PRESS RELEASE
FEBRUARY 16, 2018

LUKOIL COMPLETES RESERVES ESTIMATE AS OF THE END OF 2017

LUKOIL announced today the results of the oil and gas reserves assessment and independent audit as of December 31, 2017. According to the SEC (U.S. Securities and Exchange Commission) standards, the Company's proved hydrocarbon reserves totaled 16.0 billion barrels of oil equivalent, 75% of which were oil reserves. The Company's proved reserves life is 19 years.

In 2017 LUKOIL added 501 million barrels of oil equivalent to its proved reserves in the result of geological exploration and related discoveries as well as development drilling. West Siberia, the Company's main producing region, accounted for the largest reserves addition in the amount of 198 million barrels of oil equivalent. Further development of Russian offshore fields in the Caspian Sea ensured another significant addition of 100 million barrels of oil equivalent with 95 million barrels coming from the launched in 2016 Vladimir Filanovsky field. As a result of the development of gas projects in Uzbekistan and the Bolshekhetskaya Depression in Russia, the share of proved developed gas reserves increased from 36% to 47%.

As the average crude oil prices grew by more than 30% in 2017, the Company's international projects, developed under production sharing agreements and service contracts, showed a decline in reserves. For instance, LUKOIL's reserves of the West Qurna-2 field went down by 153 million barrels of oil equivalent.

LUKOIL also completed the 3C contingent reserves assessment under the PRMS (Petroleum Resources Management System) standards. As of December 31, 2017 the Company's contingent resources amounted to 13.7 billion barrels of oil equivalent. Contingent oil and gas resources can be reclassified into reserves as the macroeconomic conditions improve, the commissioning dates of the fields approach, new technologies are introduced and the pilot operations are completed.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

LUKOIL Group Oil and Gas Reserves

As of December 31, 2017	Oil	Gas	Oil + Gas
	million barrels	billion cubic feet	million barrels of oil equivalent
Proved reserves	**12,077**	**23,649**	**16,018**
including:			
Developed	7,712	11,088	9,560
Undeveloped	4,365	12,561	6,458
Probable	**4,835**	**9,446**	**6,409**
Possible	**2,581**	**3,038**	**3,087**

The independent audit of the Company's proved reserves was performed by Miller and Lents US consulting firm based on the commercial life-of-field approach. Conversion ratio from cubic feet to barrels: 1 barrel = 6,000 cubic feet