PRESS RELEASE
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LUKOIL COMPLETES RESERVES ESTIMATE AS OF THE END OF 2019

PJSC "LUKOIL" (hereinafter – the Company) announces the results of the reserves assessment and independent audit as of December 31, 2019.

According to the SEC classification, the Company's proved hydrocarbon reserves totaled 15.8 billion barrels of oil equivalent, 76% of which stood for liquids. The proved reserves replacement ratio for liquids, excluding the effect of changes in macroeconomic factors on evaluation, totaled 107% in 2019. The Company's proved hydrocarbon reserves life is 18 years.

As a result of geological exploration and production drilling conducted in 2019, LUKOIL added 642 million barrels of oil equivalent to proved reserves, which is 11% higher year-on-year. The largest contribution was from assets in West Siberia, Timan-Pechora and Russian sector of the Caspian Sea.

Optimization of development systems and wellwork programs at existing fields, as well as conversion of contingent resources to reserves added 108 million barrels of oil equivalent to proved reserves. Acquisition of assets in Russia and abroad in 2019 added 70 million barrels of oil equivalent to proved reserves.

The reserves dynamics was negatively affected by an 11% decrease in oil price and US dollar to ruble exchange rate used for reserves evaluation.

LUKOIL Group's Hydrocarbon Reserves

As of December 31, 2019	**Liquids**	**Gas**	**Hydrocarbons**
	million barrels	billion cubic feet	million barrels of oil equivalent
Proved reserves	**12,015**	**22,527**	**15,769**
including:			
Developed	7,799	10,390	9,531
Undeveloped	4,216	12,137	6,238
Probable reserves	**4,671**	**9,275**	**6,217**

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Possible reserves	**2,506**	**2,966**	**3,000**

The independent audit of proved reserves was performed by Miller and Lents based on the commercial life-of-field approach. The conversion ratio from cubic feet to barrels: 1 barrel = 6,000 cubic feet.