PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS APPROVES NEW PRINCIPLES OF THE DIVIDEND POLICY

At today's meeting of the Board of Directors of PJSC "LUKOIL" (hereinafter, the Company) the new principles of the Company's dividend policy were approved as follows:

1. The total amount of dividends on the Company's issued shares, excluding the shares held by LUKOIL Group entities, equals at least 100% of the Company's adjusted free cash flow;

2. The adjusted free cash flow is calculated on the basis of PJSC "LUKOIL" consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and is determined as net cash provided by operating activities less capital expenditures, interest paid, repayment of lease obligations, and expenses for purchase of Company's stock;

3. Dividend per share is rounded to the nearest Russian rouble;

4. Dividends are paid twice a year with the amount of interim dividends calculated based on the consolidated financial statements for the six-month period.

In accordance with the decision of the Board of Directors, the approved principles apply starting from the interim dividends for 2019. Based on the new principles, a revised version of the Regulations on the Dividend Policy of PJSC "LUKOIL" will be drafted and submitted for approval of the Board of Directors by the end of 2019.

"The new principles of the dividend policy are an important result of our work on continuous improvement of corporate governance practices and the Company's financial policy. They will contribute to the most efficient delivery on the Company's long-term strategy," President of PJSC "LUKOIL" Vagit Alekperov highlighted.

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