PRESS RELEASE
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LUKOIL PUBLISHED IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR 1Q 2016

Today LUKOIL published IFRS consolidated financial statements for 1Q 2016. Revenue was RUB 1,178 bln, EBITDA was RUB 145 bln, Profit for the period was RUB 43 bln. Excluding FX effect, EBITDA and Profit for the period were RUB 191 bln and RUB 79 bln, respectively.

Capital expenditures for 1Q 2016 were RUB 123 bln, free cash flow was RUB 36 bln.

In 1Q 2016, LUKOIL Group total hydrocarbon production (including our share in equity affiliates) increased by 0.5% y-o-y and reached 214.2 mln boe. Crude oil and NGL production was 183 mln bbl (-0.2% y-o-y). On an organic basis (excluding the impact of divestment of certain producing assets in Kazakhstan in 2015), oil production was up by 0.6% y-o-y with production decline at mature fields in Western Siberia more than offset by an increase in production in Iraq and projects in Timan-Pechora, Ural region and Northern Caspian in Russia.

Key Indicators:

Operating	**1Q 2016**	**1Q 2015**	Δ
Hydrocarbon production, mln boe	214	213	0.5%
of which crude oil and NGL, mln bbl	183	183	-0.2%
of which West Qurna-2, mln bbl	18	14	26.3%
Refined products produced, mln t	14.9	14.1	5.6%
Financials, RUB bln			
Sales	1,178	1,440	-18.2%
EBITDA	145	214	-32.1%

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EBITDA excluding FX effect	191	209	-8.5%
Profit for the period	43	104	-58.8%
Profit for the period excluding FX effect	79	99	-20.5%
Capital expenditures*	123	154	-20.5%
Free cash flow	36	63	-42.1%
Net debt	589	602	-2.2%

* Including non-cash transactions and prepayments

Full version of IFRS condensed interim consolidated financial statements of PJSC LUKOIL for the first quarter of 2016 is available on the Company's web sites: www.lukoil.com and www.lukoil.ru

These condensed interim consolidated financial statements have been prepared by the Company in accordance with IFRS and have not been audited by our independent auditor. If these financial statements are audited in the future, the audit could reveal discrepancies, and we cannot give any assurance that any such discrepancies would not be material.