

NEWS RELEASE



FOR IMMEDIATE RELEASE

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LUFKIN INDUSTRIES AND ITS UNIONS ANNOUNCE ONE WEEK CONTRACT EXTENSION

LUFKIN, Texas, October 6, 2008 – Lufkin Industries, Inc. (NASDAQ: LUFK) today announced that a majority of its union workers, covering nearly 1,200 employees, did not ratify yesterday the terms of a new three-year contract. The current contract expired on October 5, 2008.

The Company has agreed to remove its proposed change to the rules governing the work schedule, and as a result, the Company and the three unions that represent workers at its manufacturing facilities in Lufkin, Texas have agreed to a one week extension of the current labor contract. Consequently, normal work will continue uninterrupted. The Company and the unions expect the modified contract proposal to be ratified over the next several days.

Lufkin Industries, Inc. sells and services oilfield pumping units, foundry castings and power transmission products 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. When used in this release, the words "anticipate," "estimate" and "expect" are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to its ability to resume normal operations in a timely fashion and are subject to certain assumptions, risks and uncertainties, many of which are outside the control of the Company. Actual results may vary materially.

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