PRESS RELEASE
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# LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE FIRST QUARTER OF 2020

In the first quarter of 2020 LUKOIL Group's average daily hydrocarbon production excluding the West Qurna-2 project totaled 2,328 thousand boe per day, which is 2.1% lower year-on-year and 2.5% lower quarter-on-quarter. The decline in production was driven by lower gas supply to China from projects in Uzbekistan due to lower demand because of coronavirus. The negative impact of this factor was partially offset by higher oil production at international projects.

## Hydrocarbon production, thousand boe per day

| 1Q 2020 | 4Q 2019 | | 1Q 2020 | 1Q 2019 |
|---|---|---|---|---|
| **2,328** | **2,388** | **Total (excluding the West Qurna-2 project)** | **2,328** | **2,379** |

Oil production excluding the West Qurna-2 project in the first quarter of 2020 reached 21.4 million tonnes, which is 0.7% higher year-on-year. The growth was mainly driven by international projects due to acquisition of a share in the Marine XII project in the Republic of Congo, as well as an increase in production share at PSA projects owing to decline in oil prices. Oil production volumes and dynamics in Russia were defined by the external limitations of production volumes due to the OPEC+ agreement. As a result, production in Russia was almost flat year-on-year.

Average daily oil production excluding the West Qurna-2 project remained unchanged quarter-on-quarter.

## Oil production, thousand tonnes

| 1Q 2020 | 4Q 2019 | | 1Q 2020 | 1Q 2019 |
|---|---|---|---|---|
| **21,384** | **21,634** | **Total (excluding the West Qurna-2 project)** | **21,384** | **21,245** |
| 20,365 | 20,577 | Russia | 20,365 | 20,328 |
| 20,227 | 20,425 | Subsidiaries | 20,227 | 20,177 |
| 138 | 152 | Share in affiliates | 138 | 151 |

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| | | | | |
|---|---|---|---|---|
| 1,019 | 1,057 | Outside of Russia | 1,019 | 917 |
| 588 | 616 | Subsidiaries | 588 | 484 |
| 431 | 441 | Share in affiliates | 431 | 433 |
| 733 | 424 | *Compensation oil from the West Qurna-2 project* | 733 | 365 |
| **22,117** | **22,058** | **Total** | **22,117** | **21,610** |

Active development of the priority projects was on track. In particular, further development of the Yaregskoye field and Permian reservoir of the Usinskoye field, including the launch of new steam-generating facilities, allowed increasing high viscosity oil production in the first quarter of 2020 by 6% year-on-year, to 1.2 million tonnes.

In West Siberia the aggregate oil and gas condensate production at the V. Vinogradov, Imilorskoye, Sredne-Nazymskoye and Pyakyakhinskoye fields increased in the first quarter of 2020 by 29% year-on-year, exceeding 1.0 million tonnes.

In the Caspian Sea at the V. Filanovsky and Yu. Korchagin fields the production was maintained at designed levels due to drilling programs. Total oil and gas condensate production at these fields in the first quarter of 2020 was 1.8 million tonnes, which is flat year-on-year.

The share of the abovementioned projects in the LUKOIL Group's oil production excluding the West Qurna-2 project amounted to 19% in the first quarter of 2020 compared to 18% in the first quarter of 2019.

**Gas production, million cubic meters**

| 1Q 2020 | 4Q 2019 | | 1Q 2020 | 1Q 2019 |
|---|---|---|---|---|
| **8,412** | **9,432** | **Total** | **8,412** | **8,976** |
| 4,665 | 4,615 | Russia | 4,665 | 4,407 |
| 4,643 | 4,593 | Subsidiaries | 4,643 | 4,386 |
| 22 | 22 | Share in affiliates | 22 | 21 |
| 3,747 | 4,817 | Outside of Russia | 3,747 | 4,569 |
| 3,581 | 4,649 | Subsidiaries | 3,581 | 4,406 |
| 166 | 168 | Share in affiliates | 166 | 163 |

In the first quarter of 2020, LUKOIL Group's gas production amounted to 8.4 billion cubic meters. Gas production in Russia increased by 5.9% year-on-year and by 1.1% quarter-on-quarter. The growth was attributed to the launch of the second stage of the compressor booster station at the Nakhodkinskoye field in December 2019. International gas production decreased by 18.0% year-on-year and by 22.2% quarter-on-quarter. The main decline factor was lower gas demand in China due to the coronavirus.

**Refinery throughput, thousand tonnes**

| 1Q 2020 | 4Q 2019 | | 1Q 2020 | 1Q 2019 |
|---|---|---|---|---|
| **17,090** | **17,009** | **Total for LUKOIL Group refineries** | **17,090** | **16,668** |
| 10,937 | 10,828 | Russia | 10,937 | 10,967 |
| 6,153 | 6,181 | Outside of Russia | 6,153 | 5,701 |
| 5,590 | 5,687 | Oil processing | 5,590 | 5,224 |
| 563 | 494 | Refined products processing | 563 | 477 |
| 53 | 45 | Third party refineries abroad | 53 | 1,588 |

In the first quarter of 2020 refinery throughput at LUKOIL Group's refineries increased to 17.1 million tonnes, which in average daily terms is 1.4% higher year-on-year and 1.6% higher quarter-on-quarter.

Refinery throughput in Russia totaled 10.9 million tonnes. In average daily terms refinery throughput came 2.1% higher quarter-on-quarter due to planned maintenance works at Volgograd and Nizhny Novgorod refineries in the fourth quarter of 2019. In average daily terms refinery throughput went down by 1.4% year-on-year due to optimization of feedstock mix in the changing market environment as well as planned maintenance works at some secondary refining units at Nizhny Novgorod refinery in the first quarter of 2020.

Refinery throughput in Europe amounted to 6.2 million tonnes. In average daily terms refinery throughput came 6.7% higher year-on-year and 0.6% higher quarter-on-quarter due to planned maintenance works at the refinery in Italy in the fourth quarter of 2019, as well as feedstock supply disruptions through the port of Novorossiysk due to weather conditions in the first quarter of 2019.

*Information:*
*LUKOIL will release its Condensed Interim Consolidated Financial Statements prepared in accordance with IFRS and MD&A for the first quarter of 2020 on June 3, 2020.*

*The information in this press release is an estimate of the LUKOIL Group's results for the first quarter of 2020 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 first quarter of 2020. 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 the 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".*