PRESS RELEASE
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LUKOIL AND GAZPROM NEFT SIGN BINDING AGREEMENT AS PART OF JOINT VENTURE CREATION

PJSC LUKOIL and PJSC Gazprom Neft concluded sale and purchase agreement fo 50% equity share of *Meretoyakhaneftegaz LLC*, a Gazprom Neft wholly owned subsidiary. The contract was signed as part of creating a joint venture to develop a large oil and gas cluster in the Nadym-Pur-Tazovsky area of the Yamal-Nenets Autonomous District.

The transaction value amounts to RUB 52 bln, including cession of claim of Gazprom Neft's loans worth RUB 35 bln. The companies also agreed upon the programme of additional exploration of the blocks of *Meretoyakhaneftegaz LLC* where RUB 8.9 bln of expenditures will be financed by LUKOIL.

The transaction is planned to be completed in 2022 after fulfilment of a number of conditions precedent, including all necessary corporate approvals, as well as the consent of the Federal Antimonopoly Service.

Information:
In September 2021, PJSC LUKOIL and PJSC Gazprom Neft concluded an agreement on creating a joint venture based on Meretoyakhaneftegaz LLC. The Tazovskoye oil and gas condensate field, which was put on-stream in June 2021, will be at heart of the new production area.

The venture is also to develop the Severo-Samburgskoye and Meretoyakhinskoye fields, as well as two Zapadno-Yubileiny license blocks.

The cluster's total reserves initially in place stand at over a billion tonnes of oil and about 500 bcm of gas.

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