

PRESS RELEASE  
AUGUST 02, 2022

LUKOIL INVITES THE HOLDERS OF ITS OUTSTANDING BONDS TO  
CONTACT I2 CAPITAL MARKETS LTD OR LUKOIL FOR POTENTIAL SALE  
THEREOF

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LOCATED OR RESIDENT IN OR AT ANY ADDRESS IN, THE UNITED  
STATES. IN PARTICULAR, THIS ANNOUNCEMENT SHALL NOT BE  
DISTRIBUTED, TRANSMITTED OR FORWARDED, DIRECTLY OR  
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EMAIL AND OTHER FORMS OF ELECTRONIC COMMUNICATIONS  
OF INTERSTATE OR FOREIGN COMMERCE OF, OR ANY FACILITY  
OF A NATIONAL SECURITIES EXCHANGE OF, THE UNITED STATES  
FOR THESE PURPOSES, "THE UNITED STATES" MEANS THE UNITED  
STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS  
(INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM,  
AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA  
ISLANDS), ANY STATE OF THE UNITED STATES OF AMERICA AND  
THE DISTRICT OF COLUMBIA.**

PJSC "LUKOIL" (the "**Company**" and, together with its subsidiaries, "LUKOIL")  
invites the holders of the outstanding:

1. U.S.\$1,500,000,000 4.563 per cent. Notes due 2023 issued by LUKOIL International Finance B.V. and guaranteed by the Company (Regulation S ISIN: XS0919504562; Rule 144A ISIN: US549876AH32) (the "**2023 Notes**");
2. U.S.\$1,000,000,000 4.750 per cent. Notes due 2026 issued by LUKOIL International Finance B.V. and guaranteed by the Company (Regulation S ISIN: XS1514045886; Rule 144A ISIN: US549876AL44) (the "**2026 Notes**");
3. U.S.\$1,150,000,000 2.80 per cent. Notes due 2027 issued by LUKOIL Capital DAC and guaranteed by the Company (Regulation S ISIN: XS2401571448; Rule 144A ISIN: US549875AA06) (the "**2027 Notes**");
4. U.S.\$1,500,000,000 3.875 per cent. Notes due 2030 issued by LUKOIL Securities B.V. and guaranteed by the Company (Regulation S ISIN:

XS2159874002; Rule 144A ISIN: US54988LAB27) (the "**2030 Notes**"); and/or

5. U.S.\$1,150,000,000 3.60 per cent. Notes due 2031 issued by LUKOIL Capital DAC and guaranteed by the Company (Regulation S ISIN: XS2401571521; Rule 144A ISIN: US549875AB88) (the "**2031 Notes**" and together with the 2023 Notes, the 2026 Notes, the 2027 Notes and the 2030 Notes, the "**Notes**"),

to contact i2 Capital Markets Ltd or LUKOIL Securities Limited (a LUKOIL group company) for potential purchase of the Notes (the "**Offer**"). Each series of the Notes will be purchased for the sole purpose of their cancellation.

## **Rationale**

As holders of the Notes in Russia (the "**Russian Noteholders**") are currently unable to receive payments due under the Notes through the international clearing systems, in accordance with recently adopted Russian legislation (Presidential Decree No. 430 dated July 5, 2022) LUKOIL is now obliged to make direct payments to the Russian Noteholders of amounts falling due under the Notes. In addition, payments due under the Notes in favor of holders of the Notes in certain foreign countries may only be made pursuant to a special license issued by the Russian authorities that is subject to the receipt by the Russian Noteholders of their portion of the payments due under the Notes. There is no guarantee that LUKOIL will be able to obtain such license, and, thus, LUKOIL may be unable to make payments to holders of the Notes outside of Russia (the "**Foreign Noteholders**") as they fall due under the Notes. Also, even if LUKOIL obtains such license, the license would likely only permit LUKOIL to make payments through the international clearing systems in the amount owed to the Foreign Noteholders rather than the full amount outstanding under the relevant series of Notes, which may cause a potential event of default to occur under the Notes.

Furthermore, additional changes in Russian legislation may occur, which could further complicate or limit LUKOIL's ability to make payments under the Notes or prohibit LUKOIL from making such payments. There is also a risk that the international infrastructure required for servicing the Notes will be further impaired. For example, LUKOIL has recently received resignation notifications from the trustee and paying agent for each series of the Notes, and there is no guarantee that LUKOIL will be able to make substitute appointments.

At present, LUKOIL has sufficient cash available to purchase any and all outstanding Notes, during this period of uncertainty in a manner that is consistent with its ongoing financial policy objectives.

Therefore, this Offer provides an opportunity to the holders of the Notes to

enhance the liquidity of their Notes prior to maturity of such notes that may not otherwise be available to them.

### **Consideration**

The consideration to be offered for each U.S.\$1,000 principal amount of the Notes will be negotiated individually.

### **Contact Details**

Any holder of the Notes wishing to participate in the Offer is invited to contact i2 Capital Markets Ltd. or LUKOIL Securities Limited at the following addresses:

#### **i2 Capital Markets Ltd**

Email: [info@i2capmark.com](mailto:info@i2capmark.com)

Phone: +44 203 633 1212

Address: 128 City Road, London EC1V 2NX United Kingdom

Website: <https://i2capmark.com/event-details/57/Holder/lukoil-securities-limited>

#### **LUKOIL Securities Limited**

Email: [stanislovas.jarusevicius@lukinv.com](mailto:stanislovas.jarusevicius@lukinv.com)

Phone: +31-6-21-33-58-20

Address: Delfon & Achaion 10, 1st floor, 1101, Nicosia, Cyprus

**DISCLAIMER** This announcement contains important information that should be read carefully before any decision is made with respect to the Offer. If any holder of a series of Notes is in any doubt as to the action it should take, it is recommended that such holder seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial adviser. None of the Company, LUKOIL Securities Limited, or any director, officer, employee, agent or affiliate of any such person, is acting for any holder of a series of Notes, or will be responsible to any holder of the Notes for providing any protections that would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Company, LUKOIL Securities Limited or any director, officer, employee, agent or affiliate of any such person, makes any recommendation whatsoever regarding this announcement, the Offer, or any recommendation as to whether holder of the

Notes should sell their Notes for purchase pursuant to the Offer.

### **Offer and Distribution Restrictions**

This announcement does not constitute an offer to buy or a solicitation of an offer to sell any Notes in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such offer under applicable laws or regulations. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by each of the Company and LUKOIL Securities Limited to inform themselves about and to observe, any such restrictions.

### **United States**

This announcement is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of, or to holders or beneficial owners of the Notes who are located or resident in the United States, and the Notes may not be offered for sale pursuant to the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or persons (including agents, fiduciaries or other intermediaries) acting for the account or benefit of persons located or resident in the United States. Accordingly, copies of this announcement and any documents or materials related to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including without limitation by custodians, nominees or trustees) in or into the United States or to persons located or resident in the United States. Any purported offer to sell in response to this announcement resulting directly or indirectly from a violation of these restrictions will be invalid, and offers to sell, or purported offers to sell, made by a person located in the United States or any person (including any agent, fiduciary or other intermediary) acting for the account or benefit of persons located or resident in the United States will be invalid and will not be accepted.

Each holder of the Notes participating in the Offer will, among other things, represent that (i) it has not received or sent copies or originals of this announcement or any other documents or materials related to this announcement in, into or from the United States and has not otherwise utilized in connection with the announcement, directly or indirectly, the mails of, or any means or instrumentality (including without limitation facsimile transmission, telex, telephone, email or other form of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States; and (ii) it is not

located or resident in the United States and is not acting for the account or benefit of persons located or resident in the United States and is not participating in the Offer from the United States. For the purposes of this and the above paragraph, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.