PRESS RELEASE
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LUKOIL REPORTS ON AMENDED TERMS OF SHARE ACQUISITION IN SHAH DENIZ PROJECT

PJSC "LUKOIL" announces the signing of amendments to the agreement concluded in October 2021 on the acquisition of a share in the Shah Deniz project from PETRONAS. In accordance with the new arrangements, the share acquired by LUKOIL is reduced from 15.5% to 9.99% with proportional decrease in the transaction value from $2.25 billion to $1.45 billion. The conclusion of the amendments resulted from negotiations with the Shah Deniz project partners on implementation of pre-emptive rights.

The deal is expected to be closed in January 2022.

Information:
The Shah Deniz gas condensate field is located in the Azerbaijan sector of the Caspian Sea, 70 kilometres southeast of Baku.
The project is implemented under a PSA; commercial production there began in 2006. In 2020, Shah Deniz consortium extracted 18.1 bcm of gas and 3.6 million tonnes of gas condensate. LUKOIL's share in the project is currently 10%.
In 2018, the second stage of the project was launched, with annual production expected to reach 26 bcm of gas and 5 million tonnes of gas condensate. The gas is sold on the markets of Azerbaijan, Georgia, and Turkey. Since December 2020, it is also delivered to Europe via a pipeline system.

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