PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE FOURTH QUARTER AND TWELVE MONTHS OF 2018

In 2018 LUKOIL Group's average hydrocarbon production excluding West Qurna-2 project was 2,319 thousand boe per day, which is 3.8% higher year-on-year. In the fourth quarter of 2018 production increased by 1.9% quarter-on-quarter and averaged 2,371 thousand boe per day. The increase was mainly driven by the development of gas projects in Uzbekistan.

Hydrocarbon production, thousand boe per day

4Q 2018	3Q 2018		12M 2018	12M 2017
2,371	**2,327**	**Total** (excluding West Qurna-2 project)	**2,319**	**2,235**

Oil production excluding West Qurna-2 project in 2018 remained unchanged year-on-year and amounted to 85.6 million tonnes. In the fourth quarter of 2018 production was 21.8 million tonnes, which is 0.5% higher quarter-on-quarter.

Oil production, thousand tonnes

4Q 2018	3Q 2018		12M 2018	12M 2017
21,832	**21,717**	**Total** (excluding West Qurna-2 project)	**85,610**	**85,592**
20,922	20,865	Russia	82,045	81,879
20,763	20,706	Subsidiaries	81,412	80,995
159	159	Share in affiliates	633	884
910	852	Outside of Russia	3,565	3,713
497	457	Subsidiaries	1,901	2,003
413	395	Share in affiliates	1,664	1,710
276	469	*Compensation oil from West Qurna-2 project*	1,514	1,822
22,108	**22,186**	**Total**	**87,124**	**87,414**

Active development of the priority projects continued. In the fourth quarter of 2018 the fifth well was launched at the second development stage of the V. Filanovsky

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field. In 2018 oil production at the field increased by 32% year-on-year, to 6.1 million tonnes.

In the fourth quarter of 2018 oil production at the Yu. Korchagin field increased by 15% quarter-on-quarter as a result of the second production well launch at the field's second development stage.

The development of the Yaregskoe field and Permian reservoir of the Usinskoe field, including the launch of new steam-generating capacities, allowed to increase high viscosity oil production in 2018 by 25% year-on-year, to 4.3 million tonnes.

Oil and gas condensate production at the Pyakyakhinskoe field in West Siberia increased in 2018 by 4% year-on-year, to 1.6 million tonnes.

The share of the abovementioned five projects in the LUKOIL Group's oil production excluding West Qurna-2 project amounted to 15% in 2018, 3 percentage points up year-on-year.

Gas production, million cubic meters

4Q 2018	3Q 2018		12M 2018	12M 2017
8,905	**8,512**	**Total**	**33,543**	**28,861**
4,405	4,447	Russia	17,804	18,176
4,385	4,423	Subsidiaries	17,712	18,080
20	24	Share in affiliates	92	96
4,500	4,065	Outside of Russia	15,739	10,685
4,341	3,919	Subsidiaries	15,096	9,885
159	146	Share in affiliates	643	800

In 2018 LUKOIL Group's gas production was 33.5 billion cubic meters, which is 16% higher year-on-year. In the fourth quarter of 2018 gas production was 8.9 billion cubic meters, 5% up quarter-on-quarter.

The main driver of gas production growth was the development of projects in Uzbekistan. As a result of the launch of new gas treatment facilities, the Group's share in production at Kandym and Gissar projects in 2018 increased to 13.4 billion cubic meters (LUKOIL's share) which is 67% higher year-on-year.

Refinery throughput, thousand tonnes

4Q 2018	3Q 2018		12M 2018	12M 2017
17,002	**17,467**	**Total for LUKOIL Group refineries**	**67,316**	**67,240**
10,927	10,939	Russia	43,189	43,107
6,075	6,528	Outside of Russia	24,127	24,133
5,544	5,837	Oil processing	21,270	21,970
531	691	Refined products processing	2,857	2,163
1,634	1,622	Third party refineries abroad	6,547	6,547

In 2018 refinery throughput at LUKOIL Group's refineries was 67.3 million tonnes, which is almost flat year-on-year.

In the fourth quarter of 2018 the Group's refinery throughput was 17.0 million tonnes, 2.7% lower quarter-on-quarter, mainly due to the maintenance works at ISAB refinery in Italy in the fourth quarter of 2018.

Information:
LUKOIL will release its Consolidated Financial Statements prepared in accordance with IFRS and MD&A for the fourth quarter and the twelve months of 2018 on March 4, 2019.
The information in this press release is an estimate of the LUKOIL Group's results for the fourth quarter and the twelve months of 2018 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 fourth quarter and the twelve months of 2018. 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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