PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS SUMMARIZED PRELIMINARY 2018 RESULTS

The LUKOIL Board of Directors held a meeting in Moscow today to summarize the Company's preliminary 2018 results and set priorities for 2019 under the Strategic development program for 2018-2027.

It was emphasized at the meeting that the Company successfully accomplished the first year's interim goals within the ten-year strategy and achieved significant progress in delivering key projects and strategic initiatives.

In 2018 design production capacity was reached at the Vladimir Filanovsky field and gas projects in Uzbekistan, rapid ramp-up of hard-to-recover crude oil production continued in West Siberia and Timan-Pechora. Construction works of petroleum residues conversion complex based on delayed coker unit started at Nizhny Novgorod refinery. Sales volumes via premium sales channels increased. Industrial safety indicators improved.

Work was intensified to optimize costs and increase efficiency of operations, new incentive tools were introduced for the key employees, the main part of treasury shares was canceled, and the share buyback on the open market was started.

Among key priorities for 2019 the Board of Directors determined accident-free operations and attainment of key performance indicators, cost optimization and efficiency improvements, maintaining investment discipline and delivering on the policy of capital distribution to shareholders.

"The actions taken as part of implementing the strategy approved a year ago have already proved their high efficiency. We successfully develop our business and consistently fulfill our obligations in respect of shareholder distributions despite high volatility of external factors. This is facilitated by our approach to planning and making investment decisions based on a conservative oil price scenario, as well as persistent efforts on improving efficiency," said President of LUKOIL Vagit Alekperov.

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