PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE THIRD QUARTER AND NINE MONTHS OF 2020

For the nine months of 2020 LUKOIL Group's average hydrocarbon production excluding the West Qurna-2 project was 2,065 kboe per day, which is 11.6% lower year-on-year. In the third quarter of 2020 hydrocarbon production was 1,885 kboe per day, which is 4.9% lower quarter-on-quarter. Production was reduced due to the new OPEC+ agreement and a decrease in gas supply from Uzbekistan to China, that were driven by a negative impact of the COVID-19 pandemic on hydrocarbon demand.

Hydrocarbon production, kboe per day

3Q 2020	2Q 2020		9M 2020	9M 2019
1,885	**1,982**	**Total (excluding the West Qurna-2 project)**	**2,065**	**2,337**

Oil production excluding the West Qurna-2 project was 58.5 million tonnes for the nine months of 2020, which is 9.0% lower year-on-year. In the third quarter of 2020 oil production decreased by 3.0% quarter-on-quarter, to 18.2 million tonnes. Oil production dynamics was driven by the OPEC+ agreement concluded in April 2020, which led to limitations on oil production by the Group in Russia and at certain international projects. In particular, due to the agreement crude oil production by the Group in Russia was cut in May 2020 by approximately 310 thousand barrels per day, or by 19%, as compared to the level of the first quarter of 2020. Crude oil production in Russia was subsequently increased by approximately 20 thousand barrels per day in July and incrementally by 60 thousand barrels per day in August.

Oil production, thousand tonnes

3Q 2020	2Q 2020		9M 2020	9M 2019
18,249	**18,817**	**Total (excluding the West Qurna-2 project)**	**58,450**	**64,238**
17,416	17,877	Russia	55,658	61,491
17,292	17,758	Subsidiaries	55,277	61,033

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124	119	Share in affiliates	381	458
833	940	Outside of Russia	2,792	2,747
495	567	Subsidiaries	1,650	1,494
338	373	Share in affiliates	1,142	1,253
565	1,094	*Compensation oil from the West Qurna-2 project*	2,380	1,192
18,814	**19,911**	**Total**	**60,830**	**65,430**

Despite a sharp decrease in oil prices and external limitations on production volumes, active development of the priority projects continued. In particular, in West Siberia total oil and gas condensate production for the nine months of 2020 at the V. Vinogradov, Imilorskoye, Sredne-Nazymskoye and Pyakyakhinskoye fields increased by 23.6% year-on-year and exceeded 3.1 million tonnes.

High viscosity oil production at the Yaregskoye field and Permian reservoir of the Usinskoye field for the nine months of 2020 increased by 5.1% year-on-year, to 3.9 million tonnes.

Implementation of drilling programs at the V. Filanovsky and Yu. Korchagin fields in the Caspian Sea allowed to maintain production at project levels. Total oil and gas condensate production for the nine months of 2020 was 5.6 million tonnes, which is 2.0% higher year-on-year. In September 2020 jackets were installed in the Caspian Sea for the fixed ice-resistant platform as part of the V.I. Grayfer field development.

The share of the abovementioned projects in the LUKOIL Group's oil production excluding the West Qurna-2 project amounted to 21% for the nine months of 2020 as compared to 18% for the nine months of 2019.

Gas production, million cubic meters

3Q 2020	2Q 2020		9M 2020	9M 2019
5,971	**6,399**	**Total**	**20,782**	**25,614**
4,299	4,305	Russia	13,269	13,182
4,267	4,284	Subsidiaries	13,194	13,116
32	21	Share in affiliates	75	66
1,672	2,094	Outside of Russia	7,513	12,432

1,534	1,936	Subsidiaries	7,051	11,959
138	158	Share in affiliates	462	473

For the nine months of 2020, LUKOIL Group's gas production was 20.8 billion cubic meters, which is 18.9% lower year-on-year. In the third quarter of 2020 gas production decreased by 6.7% quarter-on-quarter, to 6.0 billion cubic meters. Production decline was due to lower demand from China for gas produced in Uzbekistan amid the COVID-19 pandemic. At the same time gas production in Russia for the nine months of 2020 increased by 0.6% year-on-year driven by the launch of the second stage of the booster compressor station at the Nakhodkinskoye field in December 2019.

Refinery throughput, thousand tonnes

3Q 2020	2Q 2020		9M 2020	9M 2019
14,848	**13,525**	**Total for LUKOIL Group refineries**	**45,463**	**51,737**
10,207	9,283	Russia	30,427	33,326
4,641	4,242	Outside of Russia	15,036	18,411
4,215	3,998	Oil processing	13,803	16,986
426	244	Refined products processing	1,233	1,425
41	24	Third party refineries abroad	118	4,973

For the nine months of 2020 refinery throughput at LUKOIL Group's refineries was 45.5 million tonnes, which is 12.1% lower year-on-year. The decline was due to throughput optimization at some of the Company's refineries in the second and third quarters of 2020 on the back of lower demand for petroleum products and decline in refining margins due to the COVID-19 pandemic, as well as due to scheduled maintenance works. In the third quarter of 2020 refinery throughput was increased by 9.8% quarter-on-quarter.

Refinery throughput in Russia for the nine months of 2020 decreased by 8.7% year-on-year, to 30.4 million tonnes, due to scheduled maintenance works and throughput optimization at Nizhny Novgorod and Ukhta refineries in the second quarter of 2020. In the third quarter of 2020 refinery throughput in Russia was increased by 10.0% quarter-on-quarter.

Refinery throughput in Europe for the nine months of 2020 decreased by 18.3% year-on-year, to 15.0 million tonnes, due to scheduled maintenance works at

refineries in Bulgaria and the Netherlands, as well as throughput optimization at European refineries in the second and third quarters of 2020. In the third quarter of 2020 refinery throughput in Europe was increased by 9.4% quarter-on-quarter, to 4.6 million tonnes, mainly due to partial throughput recovery at refineries in Bulgaria and Italy.

Note:

LUKOIL will release its Condensed Interim Consolidated Financial Statements prepared in accordance with IFRS and MD&A for the third quarter and nine months of 2020 on November 24, 2020.

The information in this press release is an estimate of the LUKOIL Group's results for the third quarter and nine months 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 third quarter and nine months 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:
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".