PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE FOURTH QUARTER AND TWELVE MONTHS OF 2019

In the fourth quarter of 2019 LUKOIL Group's average hydrocarbon production excluding the West Qurna-2 project was 2,388 thousand boe per day, which is 3.4% higher quarter-on-quarter. As a result, in 2019 production was 2,350 thousand boe per day which is 1.4% higher year-on-year. The increase was mainly driven by the development of gas projects in Uzbekistan.

Hydrocarbon production, thousand boe per day

4Q 2019	3Q 2019		12M 2019	12M 2018
2,388	**2,308**	**Total (excluding the West Qurna-2 project)**	**2,350**	**2,319**

Oil production excluding the West Qurna-2 project in 2019 totaled 85.9 million tonnes, which is 0.3% higher year-on-year. Oil production growth was mainly driven by the launch of the second phase of Shakh Deniz project in Azerbaijan in 2018, as well as by acquisition of a share in the Marine XII project in the Republic of Congo in September 2019. In the fourth quarter of 2019 oil production was practically unchanged quarter-on-quarter.

Oil production, thousand tonnes

4Q 2019	3Q 2019		12M 2019	12M 2018
21,638	**21,640**	**Total (excluding the West Qurna-2 project)**	**85,876**	**85,610**
20,577	20,704	Russia	82,068	82,045
20,425	20,552	Subsidiaries	81,458	81,412
152	152	Share in affiliates	610	633
1,061	936	Outside of Russia	3,808	3,565
620	534	Subsidiaries	2,114	1,901
441	402	Share in affiliates	1,694	1,664

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424	417	*Compensation oil from the West Qurna-2 project*	1,616	1,514
22,062	**22,057**	**Total**	**87,492**	**87,124**

Active development of the priority projects was on track. In 2019 oil production at the V. Filanovsky field increased by 5% year-on-year. In November 2019, the third stage of the field was launched.

In 2019 oil production at the Yu. Korchagin field ramped up by 21% year-on-year owing to drilling program within the field's second development stage.

The development of the Yaregskoye field and Permian reservoir of the Usinskoye field, including the launch of new steam-generating facilities, led to increase of high viscosity oil production in 2019 by 15% year-on-year, to 4.9 million tonnes.

The development of growth projects in West Siberia also continued. The aggregate oil and gas condensate production at the V. Vinogradov, Imilorskoye and Pyakyakhinskoye fields in 2019 increased by 17% year-on-year.

The share of the abovementioned projects in the LUKOIL Group's oil production excluding the West Qurna-2 project amounted to 18% in 2019 compared to the 16% in 2018.

Gas production, million cubic meters

4Q 2019	3Q 2019		12M 2019	12M 2018
9,432	**8,262**	**Total**	**35,046**	**33,543**
4,615	4,326	Russia	17,797	17,804
4,593	4,304	Subsidiaries	17,709	17,712
22	22	Share in affiliates	88	92
4,817	3,936	Outside of Russia	17,249	15,739
4,649	3,787	Subsidiaries	16,608	15,096
168	149	Share in affiliates	641	643

In 2019, LUKOIL Group's gas production was 35.0 billion cubic meters, which is 4.5% higher year-on-year. The main driver of gas production growth was the development of projects in Uzbekistan.

As a result of the launch of the second stage of the Kandym gas processing plant in

2018, production in Uzbekistan in 2019 increased by 7% year-on-year, to 14.1 billion cubic meters (LUKOIL's share).

Refinery throughput, thousand tonnes

4Q 2019	3Q 2019		12M 2019	12M 2018
17,009	**18,246**	**Total for LUKOIL Group refineries**	**68,746**	**67,316**
10,828	11,610	Russia	44,154	43,189
6,181	6,636	Outside of Russia	24,592	24,127
5,687	6,208	Oil processing	22,673	21,270
494	428	Refined products processing	1,919	2,857
1,763	1,742	Third party refineries abroad	6,736	6,547

In 2019, refinery throughput at LUKOIL Group's refineries was 68.7 million tonnes, which is 2.1% higher year-on-year. In the fourth quarter of 2019 refinery throughput was 6.8% lower quarter-on-quarter.

Refinery throughput in Russia increased by 2.2% year-on-year, to 44.2 million tonnes. The increase was mainly due to higher utilization rate of the Nizhny Novgorod refinery. A 6.7% quarter-on-quarter decrease in refinery throughput in the fourth quarter of 2019 was due to scheduled maintenance works at the Volgograd and Nizhny Novgorod refineries.

Refinery throughput in Europe increased by 1.9% year-on-year, to 24.6 million tonnes. The growth was driven by the maintenance works at the refinery in Bulgaria in the first quarter of 2018. A 6.9% quarter-on-quarter decrease in refinery throughput in the fourth quarter of 2019 was driven by scheduled maintenance works at the refinery in Italy.

Note:

LUKOIL will release its Condensed Interim Consolidated Financial Statements prepared in accordance with IFRS and MD&A for the fourth quarter and twelve months of 2019 on March 10, 2019.

The information in this press release is an estimate of the LUKOIL Group's results for the fourth quarter and twelve months of 2019 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 materially from those expressed or forecasted in this press release for the fourth quarter and twelve months of 2019. The LUKOIL Group assumes no obligation to update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise, except to the extent required by applicable law.

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Information about company:
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. 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".