PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE THIRD QUARTER AND NINE MONTHS OF 2017

The LUKOIL Group's hydrocarbon production excluding West Qurna-2 project for the first nine months of 2017 increased by 2.3% as compared to the same period of 2016 to 2,218 thousand boe per day. The increase was driven by gas projects development. In the third quarter of 2017 production was 2,219 thousand boe per day, almost unchanged quarter-on-quarter.

Hydrocarbon production, thousand boe per day

3Q 2017	2Q 2017		9M 2017	9M 2016
2,219	**2,222**	**Total** (excluding West-Qurna 2 project)	**2,218**	**2,168**

Starting January 2017 LUKOIL Group's oil production volume and dynamics are mainly defined by the external limitations of Russian companies' production volumes. For the first nine months of 2017 production excluding West Qurna-2 project was 64.1 million tons, including 21.4 million tons produced in the third quarter of 2017.

In the third quarter of 2017 production growth continued as planned at V. Filanovsky and Pyakyakhinskoe fields and amounted to 4.5% and 2.4% quarter-on-quarter respectively. The active development of high viscosity oil projects in Timan-Pechora continued. As such, production at Yaregskoe field increased by 30% as compared to the second quarter of 2017.

Oil production, thousand tons

3Q 2017	2Q 2017		9M 2017	9M 2016
21,411	**21,306**	**Total** (excluding West-Qurna 2 project)	**64,114**	**64,824**
20,538	20,374	Russia	61,354	62,031
20,337	20,120	Subsidiaries	60,635	61,317
201	254	Share in affiliates	719	714
873	932	Outside of Russia	2,760	2,793

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464	496	Subsidiaries	1,477	1,533
409	436	Share in affiliates	1,283	1,260
540	482	*Compensation oil from West Qurna-2 project*	1,427	4,477
21,951	**21,788**	**Total**	**65,541**	**69,301**

The LUKOIL Group's gas production increased by 4.4% quarter-on-quarter in the third quarter of 2017 to 7.3 billion cubic meters. As a result, for the first nine months of 2017 production increased by 12.4% year-on-year to 20.7 billion cubic meters. Gas production was positively impacted by the launch of gas facilities at Pyakyakhinskoe field in January 2017 and main production facilities at Gissar project in Uzbekistan in the third quarter of 2017. Quarter-on-quarter production at Gissar project more than doubled.

Gas production, million cubic meters

3Q 2017	2Q 2017		9M 2017	9M 2016
7,257	**6,952**	**Total**	**20,668**	**18,383**
4,619	4,646	Russia	13,595	12,176
4,596	4,621	Subsidiaries	13,524	12,113
23	25	Share in affiliates	71	63
2,638	2,306	Outside of Russia	7,073	6,207
2,445	2,103	Subsidiaries	6,472	5,646
193	203	Share in affiliates	601	561

Refinery throughput at the LUKOIL Group's refineries in the third quarter of 2017 increased by 5.9% quarter-on-quarter and amounted to 17.4 million tons. Growth of refinery throughput in Russia was mainly due to maintenance works at Perm refinery in the second quarter of 2017. An increase in the utilization rate of European refineries was attributable to the completion of the maintenance works at Petrotel and ISAB refineries, as well as favorable market environment.

Refinery throughput for the first nine months of 2017 increased by 1.2% year-on-year to 49.9 million tons. Refinery throughput in Russia increased by 3.0% year-on-year, which was mainly due to maintenance works at our Nizhny Novgorod and Volgograd refineries in 2016. Refinery throughput in Europe decreased by 1.8% year-on-year mainly due to the maintenance works at Petrotel and ISAB refineries in the first half of 2017.

Refinery throughput at refineries, thousand tons

3Q 2017	2Q 2017		9M 2017	9M 2016
17,356	**16,394**	**Total for LUKOIL Group refineries**	**49,946**	**49,339**
11,010	10,447	Russia	31,963	31,029
6,346	5,947	Outside of Russia	17,983	18,310
5,823	5,359	Oil processing	16,301	14,900
523	588	Refined products processing	1,682	3,410
1,670	1,678	Third party refineries abroad	4,744	245

Note:

LUKOIL will release its Interim Consolidated Financial Statements prepared in accordance with IFRS and related MD&A for the third quarter and nine months of 2017 on November 29, 2017.

The information in this press release is an estimate of the LUKOIL Group's results in third quarter and nine months of 2017 and therefore constitutes forward-looking statements. This information is preliminary and based on information available at the date of this document, and may be revised after statistical, financial, tax and accounting statements become available. The information on the LUKOIL Group's operational results in this press release are subject to many external factors which may cause the actual results to differ materially from those expressed or forecasted in this press release for the third quarter and nine months of 2017. The LUKOIL Group assumes no obligation to update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise, except to the extent required by applicable law.

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Information about company:
PJSC "LUKOIL" is one of the largest publicly traded, vertically integrated oil and gas companies in the world in terms of proved hydrocarbon reserves and production; and the second largest producer of crude oil in Russia. Established in

1991, the Company currently operates in more than 30 countries with core upstream assets located in Russia. The full production cycle includes oil and gas exploration, production and refining; production of petrochemicals and lubricants; power generation; marketing and distribution. The Company's shares are listed in Russia on Moscow Exchange under the ticker "LKOH" and depositary receipts are listed on the London Stock Exchange under the ticker "LKOD".