SCHEDULE 2
FORM OF CONVERSION NOTICE

To: [Citibank, N.A., London Branch] (the "**Principal Agent**")

LUKOIL INTERNATIONAL FINANCE B.V. (the "Issuer")
(incorporated as a limited liability company under the laws of The Netherlands)

U.S.$1,500,000,000
2.625 per cent. Convertible Bonds due June 2015

guaranteed by OAO LUKOIL

CONVERSION NOTICE

IDENTIFICATION CODE[1] ....

(Please read the notes overleaf before completing this Conversion Notice)

Name of Bondholder .... Date ....

Address ....

Email .... Fax ....

Signature ....

Terms used in this Conversion Notice and not otherwise defined have the meanings given to them in the Agency Agreement dated 16 December 2010 between the Issuer, the Principal Agent, the other agents named therein and the Trustee.

I/We, being the holders of the Bond(s)/interest in the Global Bond Certificate (*please delete as applicable*) specified below, hereby elect to convert the principal amount of such Bonds as specified below of which I/we am/are the holders(s) or in which I/we have an interest (as specified below) for either (a) such number of ADRs as is calculated by dividing the principal amount of the Bonds by the Conversion Price in effect on the Conversion Date and/ or (b) in the event the Issuer elects to pay the Cash Settlement Amount, cash, all in accordance with the Conditions.

1. **Total principal amount and, where applicable, the serial numbers of Bonds to which this notice applies:**

   Number of Bonds: ....

   Total principal amount (must be a minimum of US$100,000)

   Serial numbers of Bonds† ....

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[1] To be completed by the Principal Agent.

† Not required for Bonds evidenced by the Global Bond Certificate.

Details of Clearing Systems where Bonds are held: [Euroclear]/[Clearstream, Luxembourg] ....

Account Number ....

2. **I/we hereby request that EITHER:**

[COMPLETE [A] IN THE CASE OF ADRS TO BE DELIVERED IN UNCERTIFICATED FORM THROUGH [*CLEARING SYSTEM*]] AND [B] IN THE CASE OF ADRS TO BE DELIVERED IN CERTIFICATED FORM.

[A] the ADRs which are to be delivered as a result of this Conversion Notice be credited to the [*Clearing System*] account, details of which are set out below, and any payment of the Cash Settlement Amount or any other cash amounts payable as a result of this Conversion Notice be made in the manner specified below:

[*Clearing System*] Participant ID: ....

Member Account ID: ....

Name: ....

Address: ....

....

....

Accounts for the Additional Cash Amount, any accrued interest or any other cash amounts payable as a result of this Conversion Notice, if any:

Account no: ....

Account name: ....

Bank: ....

Branch: ....

Sort Code: ....

[B] the certificate(s) for the ADRs which are to be delivered as a result of this Conversion Notice be despatched (at my/our risk and, if sent at my/our request otherwise than by ordinary mail, at my/our expense) to the person whose name and address is given below and in the manner specified below, and any payment of the Cash Settlement Amount or any other cash amounts payable as a result of this Conversion Notice be made in the manner specified below:

Name: ....

Address: ....

Manner of despatch: ....

Accounts for the Additional Cash Amount, any accrued interest or any other cash amounts payable as a result of this Conversion Notice, if any:

Account no: ....

Account name: ....

Bank: ....

Branch: ....

Sort Code: ....

I/We hereby represent and certify to the Guarantor and the Depository (for whom the addressee accepts delivery of this Conversion Notice) that I/we or the person who has the beneficial interest on the Bonds specified above[2]:

(i) am/is/are located outside the United States (within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"));

(ii) acknowledge/acknowledges that the ADRs and the Shares represented thereby have not been and will not be registered under the Securities Act; and

(iii) to the extent relevant to an exercise of Conversion Rights, we/it have/has acquired, or have/has agreed to acquire and will have acquired the Shares represented by the relevant ADRs outside the United States (within the meaning of Regulation S) and I/we/it have/has purchased such Bonds specified above in a transaction made in accordance with Rule 903 or Rule 904 of Regulation S.

THIS SECTION IS TO BE COMPLETED BY THE PRINCIPAL AGENT

(a) the serial numbers and denominations of all the Bonds deposited on the same occasion by the same Bondholder: ....

(b) the Conversion Date in respect of such conversion: ....

(c) the number of ADRs to be issued in respect of such conversion: ....

(d) the Conversion Price in respect of such conversion: ....

(e) the principal amount of Bonds outstanding following the exercise of the relevant Conversion Rights: ....

[2] If a converting Bondholder shall fail to provide such certification, the purported exercise of Conversion Rights shall be invalid.