PRESS RELEASE
DECEMBER 12, 2019

LUKOIL BOARD OF DIRECTORS APPROVES AMENDMENTS TO REGULATIONS ON THE DIVIDEND POLICY

At today's meeting of the Board of Directors of PJSC "LUKOIL" (hereinafter, the Company) the decision was made to amend the Regulations on the Dividend Policy of PJSC "LUKOIL". The amendments are based on the core principles of the dividend policy approved by the decision of the Board of Directors on October 16, 2019 as follows:

- the total amount of dividends on the Company's issued shares, excluding the shares held by LUKOIL Group entities, equals at least 100% of the Company's adjusted free cash flow;
- the adjusted free cash flow is calculated on the basis of PJSC "LUKOIL" consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and is determined as net cash provided by operating activities less capital expenditures, interest paid, repayment of lease obligations, and expenses for purchase of Company's stock;
- dividend per share is rounded to a whole Russian rouble;
- dividends are paid twice a year with the amount of interim dividends calculated based on the consolidated financial statements for the six-month period.

At the meeting of the Board of Directors the key parameters of the LUKOIL Group budget for 2020-2022 were also approved. The report on the state of health and safety and measures to enhance safety of operations was heard, and the results achieved by the Company in the improvement of the procedures of the HSE Management System of the LUKOIL Group were approved. The progress report on LUKOIL Group's IT Development Functional Programme was acknowledged.

The 2020 Annual Audit and Consulting Engagements Plan for the Internal Audit Service of PJSC "LUKOIL" was approved.

The Board of Directors also heard the report of the member of the Board of Directors, Vice President for Strategic Development of PJSC "LUKOIL"

L.A. Fedun "Key trends on the global liquid hydrocarbons market to 2035". The

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report will be publicly presented on December 17, 2019.

The Board of Directors also resolved on the early termination of powers of the member of the Management Committee of PJSC "LUKOIL" Stanislav Nikitin due to retirement; and approved the new number of the Management Committee members as 14.