shareholders who voted against or	Second, third and fourth paragraphs of point 5.2: «If the Company offers shares and issuable convertible securities by private subscription, the Company’s shareholders who voted against or who	This amendment is being made to clarify the terminology of the second paragraph of point 5.2 of the Company’s Charter pursuant to article

<p>abstained from voting on such offering shall have a preemptive right to acquire such securities in an amount proportionate to the number of such class (type) of shares held by them. Such right shall not apply where shares and other issued convertible securities are offered by private subscription to shareholders only, if the shareholders may acquire a whole number of the shares and other issued convertible securities in proportion to the number of such class of shares held by them.</p> <p>In each additional issue of shares or issued convertible securities, the Company shall give notice to all holders of such class (type) of shares, stating the amount of shares and issued convertible securities so offered, their offering price or the procedure for determining the same, the procedure for determining the number of securities to which any such shareholder shall be entitled, and the effective term of the preemptive right, at least 45 calendar days' prior to the start of the offering.</p> <p>Such notice shall be published in the same printed periodical in which notices of Shareholders Meetings are published. ».</p>	<p>did not participate in the voting on such offering shall have a preemptive right to acquire such securities in an amount proportionate to the number of such class (type) of shares held by them. Such right shall not apply where shares and other issuable convertible securities are offered by private subscription to shareholders only, if the shareholders may acquire a whole number of the shares and other issuable convertible securities in proportion to the number of such class of shares held by them.</p> <p>In each additional issue of shares or issuable convertible securities, the Company shall give notice to all holders of such class (type) of shares, stating the amount of shares and issuable convertible securities so offered, their offering price or the procedure for determining the same, the procedure for determining the number of securities to which any such shareholder shall be entitled, and the effective term of the preemptive right, at least 45 calendar days' prior to the start of the offering.</p> <p>Such notice shall be published in the same printed periodical in which notices of Shareholders Meetings are published.».</p>	<p>40 (1) of the JSC Law, and to clarify the wording of point 5.2 of the Company's Charter pursuant to article 41 (1) and (2) of the JSC Law.</p>
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11.	<p>Point 5.3: «5.3. The Company, acting in compliance with the laws of the Russian Federation, may acquire its shares issued based on a decision of the Board of Directors. The Company may not take such decision on the acquisition of shares by the Company if the par value of outstanding Company shares thereby becomes less than 90 percent of the Company’s Charter Capital.</p> <p>Shares acquired by the Company pursuant to the decision of the Board of Directors shall not provide voting rights, shall be disregarded for the purposes of tallying votes, and shall not accrue any dividend. Such shares shall be sold within one year of their acquisition. ».</p>	<p>Point 5.3: «5.3. The Company, acting in compliance with the laws of the Russian Federation, may acquire its outstanding shares based on a decision of the Board of Directors. The Company may not take such decision on the acquisition of shares by the Company if the par value of outstanding Company shares thereby becomes less than 90 percent of the Company’s Charter Capital.</p> <p>Shares acquired by the Company pursuant to the decision of the Board of Directors shall not provide voting rights, shall be disregarded for the purposes of tallying votes, and shall not accrue any dividend. Such shares shall be sold within one year of their acquisition <u>at the price not lower than their market value.</u> ».</p>	<p>This amendment and addendum are being made to clarify the wording of point 5.3 of the Company’s Charter pursuant to article 72 (2) and (3) of the JSC Law.</p>
12.	<p>Point 5.4: «5.4. A share of the Company may be jointly owned by several persons. In such case, the co-owners shall be deemed to be one shareholder. »</p>	<p>Point 5.4 of Article 5 «Shares and Other Securities of the Company. Shareholders' Rights» shall be deleted. Points 5.5, 5.6, 5.6.1-5.6.7, 5.7 and 5.8 shall be points 5.4, 5.5, 5.5.1-5.5.7, 5.6 and 5.7, respectively.</p>	<p>This amendment is being made to prevent possible incompliance with the civil legislation, as the latter does not envisage a notion of “one shareholder”.</p>

13.	Sub-point 5.6.1: «5.6.1. to participate in the management of the Company;».	Sub-point 5.5.1: «5.5.1. to participate in the management of the Company <u>through participation in the General Shareholders Meetings of the Company in compliance with effective legislation and this Charter;</u> ».	This amendment is being made to clarify the wording of sub-point 5.5.1 of the Company's Charter pursuant to article 31 (2) of the JSC Law.
14.	Sub-point 5.6.3: «5.6.3. to sell the shares owned by them without permission from the Company and other shareholders;».	Sub-point 5.5.3: «5.5.3. to sell the shares owned by them without permission from other shareholders <u>and the Company;</u> ».	This amendment is being made to clarify the terminology of sub-point 5.5.3 of the Company's Charter pursuant to article 2 (1) of the JSC Law.
15.	Sub-point 5.6.5: «5.6.5. to participate in the distribution of the Company's assets on its liquidation;».	Sub-point 5.5.5: «5.5.5. <u>to receive a portion of</u> the Company's assets <u>available after settlements with creditors are performed in the event of</u> its liquidation;».	This amendment is being made to clarify the wording of sub-point 5.5.5 of the Company's Charter pursuant to article 31 (2) of the JSC Law and article 67 (1) of the Civil Code of the Russian Federation.
16.	Sub-point 5.6.6: «5.6.6. to exercise their rights directly or by proxy, who may be other shareholders, and also other persons acting on the basis of a power of attorney, issued in compliance with the procedure determined by applicable law;».	Sub-point 5.5.6: «5.5.6. to exercise their rights directly or by proxy, who may be other shareholders, <u>or other persons</u> acting on the basis of a power of attorney, issued in compliance with the procedure determined by applicable law;».	This amendment is being made as an editorial revision.
17.	Sub-point 5.6.7: «5.6.7. receive a portion of the Company's net profits (dividend), provided that each share of the same category (type) shall grant to its holder the same measure of rights as to receiving dividends in the amount, form and within terms established by a Shareholders meeting.».	Sub-point 5.5.7: «5.5.7. <u>to receive the Company's dividends.</u> provided that each share of the same category (type) shall grant to its holder the same measure of rights as to receiving dividends in the amount, form and within terms established by a Shareholders meeting».	This amendment is being made to clarify the wording of sub-point 5.5.7 of the Company's Charter pursuant to article 31 (2) of the JSC Law.
18.	Point 5.7: «5.7. The shareholders shall comply with confidentiality requirements in respect of such	Point 5.6: «5.6. The shareholders shall be obligated <u>not to disclose confidential information on the</u>	This amendment is being made to bring the wording of point 5.6 of the Company's Charter into line with the

	information on the Company's current or future activities as constitutes a trade secret under the laws of the Russian Federation. ».	Company's operations. shall comply with confidentiality requirements in respect of such information on the Company's current or future activities as constitutes a trade secret under the laws of the Russian Federation. ».	wording of the third paragraph of article 67 (2) of the Civil Code of the Russian Federation.
19.	Point 5.8: «5.8. A party that has purchased more than 30 percent of the total shares of the Company, taking into account the number of shares already owned by the party or its related parties, shall be required to offer to purchase the remaining ordinary shares in the Company and the issuable securities of the Company convertible into ordinary shares from the shareholders that hold them according to the procedure and by the deadlines established by the effective legislation of the Russian Federation.».	Point t 5.7: «5.7. A party that has purchased more than 30 percent of the total shares of the Company, taking into account the number of shares already owned by the party or its related parties, shall be required to publicly offer to purchase the remaining ordinary shares in the Company and the issuable securities of the Company convertible into ordinary shares from the shareholders that hold them, according to the procedure and by the deadlines established by the effective legislation of the Russian Federation.».	This amendment is being made to clarify the terminology of point 5.7 of the Company's Charter pursuant to article 84.2 (1) of the JSC Law.
20.	Second paragraph of point 6.1: «The Board of Directors shall adopt a decision to elect the Registrar in accordance with the internationally accepted practice, provided that the rules of its operation comply with the standards and rules for maintaining the share register of a joint-stock company approved by the federal executive body for the securities market.».	Second paragraph of point 6.1: «The Board of Directors shall adopt a decision to approve the Registrar in accordance with the internationally accepted practice, provided that the rules of its operation comply with the standards and rules for maintaining the share register of a joint stock company approved by the federal executive body for the securities market.».	This amendment is being made to clarify the terminology of the second paragraph of point 6.1 of the Company's Charter pursuant to article 65 (1) (17) of the JSC Law.
21.	Sub-point 7.1.1.1: «7.1.1.1. The Shareholders Meeting;».	Sub-point 7.1.1.1: «7.1.1.1. The General Shareholders Meeting;».	This amendment is being made as an editorial revision.
22.	Sub-point 8.2.11: «8.2.11. approval of annual reports and annual financial statements, including the income statement of the Company; distribution of the its profits, including payment (declaration) of dividend, and losses based on the results of the financial year;».	Sub-point 8.2.11: «8.2.11. approval of annual reports, annual financial statements, including income statements (profit and loss accounts) of the Company, distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the financial year;».	This amendment is being made to clarify the wording of sub-point 8.2.11 of the Company's Charter pursuant to article 48 (1) (11) of the JSC Law.

23.	Sub-point 8.2.15: «8.2.15. approval of interested-party transactions, in cases stipulated by effective legislation;».	Sub-point 8.2.15: «8.2.15. approval of interested-party transactions, in cases stipulated by effective legislation;».	This amendment is being made as an editorial revision of the wording of sub-point 8.2.15 of the Company's Charter pursuant to article 48 (1) (15) of the JSC Law.
24.	Sub-point 8.2.16: «8.2.16. adoption of decisions on:».	Sub-point 8.2.16: «8.2.16. adoption of decisions on:».	This amendment is being made as an editorial revision.
25.	Sub-point 8.2.16.1: «8.2.16.1. approval of major transactions involving acquisition, disposal or the possibility of disposal by the Company of assets with the value exceeding 50 percent of the book value of the Company's assets according to its financial statements as of the latest reporting date, with the exception of transactions completed in the ordinary course of the Company's business, transactions related to placement by the Company of ordinary shares by means of subscription (sale) and transactions related to placement of issuable securities convertible into Company's ordinary shares;».	Sub-point 8.2.16.1: «8.2.16.1. approval of major transactions, <u>which are understood to mean transactions or a series of related transactions on the</u> acquisition, disposal or the possibility of disposal by the Company, <u>directly or indirectly</u> , of assets with the value exceeding 50 percent of the book value of the Company's assets according to its financial statements as of the latest reporting date, with the exception of transactions completed in the ordinary course of the Company's business, transactions related to placement by the Company of ordinary shares by means of subscription (sale) and transactions related to placement of issuable securities convertible into Company's ordinary shares; <u>and transactions that must be performed by the Company in accordance with federal laws and/or other regulatory acts of the Russian Federation, settlements on which are made at prices determined according to the procedure established by the Government of the Russian Federation or at prices and tariffs established by the federal executive authority designated by the Government of the Russian Federation</u> ;».	This amendment and addendum are being made to bring the wording of sub-point 8.2.16.1 of the Company's Charter into line with article 78 (1) of the JSC Law, as amended by Federal Law No. 401-FZ of 28 December 2010 <i>On Introducing Amendments and Addenda to the Federal Law "On Joint Stock Companies"</i> , which entered into force on 30 December 2010.

26.	<p>Sub-point 8.2.16.2: «approval in accordance with the procedure provided for by Article 79 of the Federal Law “On Joint Stock Companies” of a transaction or a series of related transactions with a value exceeding 50 per cent of the book value of the Company’s assets according to the Company’s financial statements as of the latest reporting date involving acquisition, disposal or the possibility of disposal of capital assets in the sphere of production and processing of oil, gas and gas condensate, refined products marketing facilities, hydrocarbon transportation facilities and shares (participatory shares) in business entities holding such assets and/or rights for exploration or production of hydrocarbon resources. No approval under this sub-clause* shall be required if such transactions or a series of related transactions are subject to approval under sub-clause 8.2.16.1 of clause 8.2 hereof; ».</p>	<p>Sub-point 8.2.16.2 of point 8.2.16 of Article 8 «Shareholders Meeting» shall be deleted. Sub-point 8.2.16.3 shall be Sub-point 8.2.16.2, respectively.</p>	<p>This sub-point was included in the Company’s Charter on 24 January 2005 at the suggestion of Company shareholder ConocoPhillips, based on the understandings set forth in Article V of the Shareholder Agreement concluded between the Company and ConocoPhillips on 29 September 2004, which obligates the Company to have the General Shareholders’ Meeting approve a number of transactions according to the procedure stipulated for approving major transactions, to expand the competence of the Board of Directors of the Company, and to establish a unanimous procedure for adoption by the Board of Directors of the Company of decisions on Special Issues. The indicated obligations of the Company cease to have effect, pursuant to section 5.6 of the Shareholder Agreement, on the date when the shareholder (i.e. ConocoPhillips) becomes the Beneficiary Owner of at least 7.599 per cent of the Company’s outstanding shares. Considering that ConocoPhillips had completely withdrawn as a shareholder in the Company as at 7 February 2011, the</p>
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* For the sake of consistency, the word ‘clause/sub-clause’ (in ConocoPhillips’ wording) in the current version is being replaced with ‘point/sub-point’ in the proposed version of LUKOIL’s Charter.

			obligations stipulated by Article V of the Shareholder Agreement with this shareholder were terminated. Due to this fact, it is proposed that the amendments and addenda made to the Charter in 2005 at the suggestion of ConocoPhillips be deleted from the Company's Charter.
27.	<p>Sub-point 8.2.16.3: «8.2.16.3. approval of a transaction or a series of related transactions requiring approval under decision of the Board of Directors in accordance with sub-clauses 9.7.17 and 9.7.18 of clause 9.7 of this Charter, if the Board of Directors has not reached unanimity on the issue;».</p>	<p>Sub-point 8.2.16.2: «8.2.16.2. approval of a major transaction or a series of related transactions requiring approval under decision <u>of the Board of Directors in accordance with sub-clauses point 9.7.17 and 9.7.18</u> of point 9.7 of this Charter, if the Board of Directors has not reached unanimity on the issue;».</p>	<p>This amendment is being made to bring the wording of sub-point 8.2.16.3 of the Company's Charter into line with paragraph 2 of article 79 (2) of the JSC Law, and in connection with the proposed deletion of sub-point 9.7.18 from the Company's Charter.</p>
28.	<p>Point 8.4: «8.4. Annual Shareholders Meetings shall be held annually, not earlier than two and not later than six months after the end of the financial year.</p> <p>The annual Shareholders Meeting shall settle issues of the election of the Board of Directors and the Audit Commission, approval of the Auditor of the Company, approval of the annual report and annual financial statements, including the Company's income statement, distribution of the profits and losses of the Company based on the results of the financial year, including payment (declaration) of dividends. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective legislation. ».</p>	<p>Point 8.4: «8.4. Annual Shareholders Meetings shall be held annually, not earlier than two and not later than six months after the end of the financial year.</p> <p>The annual Shareholders Meeting shall settle issues of the election of the Board of Directors and the Audit Commission of the Company, approval of the Auditor of the Company, approval of the annual report and annual financial statements, including income statements <u>(profit and loss accounts)</u> of the Company, distribution of profits <u>(including through the payment (declaration) of dividends)</u> and losses based on the results of the financial year, including payment (declaration) of dividends. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective</p>	<p>This amendment is being made to clarify the wording of point 8.4 of the Company's Charter pursuant to articles 47 (1) and article 48 (1) (11) of the JSC Law.</p>

		legislation.».	
29.	<p>First paragraph of point 8.6: «8.6. Proposals for the agenda of the Shareholders Meeting and candidates to the Board of Directors, Audit Commission and Counting Commission, and to the office of President shall be made not later than 30 days after the end of the financial year of the Company by Company shareholders holding in aggregate at least two percent of the Company’s voting shares. The number of candidates such shareholders may nominate to the Board of Directors, the Audit Commission and the Counting Commission may not exceed the number of positions in the relevant body. ».</p>	<p>First paragraph of point 8.6: «8.6. Proposals for the agenda of the Shareholders Meeting and candidates to the Board of Directors, Audit Commission and Counting Commission, and to the office of President shall be made not later than 30 days after the end of the financial year of the Company by Company shareholder (shareholders) holding in aggregate at least two percent of the Company’s voting shares. The number of candidates such shareholders may nominate to the Board of Directors, the Audit Commission and the Counting Commission may not exceed the number of positions in the relevant body. ».</p>	<p>This amendment is being made to clarify the terminology of the first paragraph of point 8.6 of the Company’s Charter pursuant to article 53 (1) of the JSC Law.</p>
30.	<p>Second, third and fourth paragraphs of point: «The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against acknowledgement of receipt no later than 30 days before the annual Shareholders Meeting and no later than 25 days before the extraordinary Shareholders Meeting. For the purposes of determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the counting commission not later than 2 days before the Shareholders Meeting shall be taken into account. Where the number of persons entitled to participate in any Shareholders Meeting is</p>	<p>Second, third and fourth paragraphs of point 8.7: «The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature acknowledgement of receipt no later than 30 days before the annual Shareholders Meeting and no later than 25 days before the extraordinary Shareholders Meeting. For the purposes of determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the Counting Commission not later than two days before the Shareholders Meeting shall be taken into account. Where the number of persons entitled to participate in any Shareholders Meeting is more than 500,000, or more forms of voting ballots shall be</p>	<p>This amendment is being made to clarify the wording of the second, third and fourth paragraphs of point 8.7 of the Company’s Charter pursuant to article 60 (2) of the JSC Law.</p>

	<p>500,000 or more, forms of voting ballots shall be published in the print media specified herein.</p> <p>The information (materials) to be provided to persons entitled to participate in the annual Shareholders Meeting includes the annual report, including the report of the Board of Directors; the annual financial statements; the opinions of the Auditor and the Internal Audit Commission on the results of the audit of the annual financial statements; information on candidates for election to the Board of Directors, the single-person executive body of the Company, and the Internal Audit Commission; the draft amendments and addenda to the Company Charter or the draft new version of the Company Charter; drafts of internal documents of the Company or amendments and addenda to such documents; draft decisions of the Shareholders Meeting of the Company; and other information and materials established by effective legislation, internal documents of the Company and decisions of the Board of Directors of the Company.».</p>	<p>published in the print media specified herein.</p> <p>The information (materials) to be provided to persons entitled to participate in the annual Shareholders Meeting includes the annual report, including the report of the Board of Directors; the annual financial statements; the opinions of the Auditor and the Internal Audit Commission on the results of the audit of the annual financial statements; information on candidates for election to the Board of Directors, the single-person executive body of the Company the Internal Audit Commission and <u>the single-person executive body of the Company</u>; the draft amendments and addenda to the Company Charter or the draft new version of the Company Charter; drafts of internal documents of the Company or amendments and addenda to such documents; draft decisions of the Shareholders Meeting of the Company; and other information and materials established by effective legislation, internal documents of the Company and decisions of the Board of Directors of the Company.».</p>	
31.	<p>Point 8.8: «8.8. The Meeting shall be conducted by the Chairman of the Board of Directors or a person designated by the Board of Directors or by a representative of shareholders, pursuant to the procedure stipulated by the <i>Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of OAO “LUKOIL”</i>.».</p>	<p>Point 8.8: «8.8. The Meeting shall be conducted <u>presided</u> by the Chairman of the Board of Directors or a person designated by the Board of Directors or by a representative of shareholders. <u>Should they be absent from the Meeting, it will be presided by a person designated</u> pursuant to the procedure stipulated by the <i>Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of OAO “LUKOIL”</i>.».</p>	<p>This amendment is being made to reflect in the Company’s Charter the existing corporate practice set forth in point 10.8 of the <i>Regulations On The Procedure for Preparing for and Holding the General Shareholders’ Meeting of OAO “LUKOIL”</i>, pursuant to which, in the absence of the chairman of the Board of Directors or a person appointed by the Board of Directors, the chairman of the Meeting is appointed by the members of the</p>

			presidium from among their number, and to account for point 4.14 of the Regulations <i>On Additional Requirements on the Procedure for Preparing for, Convening and Holding the General Shareholders' Meeting</i> , approved by resolution of the FCSM of Russia No. 17/ps of 31 May 2002, which establishes the person who will chair an extraordinary General Shareholders' Meeting.
32.	Point 8.16: «8.16. Decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.16.2, 8.2.17 and 8.2.20 of point 8.2 of this Charter shall be taken by the Shareholders Meeting by a three-fourths majority vote of the shareholders holding voting shares present at the Shareholders Meeting.».	Point 8.16: «8.16. Decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.16.2 , 8.2.17 and 8.2.20 of point 8.2 of this Charter shall be taken by the Shareholders Meeting by a three-fourths majority vote of the shareholders holding voting shares present at the Shareholders Meeting.».	This amendment is being made in connection with the deletion of sub-point 8.2.16.2 from the Company's Charter.
33.	Point 8.17: «8.17. Decisions on the issues indicated in sub-points 8.2.2, 8.2.3, 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18, 8.2.19 and 8.2.20 of point 8.2 of this Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.».	Point 8.17: «8.17. Decisions on the issues indicated in sub-points 8.2.2, 8.2.3 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18 and 8.2.19 8.2.20 of point 8.2 of this Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.».	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips (see the comments on sub-point 8.2.16.2 of the Company's Charter). It should also be noted that, in accordance with article 49 (3) of the JSC Law, proposals of the Board of Directors are not required for the General Shareholders' Meeting to take decisions on the issues indicated in the sub-points 8.2.3 and 8.2.20 of the Company's Charter.

34.	Point 8.21: «8.21. A decision of the Shareholders Meeting may be adopted without holding a meeting (joint attendance of shareholders to discuss agenda items and adopt decisions put to voting) by an absentee vote. ».	Point 8.21: «8.21. A decision of the Shareholders Meeting may be adopted without holding a meeting (joint attendance of shareholders to discuss agenda items and adopt decisions put to voting) by an absentee vote, <u>with the exception of the cases stipulated by effective legislation.</u> ».	This addendum is being made to reflect in point 8.21 of the Company's Charter the exceptions established in article 50 (2) of the JSC Law, stipulating the cases when the General Shareholders' Meeting cannot be held through absentee voting.
35.	Point 9.1: «9.1. The Company's Board of Directors shall exercise the general management of the Company's activities, with the exception of issues within the jurisdiction of the Shareholders Meeting. The procedure for convocation and conduct of meetings of the Board of Directors shall be set forth in the <i>Regulations on the Board of Directors</i> . ».	Point 9.1: «9.1. The Company's Board of Directors shall exercise the general management of the Company's activities, with the exception of issues within the jurisdiction of the Shareholders Meeting. The procedure for convocation and conduct of meetings of the Board of Directors shall be set forth in the <i>Regulations on the Board of Directors of the Company</i> . ».	This amendment is being made as an editorial revision.
36.	Second paragraph of point 9.2: «Board members may be elected an unlimited number of times. ».	Second paragraph of point 9.2: «Board members may be re -elected an unlimited number of times. ».	This amendment is being made to clarify the terminology of the second paragraph of point 9.2 of the Company's Charter pursuant to the second paragraph of article 66 (1) of the JSC Law.
37.	Point 9.5: «9.5. The members of the Board of Directors shall elect a Chairman from among their number for the entire term of office of the Board of Directors. ».	Point 9.5: «9.5. The members of the Board of Directors shall elect a Chairman from among their number for the entire term of office of the Board of Directors. ».	This amendment is being made to clarify the terminology of point 9.5 of the Company's Charter pursuant to article 67 (1) of the JSC Law.
38.	Sub-point 9.7.3.2: «9.7.3.2. the issue provided for in sub-clause 8.2.3 of clause 8.2 hereof;».	Sub-point 9.7.3.2 shall be deleted. Sub-points 9.7.3.3, 9.7.3.4 and 9.7.3.5 shall be points 9.7.3.2, 9.7.3.3 and 9.7.3.4, respectively.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips (see the

			<p>comments on sub-point 8.2.16.2 of the Company's Charter). In addition, article 49 (3) of the JSC Law does not stipulate the adoption of a decision by the General Shareholders' Meeting on the liquidation of the company, appointment of a liquidation commission, or approval of interim and final liquidation balance sheets at the suggestion of the Board of Directors.</p>
39.	<p>Sub-point 9.7.3.3: «9.7.3.3. the issues provided for in sub-clauses 8.2.6 and 8.2.20 of clause 8.2 hereof;».</p>	<p>Sub-point 9.7.3.2: «9.7.3.2. the issues provided for in sub-points 8.2.6 and 8.2.20 <u>8.2.7.1</u> of point 8.2 hereof;».</p>	<p>This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips (see the comments on sub-point 8.2.16.2 of the Company's Charter). In addition, article 49 (3) of the JSC Law does not stipulate the adoption of a decision by the company's general shareholder's meeting on the placement of issuable securities convertible into shares through closed subscription, or on the placement through open subscription of issuable securities convertible to ordinary shares making up more than 25% of previously placed ordinary shares at the suggestion of the Board of Directors (this requirement is also not established by article 39 (3) of the JSC Law).</p>

			This addendum is being made in connection with the clarification of the competence of the Board of Directors to suggest the inclusion of the issues stipulated by sub-point 8.2.7.1 of the Company's Charter in the agenda of the General Shareholders' Meeting, pursuant to article 29 (3) of the JSC Law and point 8.17 of the Charter of OAO "LUKOIL".
40.	Sub-point 9.7.17: «9.7.17. approval of major transactions involving assets with a value of 25 to 50 percent of the book value of the Company's assets according to its financial statements as of the latest reporting date with the exception of transactions made during the usual course of the Company's business, transactions related to placement of the Company's ordinary shares by way of subscription (sale) and transactions related to placement of issuable securities convertible into the Company's ordinary shares;»	Sub-point 9.7.17: «9.7.17. approval of major transactions involving assets with a value of 25 to 50 percent of the book value of the Company's assets according to its financial statements as of the latest reporting date with the exception of transactions made during the usual course of the Company's business, transactions related to placement of the Company's ordinary shares by way of subscription (sale) and transactions related to placement of issuable securities convertible into the Company's ordinary shares; <u>and transactions that must be performed by the Company in accordance with federal laws and/or other regulatory acts of the Russian Federation, settlements on which are made at prices determined according to the procedure established by the Government of the Russian Federation or at prices and tariffs established by the federal executive authority designated by the Government of the Russian Federation;</u> ».	This addendum is being made to bring the wording of sub-point 9.7.17 of the Company's Charter into line with article 78 (1) of the JSC Law, as amended by Federal Law No. 401-FZ of 28 December 2010 <i>On Introducing Amendments and Addenda to the Federal Law "On Joint Stock Companies"</i> , which entered into force on 30 December 2010.
41.	Sub-point 9.7.18: «9.7.18. approval in accordance with the procedure provided for by Article 79 of the Federal Law "On Joint Stock Companies" of a	Sub-point 9.7.18 of point 9.7 of Article 9 «Board of Directors» shall be deleted. Sub-point 9.7.19 shall be Sub-point 9.7.18.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced

	<p>transaction or a series of related transactions with a value of 25 per cent to 50 per cent of the book value of the Company's assets according to the Company's financial statements as of the latest reporting date involving acquisition, disposal or the possibility of disposal of assets in the sphere of production and processing of oil, gas and gas condensate, refined products marketing facilities, hydrocarbon transportation facilities and shares (participatory shares) in business entities holding such assets and/or rights for exploration or production of hydrocarbon resources. No approval under this sub-clause shall be required if such transactions or a series of related transactions are subject to approval under sub-clause 9.7.17 of clause 9.7 hereof;».</p>		<p>to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).</p>
42.	<p>Sub-point 9.7.20: «9.7.20 approval of a transaction or a series of related transactions with a value exceeding 7.5 per cent of the consolidated value of assets of the Company according to the latest published consolidated financial statements of OAO "LUKOIL" (within this Charter, the "consolidated financial statements of OAO "LUKOIL" shall mean consolidated financial statements of the Company prepared in accordance with the US Generally Accepted Accounting Principles) which do not relate to the main types of the Company's activities, referred to in the following sub-clauses of clause 3.2 of this Charter: 9.7.20.1. in sub-clause 3.2.1 (except for consumer goods and services supplied); 9.7.20.2. in sub-clause 3.2.2 to the extent such activities are aimed at financing operations</p>	<p>Sub-point 9.7.20 of point 9.7 of Article 9 «Board of Directors» shall be deleted. Sub-points 9.7.21, 9.7.22, 9.7.23, 9.7.24 shall be Sub-points 9.7.19, 9.7.20, 9.7.21 and 9.7.22, respectively.</p>	<p>This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).</p>

	<p>of the Company and its subsidiaries in the sphere of exploration of oil, gas and other fields, geological survey of subsoil, drilling wells, production, transportation and processing of oil and gas, manufacture of petroleum, petrochemical and other products, sales of oil, petroleum products, petroleum derivatives and other raw material derivatives (including sales to consumers and export deliveries), as well as construction, upgrade and operation of oil and gas extraction, transportation and refining facilities, production and sale of oil, gas, petroleum products and petrochemicals facilities;</p> <p>9.7.20.3. in sub-clause 3.2.4;</p> <p>9.7.20.4. in sub-clause 3.2.6 to the extent such activities relate to exploration of oil, gas and other fields, geological survey of subsoil, drilling wells, production, transportation and processing of oil and gas, manufacture of petroleum, petrochemical and other products, sales of oil, petroleum products, petroleum derivatives and other raw material derivatives (including sales to consumers and export deliveries), as well as construction, upgrade and operation of oil and gas extraction, transportation and refining facilities, production and sale of oil, gas, petroleum products and petrochemicals facilities;</p> <p>9.7.20.5. in sub-clauses 3.2.8 and 3.2.9;».</p>		
43.	<p>Sub-point 9.7.21: «9.7.21 approval of interested party transactions involving, in accordance with the Russian law, members of the Board of Directors, persons holding offices in other management bodies of the Company, shareholders holding together with</p>	<p>Sub-point 9.7.19: «9.7.19 approval of interested party transactions involving, in accordance with the Russian law, members of the Board of Directors, persons holding offices in other management bodies of the Company, shareholders holding together with their</p>	<p>This amendment is being made to clarify the terminology of sub-point 9.7.19 of the Company's Charter pursuant to article 81 (1) of the JSC Law.</p>

	their affiliated persons 20 or more percent of the voting shares, except for transactions specified in sub-clause 8.2.15 of clause 8.2 hereof;».	affiliated persons 20 or more percent of the Company's voting shares, except for transactions specified in sub- point 8.2.15 of point 8.2 hereof;».	
44.	Sub-point 9.7.25: «9.7.25 making decisions on filing by the Company with a commercial (arbitrazhny) court of a petition on recognizing the Company as a bankrupt, as well as submission to other bodies of the Company for consideration of issues on which the Company makes decisions in accordance with insolvency (bankruptcy) laws, except if the Company or the President of the Company is obligated to undertake relevant actions under insolvency (bankruptcy) laws;».	Sub-point 9.7.25 of point 9.7 of Article 9 «Board of Directors» shall be deleted.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).
45.	Sub-point 9.7.26: «9.7.26. approval by the Board of Directors of a transaction or a series of related transactions entered into by a Significant Subsidiary for the amount exceeding 7.5 per cent of the consolidated value of assets of the Company according to the latest published consolidated financial statements of OAO "LUKOIL". No approval pursuant to this sub-clause shall be required, if such transaction or a series of related transactions: (a) are completed in connection with any reorganization (merger, accession, split-up, spin-off, transformation) of a Significant Subsidiary, placement of Significant Subsidiaries' shares or participatory shares to be paid for by shares or participatory shares in any	Sub-point 9.7.26 of point 9.7 of Article 9 «Board of Directors» shall be deleted.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).

<p>other Company’s subsidiaries, placement of the Significant Subsidiaries shares by way of conversion of shares in other Company’s subsidiaries into the Significant Subsidiaries’ shares being placed or other similar transactions as a result of which the Company will be entitled to dispose directly or indirectly of more than 50 per cent of shares (participatory shares) in the charter capital of the Significant Subsidiary or an entity (entities) created as a result of its reorganisation; or (b) are completed between a Significant Subsidiary and the Company or between a Significant Subsidiary and another entity in which the Company’s direct or indirect participation is 90 per cent or more.</p> <p>Within this Charter a “Significant Subsidiary” shall mean a subsidiary (with the Company’s direct or indirect participation in its charter capital) with respect to which any of the following tests is met:</p> <p>(a) the investment of the Company and its subsidiaries in such subsidiary (including its subsidiaries) (contributions to the charter and additional capital as well as granted credit facilities and loans) exceeds 10 per cent of the consolidated value of assets of the Company;</p> <p>(b) the assets of such subsidiary (including its subsidiaries) (after deduction of mutual indebtedness and counterclaims relating to the Company and its subsidiaries) represent in excess of 10 per cent of the consolidated value of assets of the Company; or</p> <p>(c) the income (before income taxes) of such subsidiary (including its subsidiaries)</p>		
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	<p>represents in excess of 10 per cent of the consolidated income of the Company (before income taxes).</p> <p>The foregoing tests shall be applied with reference to the latest published annual consolidated financial statements of OAO "LUKOIL";</p>		
46.	<p>Sub-point 9.7.27: «9.7.27. making decisions on the issue of liquidation of a Significant Subsidiary of the Company;».</p>	<p>Sub-point 9.7.27 of point 9.7 of Article 9 «Board of Directors» shall be deleted.</p>	<p>This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).</p>
47.	<p>Sub-point 9.7.28: «9.7.28. making decisions on the issue of reorganisation of a Significant Subsidiary by way of merger or accession. No decision under this sub-clause shall be required if as a result of reorganisation of a Significant Subsidiary by way of merger or accession the aggregate direct and/or indirect participation of the Company in the charter capital of the Significant Subsidiary or an entity (entities) created as the result of its reorganisation is 90 per cent or more;».</p>	<p>Sub-point 9.7.28 of point 9.7 of Article 9 «Board of Directors» shall be deleted.</p>	<p>This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).</p>

48.	<p>Sub-point 9.7.29: «9.7.29. making decisions on any actions by a Significant Subsidiary relating to filing by a Significant Subsidiary of a bankruptcy petition or any other actions under the insolvency (bankruptcy) laws, except if the Company, the Significant Subsidiary or their managers (executive bodies) are obligated to take respective actions under the applicable insolvency (bankruptcy) laws;».</p>	<p>Sub-point 9.7.29 of point 9.7 of Article 9 «Board of Directors» shall be deleted. Sub-point 9.7.30 shall be Sub-point 9.7.23, respectively.</p>	<p>This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of the competence of the Board of Directors of the Company compared to the competence established by article 65 of the JSC Law (see the comments on sub-point 8.2.16.2 of the Company's Charter).</p>
49.	<p>Sub-point 9.8.1: «9.8.1. The Board of Directors shall make decisions by a majority vote of those participating in the meeting, unless otherwise provided for in this Charter and the laws of the Russian Federation. In case of a tie, the Chairman shall have the casting vote; ».</p>	<p>Sub-point 9.8.1: «9.8.1. At a meeting, the Board of Directors shall make decisions by a majority vote of those participating in the meeting, unless otherwise provided for in this Charter and the laws of the Russian Federation unless more votes are required for making relevant decisions as provided for in the effective legislation, this Charter or the <i>Regulations on the Board of Directors</i>. In case of a tie vote, the Chairman of the Board of Directors shall have the casting vote;».</p>	<p>This amendment is being made to bring the wording of sub-point 9.8.1 of the Company's Charter into line with article 68 (3) of the JSC Law.</p>
50.	<p>Sub-point 9.8.2.1: «9.8.2.1. the issue provided for in sub-clause 9.7.2 of clause 9.7 hereof, if the agenda of the Shareholders Meeting includes amending sub-clauses 3.2.1, 3.2.2, 3.2.4, 3.2.6, 3.2.8, 3.2.9 of clause 3.2, sub-clause 5.6.7 of clause 5.6, sub-clauses 8.2.16.1, 8.2.16.2 of clause 8.2, sub-</p>	<p>Sub-point 9.8.2.1 of point 9.8 of Article 9 «Board of Directors» shall be deleted.</p>	<p>This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of</p>

	<p>clauses 9.7.3.1-9.7.3.3, 9.7.5.1, 9.7.12, 9.7.13, 9.7.17, 9.7.18, 9.7.20 and 9.7.25-9.7.29 of clause 9.7, sub-clause 9.8.2 of clause 9.8 hereof, except if (a) an item on amending the Charter has been included on the agenda of the Shareholders Meeting by a shareholder (shareholders) and its inclusion in the agenda may not be rejected other than on the grounds provided for by Article 53(5) of the Federal Law “On Joint Stock Companies”; or (b) the extraordinary Shareholders Meeting is convened by a person (persons) authorised under the Federal Law “On Joint Stock Companies” and convocation of such Shareholders Meeting cannot be rejected other than on the grounds provided for by Article 55(6) of the Federal Law “On Joint Stock Companies»;</p>		<p>the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company’s Charter).</p>
51.	<p>Sub-point 9.8.2.2: «9.8.2.2. issues on including in the agenda of a Shareholders Meeting of an issue (issues) on amending 3.2.1, 3.2.2, 3.2.4, 3.2.6, 3.2.8, 3.2.9 of clause 3.2, sub-clause 5.6.7 of clause 5.6, sub-clauses 8.2.16.1, 8.2.16.2 of clause 8.2, sub-clauses 9.7.3.1-9.7.3.3, 9.7.5.1, 9.7.12, 9.7.13, 9.7.17, 9.7.18, 9.7.20 and 9.7.25-9.7.29 of clause 9.7, sub-clause 9.8.2 of clause 9.8 hereof, except if (a) an item on amending the Charter has been included on the agenda of a Shareholders Meeting by a shareholder (shareholders) and its inclusion in the agenda may not be rejected other than on the grounds provided for by Article 53(5) of the Federal Law “On Joint Stock Companies”; or (b) an extraordinary Shareholders Meeting with respect to amending the Charter is convened by a person (persons) authorised under the Federal</p>	<p>Sub-point 9.8.2.2 of point 9.8 of Article 9 «Board of Directors» shall be deleted.</p>	<p>This amendment is being made in connection with the deletion from the Company’s Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i>, an expansion of the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company’s Charter).</p>

	Law “On Joint Stock Companies” and convocation of such Shareholders Meeting may not be rejected other than on the grounds provided for by Article 55(6) of the Federal Law “On Joint Stock Companies”;		
52.	Sub-point 9.8.2.3: «9.8.2.3. an issue provided for in sub-clause 9.7.3.1.of clause 9.7 hereof, if a reorganisation of the Company constitutes (a) merger of the Company with other entity or accession of the Company to any entity resulting in termination of the Company’s activities; (b) accession to the Company of other entity (entities) as a result of which the shareholders who held as of the date of cessation of activities of the entity (entities) taken over by the Company 100 per cent of the Company’s shares will hold less than 50 per cent of the Company’s shares; (c) the Company’s split-up; (d) spin-off from the Company of one or more entities pursuant to which shares in the newly-formed entity or entities are distributed among the Company’s shareholders (unless the value of assets divested from the Company as a result of the spin-off from the Company of one or more entities does not exceed 10 per cent of the balance sheet assets of the Company according to its accounting reports as of the latest reporting date preceding the date such decision on spin-off is made); and (e) the Company’s transformation, except for a change in the type of joint stock company;».	Sub-point 9.8.2.3 of point 9.8 of Article 9 «Board of Directors» shall be deleted.	This amendment is being made in connection with the deletion from the Company’s Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company’s Charter).
53.	Sub-point 9.8.2.4: «9.8.2.4. issues provided for in sub-clauses 9.7.3.2, 9.7.20, 9.7.25-9.7.29 of clause 9.7	Sub-point 9.8.2.4 of point 9.8 of Article 9 «Board of Directors» shall be deleted.	This amendment is being made in connection with the deletion from the Company’s Charter of the

	hereof;».		amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company's Charter).
54.	Sub-point 9.8.2.5: «9.8.2.5. the issue provided for in sub-clause 9.7.3.3 of clause 9.7 hereof, if the Board of Directors submits to the Shareholders Meeting for its consideration an issue connected with an increase of the Company's Charter Capital by more than 10 percent or a placement of issuable securities that are convertible into shares representing more than 10 percent of the Company's outstanding shares within any twelve-month period;».	Sub-point 9.8.2.5 of point 9.8 of Article 9 «Board of Directors» shall be deleted. Sub-points 9.8.2.6 and 9.8.2.7 shall be sub-points 9.8.2.1 and 9.8.2.2, respectively.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company's Charter).
55.	Sub-point 9.8.2.7: «9.8.2.7. the issue provided for in sub-clause 9.7.6 of clause 9.7 hereof, in case of placement of issuable securities that are convertible into more than 10 percent of the Company's outstanding shares within any twelve-month period;».	Sub-point 9.8.2.2: «9.8.2.2. the issue provided for in sub-point 9.7.6 of point 9.7 hereof, in case of placement of issuable securities that are convertible into more than 10 percent of the Company's outstanding shares within any twelve-month period; ».	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips, and to bring the wording of sub-point 9.8.2.2 of the Company's Charter into line with the last paragraph of article 33 (2) of the JSC Law.

56.	Sub-point 9.8.2.8: «9.8.2.8. determination of the placement value of shares or securities convertible into shares, in case of placement of shares comprising more than 10 per cent of outstanding shares, or placement of issuable securities that are convertible into more than 10 percent of the Company's outstanding shares within any twelve-month period;».	Sub-point 9.8.2.8 of point 9.8 of Article 9 «Board of Directors» shall be deleted.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company's Charter).
57.	Sub-point 9.8.2.9: «9.8.2.9. the issue provided for in sub-clause 9.7.12 of clause 9.7 hereof, if the amount of annual dividend recommended for approval by the Shareholders Meeting exceeds the consolidated net profit of the Company (based on the consolidated financial statements of OAO "LUKOIL" for the financial year to which such dividend relates), unless such amount of dividend is less than or equal to the amount of the annual dividend approved by the Shareholders Meeting in the preceding year;».	Sub-point 9.8.2.9 of point 9.8 of Article 9 «Board of Directors» shall be deleted.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the issues that require a unanimous decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company's Charter).
58.	Sub-point 9.8.2.10: «9.8.2.10. the issue provided for in sub-clause 9.7.13 of clause 9.7 of this Charter, if the decision is made with respect to recommending to the Company's shareholders on voting on an item of a Shareholders Meeting agenda regarding amending sub-clause 3.2.1, 3.2.2, 3.2.4, 3.2.6, 3.2.8, 3.2.9 of clause 3.2, sub-clause 5.6.7 of	Sub-point 9.8.2.10 of point 9.8 of Article 9 «Board of Directors» shall be deleted. Sub-point 9.8.2.11 shall be Sub-point 9.8.2.3.	This amendment is being made in connection with the deletion from the Company's Charter of the amendments and addenda introduced to the Charter in 2005 at the suggestion of ConocoPhillips and stipulating, <i>inter alia</i> , an expansion of the issues that require a unanimous

	clause 5.6, sub-clauses 8.2.16.1, 8.2.16.2 of clause 8.2, sub-clauses 9.7.3.1-9.7.3.3, 9.7.5.1, 9.7.12, 9.7.13, 9.7.17, 9.7.18, 9.7.20 and 9.7.25-9.7.29 of clause 9.7, sub-clause 9.8.2 of clause 9.8 hereof;».		decision of the Board of Directors of the Company (see the comments on sub-point 8.2.16.2 of the Company's Charter).
59.	Sub-point 9.8.2.11: «9.8.2.11. the issue provided for in sub-clauses 9.7.17 and 9.7.18 of clause 9.7 hereof. If a unanimous decision on the approval of a major transaction or a series of related transactions, referred to in sub-clauses 9.7.17 or 9.7.18 of clause 9.7 of this Charter cannot be reached by the Board of Directors, such issue may be submitted to the Shareholders Meeting by decision of the Board of Directors made by a majority vote of its members present at the meeting;».	Sub-point 9.8.2.3: «9.8.2.3. the issue provided for in sub-point 9.7.17 and 9.7.18 of clause of point 9.7 hereof. If a unanimous decision on the approval of a major transaction, referred to in sub-point 9.7.17 or 9.7.18 of point 9.7 of this Charter cannot be reached by the Board of Directors, such issue may be submitted to the Shareholders Meeting by decision of the Board of Directors made by a majority vote of its members present at the meeting;».	This amendment is being made in connection with the deletion of sub-point 9.7.18 from the Company's Charter, and to clarify the wording of sub-point 9.8.2.3 of the Company's Charter pursuant to the second paragraph of article 79 (2) of the JSC Law.
60.	First paragraph of point 9.9: «9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, the Audit Commission, the Company's Auditor, the President or the Company's Management Committee.».	First paragraph of point 9.9: «9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, the Audit Commission, the Company's Auditor, the President or the Company's Management Committee.».	This amendment is being made to clarify the terminology of the first paragraph of point 9.9 of the Company's Charter pursuant to article 68 (1) of the JSC Law.
61.	Point 10.3: «10.3. The authority of the Company's President shall include all issues relating to the management of the Company's operations, except for those within the authority of the Shareholders Meeting or the Board of Directors of the Company. The President shall perform, <i>inter alia</i> , the following duties:».	Point 10.3: «10.3. The authority of the Company's President shall include all issues relating to the management of the Company's current operations, except for those within the authority of the Shareholders Meeting or the Board of Directors of the Company. The President shall perform, <i>inter alia</i> , the following duties:».	This amendment is being made to clarify the wording of point 10.3 of the Company's Charter pursuant to article 69 (2) of the JSC Law.

62.	Sub-point 10.3.8: «10.3.8. performance of transactions on the Company’s behalf, issue of powers of attorney on the Company’s behalf, and opening of the bank accounts of the Company;».	Sub-point 10.3.8: «10.3.8. performance of transactions on the Company’s behalf, issue of powers of attorney on the Company’s behalf, and opening and closing of the bank accounts of the Company;».	This addendum is being made to clarify the competence of the Company President to close the Company’s bank accounts.
63.	Sub-point 10.3.12: «10.3.12. representing the Company at general shareholders (participants) meetings of its subsidiaries and other entities in which the Company holds an interest and voting on all issues on the agenda of such general meetings. In the events referred to in sub-clauses 9.7.26-9.7.29 of clause 9.7 of this Charter, voting at general meetings of shareholders (participants) of subsidiaries is made only pursuant to the decision of the Board of Directors of the Company;».	Sub-point 10.3.12: «10.3.12. representing the Company at general shareholders (participants) meetings of its subsidiaries and other entities in which the Company holds an interest and voting on all issues on the agenda of such general meetings;». In the events referred to in sub-clauses 9.7.26-9.7.29 of clause 9.7 of this Charter, voting at general meetings of shareholders (participants) of subsidiaries is made only pursuant to the decision of the Board of Directors of the Company;».	This addendum is being made to clarify the competence of the Company President, with due account for the fact that OAO “LUKOIL” also participates in organisations that are not Company subsidiaries, including not-for-profit organisations. This amendment is being made in connection with the deletion of sub-points 9.7.26-9.7.29 from the Company’s Charter.
64.	Third paragraph of point 10.5: «The time and procedure for convocation and holding meetings and the procedure for decision-making shall be determined by the <i>Regulations on the Management Committee</i> .».	Third paragraph of point 10.5: «The time and procedure for convocation and holding meetings and the procedure for decision-making shall be determined by the <i>Regulations on the Management Committee of the Company</i> .».	This amendment is being made as an editorial revision.
65.	Sub-point 10.6.5: «10.6.5. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities, and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;».	Sub-point 10.6.5: «10.6.5. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities and decisions on acquisition and termination of rights to subsoil use , and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;».	This addendum is being made to reflect in the Company’s Charter the existing corporate practice for consideration of issues by the Management Committee of the Company on the acquisition and termination of subsoil use rights by Company subsidiaries, as part of the development and implementation of the general development strategy for Company subsidiaries.

66.	Sub-point 10.6.10: «10.6.10. decisions on the Company's participation in other entities, except for cases provided for under sub-clause 8.2.18 of clause 8.2 hereof, sub-clauses 9.7.27 and 9.7.28 of clause 9.7 hereof;».	Sub-point 10.6.10: «10.6.10. decisions on the Company's participation and termination of participation in other entities, except for cases provided for under sub-point 8.2.18 of point 8.2 hereof; sub-clauses 9.7.27 and 9.7.28 of clause 9.7 hereof ».	This addendum is being made to clarify the competence of the Management Committee of the Company to adopt decisions on terminating the Company's participation in other organisations. This amendment is being made in connection with the deletion of sub-points 9.7.27 and 9.7.28 of point 9.7 from the Company's Charter.
67.	Sub-point 10.6.12: «10.6.12. decisions on approval of material transactions, entered into by the Company's subsidiaries, except for the case set out in sub-clause 9.7.26 of clause 9.7 hereof; adoption of internal documents of the Company establishing criteria and the procedure for approval of material transactions;».	Sub-point 10.6.12: «10.6.12. decisions on approval of material transactions, entered into by the Company's subsidiaries; except for the case set out in sub-clause 9.7.26 of clause 9.7 hereof approval of the Company's internal documents establishing criteria and the procedure for approval of material transactions;».	This amendment is being made in connection with the deletion of sub-point 9.7.26 from the Company's Charter.
68.	First paragraph of point 11.2: «11.2. The officers of the Company and other persons in cases stipulated by the effective legislation shall be liable to the Company for losses incurred by the Company through their culpable actions (inaction), unless other grounds and scope of liability are set forth by federal law.».	First paragraph of point 11.2: «11.2. The officers of the Company and other persons in cases stipulated by effective legislation shall be liable to the Company for losses incurred by the Company through their culpable actions (inaction), unless other grounds and scope of liability are set forth by federal law.».	This amendment is being made to clarify the wording of the first paragraph of point 11.2 of the Company's Charter pursuant to article 71 (2) of the JSC Law.
69.	Point 12.1: «12.1. The Audit Commission shall exercise control over the financial and economic activity of the Company. The rules of the Audit Commission shall be set forth in the <i>Regulations on the Audit Commission</i> . ».	Point 12.1: «12.1. The Audit Commission shall exercise control over the financial and economic activity of the Company. The rules of the Audit Commission shall be set forth in the <i>Regulations on the Audit Commission of the Company</i> . ».	This amendment is being made as an editorial revision.
70.	Second paragraph of point 12.9: «confirmation of the reliability of the data	Second paragraph of point 12.9: «confirmation of the reliability of the data	This amendment is being made to clarify the wording of the second

	contained in the reports and other financial documents of the Company;».	contained in the reports and other financial documents of the Company;».	paragraph of point 12.9 of the Company's Charter pursuant to article 87 (2) of the JSC Law.
71.	Second paragraph of point 13.5: « Annual dividends shall be paid no later than the end date of the financial year during which the decision on their payment was passed. ».	Second paragraph of point 13.5: « Annual dividends shall be paid no later than the end date of the financial year during which the decision on their payment was passed. <u>«The term of annual dividend payments shall not exceed 60 days from the date the decision on their payment was passed.»</u>	This addendum is being made to bring the wording of the second paragraph of point 13.5 of the Company's Charter into line with the first paragraph of article 42 (4) of the JSC Law, as amended by Federal Law No. 409-FZ of 28 December 2010 <i>On Introducing Amendments and Addenda to the Federal Law "On Joint Stock Companies"</i> , which entered into force on 31 December 2010.
72.	Point 13.6: «13.6. For each payment of dividends, the Board of Directors shall compile a list of persons entitled to receive dividends. This list shall be compiled as at the date of compilation of the list of persons entitled to participate in the Shareholders Meeting at which the decision on payment of dividends is taken. In order to prepare the list of persons entitled to receive dividends, nominal shareholders shall provide information on the persons on whose behalf they hold shares.».	Point 13.6: «13.6. For each payment of dividends, the Board of Directors shall compile a list of persons entitled to receive dividends. A list of persons entitled to receive dividends shall be compiled as at the date of compilation of the list of persons entitled to participate in the Shareholders Meeting at which the decision on payment of dividends is taken. In order to prepare the list of persons entitled to receive dividends, nominal shareholders shall provide information on the persons on whose behalf they hold shares. ».	This amendment is being made to clarify the wording of point 13.6 of the Company's Charter pursuant to the second paragraph of article 42 (4) of the JSC Law.
73.	Point 15.5: «15.5. The liquidation of the Company shall be carried out by a liquidation commission elected by the Shareholders Meeting or appointed by a court. ».	Point 15.5: «15.5. The liquidation of the Company shall be carried out by a liquidation commission elected <u>appointed</u> by the Shareholders Meeting or appointed by a court. ».	This amendment is being made to clarify the terminology of point 15.5 of the Company's Charter pursuant to the second paragraph of article 21 (2) and article 48 (1) (3) of the JSC Law.

Deleted provisions are shown in the table as strikethrough text, and new provisions are shown as bold underlined text.

A m e n d m e n t s
to the *Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of OAO "LUKOIL"*

1. The first paragraph of point 2.1 shall be revised to read as follows:
“2.1. Meetings must be held in the population center where the Company is located.”

2. The first paragraph of point 2.2 shall be revised to read as follows:
“2.2. The Meeting may be held in the form of a meeting (joint attendance to discuss items on the agenda and take decisions on issues put to a vote), with the preliminary distribution (dispatch) of ballots before the conduct of the Meeting, hereinafter the mixed form, or in the form of absentee voting. If the agenda of a Meeting includes items on the election of the Company’s Board of Directors or Audit Commission, approval of the Company’s Auditor, and also the approval of the annual report or annual financial statements, including the Company’s income statement (profit and loss accounts), distribution of profits (including payment (declaration) of dividends) or losses based on financial performance for the year, the Meeting cannot be conducted through absentee voting.”.

3. Point 2.3 shall be revised to read as follows:
“2.3. The Annual Meeting shall be held no earlier than two months and no later than six months after the end of the financial year.”.

4. Point 2.4 shall be revised to read as follows:
“2.4. The Annual Meeting must decide issues on the election of the Company’s Board of Directors and Audit Commission, approval of the Company’s Auditor, the annual report and annual financial statements, including the Company’s income statement (profit and loss accounts), distribution of profits (including payment (declaration) of dividends) or losses based on financial performance for the year.”.

5. The first paragraph of point 2.12 shall be revised to read as follows:
“2.12. If the request to hold an extraordinary Meeting is sent in an ordinary letter or by other ordinary postal mailing, the date of submission of such request shall be the date indicated on the date stamp confirming the date the mailing was received, and if the request to hold an extraordinary Meeting is sent by registered letter or other registered postal mailing, the date the mailing is delivered to the addressee against a signature.”.

6. The second and third paragraphs of point 5.1 shall be revised to read as follows:
“The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 30 days before the date of the Annual Shareholders Meeting and no later than 25 days before the date of an Extraordinary Shareholders Meeting. For the purposes of determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the Counting Commission not later than 2 days before the date of the Shareholders Meeting shall be taken into account.

Where the number of persons entitled to participate in any Shareholders Meeting is more than 500 thousand, forms of voting ballots shall be published in the print media specified herein.”.

7. Point 8.3 shall be revised to read as follows:

“8.3. The Presidium of a Meeting called by decision of the Board of Directors on its own initiative or at the request of the Audit Commission of the Company, Auditor of the Company, or a shareholder (shareholders) holding at least 10 per cent of the Company’s voting shares as at the date of the request shall consist of the members of the Board of Directors of the Company. In all other cases the members of the Presidium of an extraordinary Meeting shall be determined by the person (body) that is responsible, in accordance with effective legislation, for convening and holding the extraordinary Meeting.”.

8. Point 8.4 of the Regulations shall be deleted. Points 8.5, 8.6 and 8.7 of the Regulations shall be considered to be points 8.4, 8.5, and 8.6, respectively, of the Regulations.

9. The second and third paragraphs of point 11.5 shall be revised to read as follows:

“A three-quarters majority of the votes of shareholders owning voting shares participating in the Meeting shall be required to decide the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.17, and 8.2.20 of point 8.2 of the Company Charter.

Decisions on the issues indicated in sub-points 8.2.2, 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18 and 8.2.19 of point 8.2 of the Company Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.”.

**Table of amendments to the current version
of the Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO “LUKOIL”
(hereinafter the “Regulations”)**

No.	Current version of the Regulations	Proposed amendments to the Regulations	Comments
1.	The first paragraph of point 2.1: «2.1. Meetings must be held in the population center where the Company is located, or in another place specified by the Board of Directors.».	The first paragraph of point 2.1: «2.1. Meetings must be held in the population center where the Company is located, or in another place specified by the Board of Directors. ».	This amendment is being made to bring the wording of the first paragraph of point 2.1 of the Regulations into line with point 2.9 of the Regulations <i>On Additional Requirements on the Procedure for Preparing for, Convening and Holding the General Shareholders’ Meeting</i> , approved by resolution of the FCSM of Russia No. 17/ps of 31 May 2002, and commercial arbitration practices regarding the determination of the place where the general shareholders’ meeting will be held.
2.	The first paragraph of point 2.2: «2.2. The Meeting may be held in the form of a meeting (joint attendance to discuss items on the agenda and take decisions on issues put to a vote), with the preliminary distribution (dispatch) of ballots before the conduct of the Meeting, hereinafter the mixed form, or in the form of absentee voting. If the agenda of a Meeting includes items on the election of the Board of Directors or Audit Commission, approval of the Company’s Auditor or the annual report and annual financial statements (including the Company’s income statement), distribution of profits (including payment (declaration) of dividends) or losses based on	The first paragraph of point 2.2: «2.2. The Meeting may be held in the form of a meeting (joint attendance to discuss items on the agenda and take decisions on issues put to a vote), with the preliminary distribution (dispatch) of ballots before the conduct of the Meeting, hereinafter the mixed form, or in the form of absentee voting. If the agenda of a Meeting includes items on the election of the <u>Company’s</u> Board of Directors or Audit Commission, approval of the Company’s Auditor, or and also the approval of the annual report or annual financial statements, including the Company’s income statement (<u>profit and loss accounts</u>), distribution of profits (including payment (declaration) of dividends) or losses based on	This amendment is being made to clarify the wording of the first paragraph of point 2.2 of the Regulations pursuant to article 48 (1) (11) of Federal Law No. 208-FZ of 26 December 1995 <i>On Joint Stock Companies</i> , with subsequent amendments and addenda (hereinafter the “JSC Law”).

	financial performance for the year, the Meeting cannot be conducted through absentee voting.».	financial performance for the year, the Meeting cannot be conducted through absentee voting. ».	
3.	Point 2.3: «2.3. The Annual Meeting shall be held no earlier than two months and no later than six months after the end of the financial year.».	Point 2.3: «2.3. The Annual Meeting shall be held no earlier than two months and no later than six months after the end of the financial year.».	This amendment (<i>in the Russian version only</i>) is being made to clarify the wording of point 2.3 of the Regulations pursuant to article 47 (1) of the JSC Law, with due account for the proposed amendments to the Charter of OAO “LUKOIL”.
4.	Point 2.4: «2.4. The Annual Meeting must consider issues on the election of the Board of Directors and Audit Commission, approval of the Company’s Auditor, the annual report and annual financial statements (including the Company’s income statement), and distribution of profits (including payment (declaration) of dividends) or losses based on financial performance for the year.».	Point 2.4: «2.4. The Annual Meeting must decide consider issues on the election of the Company’s Board of Directors and Audit Commission, approval of the Company’s Auditor, the annual report and annual financial statements, including the Company’s income statement (profit and loss accounts), distribution of profits (including payment (declaration) of dividends) or losses based on financial performance for the year. »	This amendment is being made to clarify the wording of point 2.4 of the Regulations pursuant to article 48 (1) (11) of the JSC Law, with due account for the proposed amendments to the Charter of OAO “LUKOIL”.
5.	The first paragraph of point 2.12: «2.12. If the request to hold an extraordinary Meeting is sent in an ordinary letter or by other ordinary postal mailing, the date of submission of such request shall be the date indicated on the date stamp confirming the date the mailing was received, and if the request to hold an extraordinary Meeting is sent by registered letter or other registered postal mailing, the date the mailing is delivered to the addressee against a signature.».	The first paragraph of point 2.12: «2.12. If the request to hold an extraordinary Meeting is sent in an ordinary letter or by other ordinary postal mailing, the date of submission of such request shall be the date indicated on the date stamp confirming the date the mailing was received, and if the request to hold an extraordinary Meeting is sent by registered letter or other registered postal mailing, the date the mailing is delivered to the addressee against a signature .».	This amendment (<i>in the Russian version only</i>) is being made to clarify the terminology of the first paragraph of point 2.12 of the Regulations pursuant to article 60 (2) of the JSC Law, with due account for the proposed amendments to the Charter of OAO “LUKOIL”.

6.	<p>The second and third paragraphs of point 5.1:</p> <p>«The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against acknowledgement of receipt no later than 30 days before the date of the Annual Shareholders Meeting and no later than 25 days before the date of an Extraordinary Shareholders Meeting. For the purposes of determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the Counting Commission not later than 2 days before the date of the Shareholders Meeting shall be taken into account.</p> <p>Where the number of persons entitled to participate in any Shareholders Meeting is 500,000 or more, forms of voting ballots shall be published in the print media specified herein. ».</p>	<p>The second and third paragraphs of point 5.1:</p> <p>«The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature acknowledgement of receipt no later than 30 days before the date of the Annual Shareholders Meeting and no later than 25 days before the date of an Extraordinary Shareholders Meeting. For the purposes of determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the Counting Commission not later than 2 days before the date of the Shareholders Meeting shall be taken into account.</p> <p>Where the number of persons entitled to participate in any Shareholders Meeting is more than 500 thousand 500,000 or more, forms of voting ballots shall be published in the print media specified herein.».</p>	<p>This amendment is being made to clarify the terminology of the second and third paragraphs of point 5.1 of the Regulations pursuant to article 60 (2) of the JSC Law, with due account for the proposed amendments to the Charter of OAO “LUKOIL”.</p>
7.	<p>Point 8.3:</p> <p>“8.3. The Presidium of a Meeting called at the initiative of the Board of Directors, Audit Commission, or Auditor of the Company shall consist of the members of the Board of Directors.”.</p>	<p>Point 8.3:</p> <p>“8.3. The Presidium of a Meeting called at the initiative by decision of the Board of Directors on its own initiative or at the request of the Audit Commission of the Company, or Auditor of the Company, or a shareholder (shareholders) holding at least 10 per cent of the Company’s voting shares as at the date of the request shall consist of the members of the Board of Directors of the Company. In all other cases the members of the</p>	<p>This amendment is being made to clarify the wording of point 8.3 of the Regulations pursuant to article 55 (1) of the JSC Law, and with due account for the provisions of article 55 (8) and (9) of the JSC Law, as amended by Federal Law No. 205-FZ of 19 July 2009, which eliminated the right of bodies or persons requesting the holding of the extraordinary general shareholders’ meeting to convene such a</p>

		<u>Presidium of an extraordinary Meeting shall be determined by the person (body) that is responsible, in accordance with effective legislation, for convening and holding the extraordinary Meeting.</u>	meeting independently if the board of directors (supervisory board) of a joint stock company did not take a decision on convening the meeting within the period established by the JSC Law or took a decision not to convene the extraordinary meeting, and introduced a norm on the holding of an extraordinary general shareholders' meeting based on a court decision forcing the company to hold a meeting.
8.	Point 8.4: «8.4. The Presidium of an extraordinary Meeting conducted in mixed form, called on the initiative of shareholders, shall be determined by the initiator (initiators) of the Meeting.»	Point 8.4 of the Regulations shall be deleted. Points 8.5, 8.6 and 8.7 of the Regulations shall be considered to be points 8.4, 8.5, and 8.6, respectively, of the Regulations.	This amendment is being made in connection with the inclusion of the provisions of point 8.4 of the Regulations, with a correction to point 8.3 of the Regulations.
9.	The second and third paragraphs of point 11.5: «A three-quarters majority of the votes of shareholders owning voting shares participating in the Meeting shall be required to decide the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.16.2, 8.2.17, and 8.2.20 of point 8.2 of the Company Charter. Decisions on the issues indicated in sub-points 8.2.2, 8.2.3, 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18, 8.2.19 and 8.2.20 of point 8.2 of the Company Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.»	The second and third paragraphs of point 11.5: «A three-quarters majority of the votes of shareholders owning voting shares participating in the Meeting shall be required to decide the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.16.2 , 8.2.17, and 8.2.20 of point 8.2 of the Company Charter. Decisions on the issues indicated in sub-points 8.2.2, 8.2.3 , 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18 and 8.2.19 8.2.20 of point 8.2 of the Company Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.»	This amendment is being made to the second and third paragraphs of point 11.5 of the Regulations in connection with the proposed deletion from the Charter of OAO "LUKOIL" (hereinafter the "Company") of the amendments and addenda introduced to the Company's Charter in 2005 at the suggestion of Company shareholder ConocoPhillips, based on the understandings set forth in Article V of the Shareholder Agreement concluded between the Company and ConocoPhillips on 29 September 2004, which obligates the Company to have the General shareholders' meeting approve a number of transactions according to the procedure stipulated for approving major transactions, to expand the competence of

			<p>the Board of Directors of the Company, and to establish a unanimous procedure for the Board of Directors of the Company to adopt decisions on Special Issues. Considering that ConocoPhillips had completely withdrawn as a shareholder in the Company as at 7 February 2011, the indicated obligations of the Company were terminated pursuant to section 5.6 of the Shareholder Agreement.</p> <p>It should also be noted that, in accordance with article 49 (3) of the JSC Law, proposals of the Board of Directors are not required for the General shareholders' meeting to take decisions on the issues indicated in the sub-points 8.2.3 and 8.2.20 of the Company's Charter.</p>
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Deleted provisions are shown in the table as strikethrough text, and new provisions are shown as bold underlined text.

MINUTES No. 1
of the Annual General Meeting of Shareholders
of Open Joint Stock Company “Oil company “LUKOIL”

Full trade name of the company: *Open Joint Stock Company “Oil company “LUKOIL”*

Location of the company: *Sretensky bulvar 11, Moscow 101000 Russian Federation*

Type of the General Meeting: *annual*

Form of the General Meeting: *a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots before the conduct of the Meeting*

Date of the General Meeting: *26 June 2008*

Place of the General Meeting: *OAO “LUKOIL”, Sretensky bulvar 11, Moscow*

Date of preparation of the Minutes: *8 July 2008*

Item 4 of the agenda. On the remuneration and reimbursement of expenses to members of the Board of Directors and Audit Commission of OAO “LUKOIL”.

The wording of resolution on Item 4 on the agenda, point 2, put to a vote (Ballot No.4):

‘To establish remuneration for newly elected members of the Board of Directors and the Audit Commission of OAO “LUKOIL” according to the Appendix hereto.’

Voting results on Item 4 on the Agenda, point 2:

1. Number of votes held by parties included on the list of parties with the right to participate in the general meeting on this issue:	850,563,255
2. Number of votes held by parties taking part in the general meeting on this issue:	784,452,790 (92.23 %), A quorum is present
“For”	761,753,074 (97.11%)
“Against”	21,237,024
“Abstained”	111,831
Number of votes on this issue that were not counted in connection with the declaration that the ballot is invalid for this item:	1,034,028

Decision taken on Item 4 on the agenda, point 2:

To establish remuneration for newly elected members of the Board of Directors and the Audit Commission of OAO “LUKOIL” according to the Appendix hereto.

Chairman of the Meeting V.I. Grayfer

Secretary of the Meeting S.N. Malyukov

I hereby certify that this is a true and accurate excerpt from Minutes No.1

Secretary of the Board of Directors

E.L. Khavkin

Appendix to decision on point 4 (Item 2) on the agenda of the Annual General Meeting of Shareholders of Open Joint Stock Company "Oil company "LUKOIL" of 26 June 2008 (Minutes No.1)

1. 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.

2. To establish remuneration for newly elected members of the Audit Commission of OAO "LUKOIL" in the amount of 2,600,000 roubles.

MINUTES No. 1
of the Annual General Meeting of Shareholders
of Open Joint Stock Company “Oil company “LUKOIL”

Full trade name of the company: *Open Joint Stock Company “Oil company “LUKOIL”*

Location of the company: *Sretensky bulvar 11, Moscow 101000 Russian Federation*

Type of the General Meeting: *annual*

Form of the General Meeting: *a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots before the conduct of the Meeting*

Date of the General Meeting: *24 June 2010*

Place of the General Meeting: *OAO “LUKOIL”, Sretensky bulvar 11, Moscow*

Opening of the General Meeting: *11:00 a.m.*

Closing of the General Meeting: *01:41 p.m.*

Start of registration of persons entitled to participate in the General Meeting: *9:30 a.m.*

End of registration of persons entitled to participate in the General Meeting (upon closing the discussion of the last item on the agenda): *01: 16 p.m.*

Start of counting votes: *01:19 p.m.*

Postal address to which completed ballots had been sent: *OAO Registrator NIKoil, 3-ya ulitsa Yamskogo Polya 28, Moscow 125993, Russian Federation*

Date of preparation of the Minutes: *28 June 2010*

Item 4 of the agenda. On the remuneration and reimbursement of expenses to members of the Board of Directors of OAO “LUKOIL”.

The wording of resolution on Item 4 on the agenda put to a vote (Ballot No.4):

- ‘1. To pay remuneration and reimburse expenses to members of the Board of Directors of OAO “LUKOIL” according to the appendix hereto.*
- 2. To deem it appropriate to establish additional remuneration for newly elected members of the Board of Directors for their participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 104,000 roubles, and to retain the amounts of remuneration for members of the Board of Directors of OAO “LUKOIL” established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 26 June 2008 (Minutes No. 1).’*

Decision taken on Item 4 on the agenda, point 1:

To pay remuneration and reimburse expenses to members of the Board of Directors of OAO “LUKOIL” according to the appendix hereto.

Decision taken on Item 4 on the agenda, point 2:

To deem it appropriate to establish additional remuneration for newly elected members of the Board of Directors for their participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 104,000 roubles, and to retain the amounts of remuneration for members of the Board of Directors of OAO “LUKOIL” established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 26 June 2008 (Minutes No. 1).

Chairman of the Meeting

V.I. Grayfer

Secretary of the Meeting

S.N. Malyukov

I hereby certify that this is a true and accurate excerpt from Minutes No.1

Secretary of the Board of Directors

E.L. Khavkin

Appendix to decision on Item 4 (point 1) on the agenda of the Annual General Meeting of Shareholders of Open Joint Stock Company "Oil company "LUKOIL" of 24 June 2010 (Minutes No.1)

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 – 4,470,000 roubles
 - V.Yu. Alekperov – 4, 470,000 roubles
 - V.V. Blazheev – 4, 470,000 roubles
 - D.E. Walette – 4, 470,000 roubles
 - H.O. Gref – 4, 470,000 roubles
 - I.S. Ivanov – 4, 470,000 roubles
 - R.U. Maganov – 4, 470,000 roubles
 - R. H. Matzke – 4, 470,000 roubles
 - S.A. Mikhailov – 4, 470,000 roubles
 - N.A. Tsvetkov – 4, 470,000 roubles
 - A.N. Shokhin – 4, 470,000 roubles
 -
2. In accordance with the decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 26 June 2008 (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 – 1,040,000 roubles;
 - to I.S. Ivanov, for performance of the functions of Chairman of the Strategy and Investment Committee – 520,000 roubles;
 - to H.O. Gref, for performance of the functions of Chairman of the Audit Committee – 520,000 roubles;
 - to A.N. Shokhin, for performance of the functions of Chairman of the Human Resources and Compensation Committee – 520,000 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 26 June 2008 (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 24 June 2010, in accordance with the actual participation of members of the Board of Directors at meetings.
4. 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.