PRESS RELEASE
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# LUKOIL ENTERS HYDROCARBON PRODUCTION PROJECT IN THE REPUBLIC OF SENEGAL

PJSC LUKOIL (hereinafter - the Company) concludes an agreement with Cairn Energy PLC to acquire a 40% interest in RSSD (Rufisque, Sangomar and Sangomar Deep) project in the Republic of Senegal for $300 mln in cash. The agreement also provides for potential bonus payment to Cairn Energy PLC of up to $100 mln after the commencement of production. The transaction is subject to customary conditions, including the approval by the government of the Republic of Senegal.

The blocks of the project covering 2,212 sq. km are located on the deepwater shelf of the Republic of Senegal 80 km from the shore with the sea depth of 800-2,175 meters. The blocks include two discovered fields: Sangomar and FAN.

The Final Investment Decision (FID) on the Sangomar field was taken in the beginning of 2020 and the field development has begun. According to the Company's estimates, the recoverable hydrocarbon reserves of the Sangomar field total approximately 500 million boe. The field is planned to be launched in 2023 with designed production level of 5 million tons of crude oil per year.

The RSSD project is being implemented under a production sharing agreement. Woodside is the project's operator with 35% stake. Other participants are FAR (15%) and state-owned company Petrosen (10%).

"Entering the project with already explored reserves at early stage of their development is fully in line with our strategy and allows us reinforcing our presence in West Africa. Joining the project with qualified international partners will allow us to gain additional experience in development of offshore fields in the region", said Vagit Alekperov, President of PJSC LUKOIL.

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