PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2017

LUKOIL Group's daily hydrocarbon production excluding West Qurna-2 project for the first six months of 2017 increased by 1.5% year-on-year to 2,217 thousand boe per day. In the second quarter of 2017 production was 2,222 thousand boe per day, representing a 0.4% growth quarter-on-quarter. The increase in production was driven by the development of gas projects.

Hydrocarbon production, thousand boe per day

2Q 2017	1Q 2017		6M 2017	6M 2016
2,222	**2,213**	**Total** (excluding West Qurna-2 project)	**2,217**	**2,185**

LUKOIL Group's crude oil production in the second quarter of 2017 amounted to 21.8 million tonnes. The quarter-on-quarter decline was due to the temporary external limitations of Russian companies' production volumes. For the first six months of 2017 oil production was 43.6 million tonnes. The year-on-year dynamics was mainly driven by the reduction in compensation crude oil volumes from the West Qurna-2 project in Iraq.

Planned production growth continued at V. Filanovsky and Pyakyakhinskoe fields and amounted to 25.8% and 11.7% quarter-on-quarter, respectively.

Oil production, thousand tonnes

2Q 2017	1Q 2017		6M 2017	6M 2016
21,306	**21,397**	**Total** (excluding West Qurna-2 project)	**42,703**	**43,264**
20,374	20,442	Russia	40,816	41,371

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20,120	20,178	Subsidiaries	40,298	40,903
254	264	Share in affiliates	518	468
932	955	Outside Russia	1,887	1,893
496	517	Subsidiaries	1,013	1,000
436	438	Share in affiliates	874	893
482	*405*	*Compensation oil from West Qurna-2 project*	*887*	*3,510*
21,788	**21,802**	**Total**	**43,590**	**46,774**

LUKOIL Group's gas production for the second quarter of 2017 increased by 7.6% quarter-on-quarter and amounted to 7.0 bcm. As a result, for the first six months of 2017 LUKOIL produced 13.4 bcm of gas, which is 9.4% higher year-on-year. Production dynamics was positively impacted by the launch of gas facilities at Pyakyakhinskoe field in the beginning of 2017 and the development of gas projects in Uzbekistan.

Gas production, million cubic meters

2Q 2017	1Q 2017		6M 2017	6M 2016
6,952	**6,459**	**Total**	**13,411**	**12,261**
4,646	4,330	Russia	8,976	7,998
4,621	4,307	Subsidiaries	8,928	7,957
25	23	Share in affiliates	48	41
2,306	2,129	Outside Russia	4,435	4,263
2,103	1,924	Subsidiaries	4,027	3,864
203	205	Share in affiliates	408	399

Refinery throughput at LUKOIL Group's refineries in the second quarter of 2017 was 16.4 million tonnes, which is 1.2% higher quarter-on-quarter. For the first six months of 2017, refinery throughput was 32.6 million tonnes, a 1.1% increase year-

on-year.

The quarter-on-quarter positive dynamics was mainly attributable to the increase in the utilization rate at our refinery in Romania after maintenance in the first quarter of 2017. A moderate decrease of Company's throughput volumes in Russia was driven by repair works at Perm refinery, while utilization rates at refineries in Nizhny Novgorod and Volgograd increased due to seasonal factors.

In the first six months of 2017, throughput volumes at our refineries in Russia increased by 5.1% year-on-year primarily due to maintenance works at refineries in Nizhny Novgorod and Volgograd in the first half of 2016.

Refinery throughput, thousand tonnes

2Q 2017	1Q 2017		6M 2017	6M 2016
16,394	**16,196**	**Total for LUKOIL Group refineries**	**32,590**	**32,220**
10,447	10,506	Russia	20,953	19,937
5,947	5,690	Outside Russia	11,637	12,283
5,359	5,119	Oil processing	10,478	9,538
588	571	Refined products processing	1,159	2,745
1,678	*1,396*	*Third party refineries abroad*	*3,074*	*165*

Note:

LUKOIL will release its Interim Consolidated Financial Statements for the second quarter and the first six months of 2017 prepared in accordance with IFRS and MD&A on August 29, 2017.

The information in this press release is an estimate of the LUKOIL Group's results for the second quarter and the first six months of 2017 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

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Справка:
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 providing LUKOIL with maximum synergies from its activities. 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".