PRESS RELEASE
MAY 16, 2019

LUKOIL BOARD OF DIRECTORS RESOLVES ON ANNUAL GENERAL SHAREHOLDERS MEETING AND RECOMMENDS TO REDUCE CHARTER CAPITAL

At today's meeting the Board of Directors of PJSC "LUKOIL" (hereinafter, the Company) resolved that the Annual General Shareholders Meeting (hereinafter, the AGM) will be held in Moscow on June 20, 2019.

The list of persons entitled to participate in the AGM will be determined as of May 27, 2019. The required information will be made available to the AGM participants on May 20, 2019 on the Company's websites at www.lukoil.ru and www.lukoil.com.

The AGM agenda comprises nine items including the item on reducing the charter capital of PJSC "LUKOIL" through acquisition of a portion of issued shares in order to reduce the total number thereof. The item has been submitted to the AGM for the purpose of cancellation of shares acquired by LUKOIL SECURITIES LIMITED (a 100% subsidiary of PJSC "LUKOIL") as part of the buyback program announced on August 30, 2018. Should the AGM Meeting resolve on the matter, LUKOIL SECURITIES LIMITED will submit its PJSC "LUKOIL" shares for sale.

The acquisition of the ordinary shares by the Company will be implemented via a public offer according to Clause 1, Article 72 of the Federal Law "On Joint-Stock Companies" at a price of RUB 5,450 per share. The number of shares to be acquired is 35,000,000 shares. Acquisition of such a number of shares and their cancellation will reduce the charter capital of PJSC "LUKOIL" to 715,000,000 ordinary shares. If more than 35,000,000 shares are submitted for sale, the acquisition of shares will be implemented on a pro rata basis.

The Board of Directors tentatively approved the 2018 Annual Report for its submission to the AGM, as well as the Report on Interested Party Transactions for 2018.

The progress on the implementation of the Strategic Development Program and the performance and Status Report on the functioning of the Company's risk management and internal control system were reviewed at the meeting.

Status Report on the execution of the 2018 Annual Audit and Consulting

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Engagements Plan for the Internal Audit Service of PJSC "LUKOIL" and or internal auditing was also reviewed; amendments to the terms and conditions of the Contract with the Registrar of PJSC "LUKOIL" were approved.

The Board of Directors members debriefed the Corporate Secretary's Performance Report for 2018/2019, approved the Report on the Performance of the Board of Directors for 2018/2019 and reviewed the performance assessment of the Board of Directors and its committees for 2018/2019.