

NEWS RELEASE



FOR IMMEDIATE RELEASE

Contact: Lufkin Industries
Christopher L. Boone, CFO
(936) 631-2749

DRG&E
Jack Lascar (713) 529-6600
Anne Pearson (210) 408-6321

LUFKIN INDUSTRIES SIGNS NEW THREE-YEAR LABOR CONTRACT

LUFKIN, Texas, Oct. 10, 2008 – Lufkin Industries, Inc. (NASDAQ: LUFK) today announced that it has reached a new labor agreement with the three unions representing the hourly work force at its Lufkin manufacturing facilities. The three-year agreement expires in October 2011.

Terms of the new agreement are not expected to impact the Company's previously announced guidance for 2008 earnings per share and are in line with the company's expectations.

Lufkin Industries, Inc. sells and services oilfield 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.

FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements and information that are based on management's beliefs as well as assumptions made by and information currently available to management. Should underlying assumptions prove incorrect, actual results may vary materially from those expected. The Company does not intend to update these forward-looking statements and information.

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