

PRESS RELEASE
NOVEMBER 02, 2016

LUKOIL ANNOUNCES THE COMPLETION OF THE ISSUANCE OF
US\$1,000,000,000 OF EURO BONDS

PJSC "LUKOIL" announces the completion of the issuance of US\$1,000,000,000 of Rule 144A/Regulation S notes. The offering consists of 10-year notes with a coupon of 4.750% per annum. The notes have been issued by LUKOIL International Finance B.V. and guaranteed by PJSC "LUKOIL". LUKOIL intends to use the net proceeds of the offering for general corporate purposes, including the refinancing of certain existing indebtedness.

The notes have been assigned a rating of BBB- by Fitch and BBB- by Standard & Poor's.

Information:

Important information:

This press release is being issued pursuant to and in accordance with Rule 135c under the United States Securities Act of 1933, as amended (the "Securities Act"). This announcement shall not constitute or form a part of any offer of, or solicitation to purchase or subscribe for, the notes, nor shall there be any sale of the notes in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The notes have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act), except pursuant to an exemption from the registration requirements of the Securities Act. No public offering of securities will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited. A copy of this announcement may be provided to a "qualified institutional buyer" (as such term is defined in the Securities Act) on an individual basis.

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A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Similar ratings for different types of issuers and on different types of notes do not necessarily mean the same thing. The significance of each rating should be analysed independently from any other rating.

This press release contains forward-looking statements regarding future events or the future financial performance of LUKOIL, including in relation to LUKOIL's use of the proceeds from the transaction described above. We caution you that these statements are not guarantees of future performance and future performance involves risks, uncertainties and assumptions that we cannot predict with certainty. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. As a result of such risks and uncertainties, there can be no assurance that LUKOIL will be able to use the proceeds from the transaction described above in the manner described in this press release. We do not intend to update these statements to make them conform with actual results.