

# ***NEWS RELEASE***



**FOR IMMEDIATE RELEASE**

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## **LUFKIN ANNOUNCES BOARD AUTHORIZATION OF REPURCHASE OF UP TO \$30 MILLION OF COMMON STOCK**

Lufkin, Texas (August 2, 2007) – Lufkin Industries, Inc. (NASDAQ: LUFK) today announced that the Board of Directors has authorized the use of up to \$30 million for the repurchase of shares of Lufkin's common stock. The purchases are to be made from time to time at prevailing market prices. As of June 30, 2007, Lufkin had 15.1 million shares outstanding.

Douglas V. Smith, president and chief executive officer, said, “The Board’s repurchase authorization reflects our belief that the Company’s common stock represents a sound investment, based on our position of market leadership and our prospects for continued long-term growth. We expect to fund the repurchase through the Company’s strong cash flow from operations and from its cash and cash equivalents, which totaled \$76.5 million at June 30, 2007. Lufkin’s shareholders’ equity totaled \$366.2 million at the end of the second quarter of 2007 and the Company had no bank debt.”

Lufkin Industries, Inc. sells and services oil field pumping units, foundry castings, power transmission products and highway trailers throughout the world. The Company has vertically integrated all vital technologies required to design, manufacture and market its products.

This release may contain certain forward-looking statements, including by way of illustration and not of limitation, statements relating to liquidity, revenues, expenses and margins. The Company strongly encourages readers to note that some or all of the assumptions, upon which such forward-looking statements are based, are beyond the Company’s ability to control or estimate precisely and may in some cases be subject to rapid and material changes

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