PRESS RELEASE
APRIL 25, 2016

PJSC “LUKOIL” BOARD OF DIRECTORS RESOLVES ON ANNUAL GENERAL SHAREHOLDERS MEETING AND DIVIDENDS

Today, PJSC "LUKOIL" held a visiting session of the Board of Directors in Vienna, Austria. It was resolved that the Annual General Shareholders Meeting would be held in Perm on 23 June 2016. List of shareholders entitled to participate in the Meeting shall be compiled as of 10 May 2016.

The Board of Directors recommended that the Annual General Shareholders Meeting adopts a resolution to pay out dividends for 2015 in the amount of 112 rubles per each ordinary share. The total 2015 dividend per share, inclusive of the interim dividends already paid, will be 177 rubles.

It is proposed that the Annual General Shareholders Meeting sets 12 July 2016 as the record date for 2015 final dividend.

All materials which shall be provided to individuals, entitled to participate in the Annual General Shareholders Meeting of PJSC "LUKOIL", will be available at www.lukoil.ru and www.lukoil.com, from 20 May 2016.

The Board of Directors also resolved that a revised version of the Dividend Policy should be developed and approved based on the following principles:

- priority of dividends in the cash flow distribution;

- the amount of funds, allocated for payout of dividends, shall be no less than 25% of the PJSC "LUKOIL"'s consolidated net income under IFRS. For the purposes of calculation of dividends, IFRS-based consolidated net income may be adjusted by the amount of non-recurring losses and gains;

- intention of the Company to annually increase the amount of dividends per share by no less than the rate of ruble inflation in the reporting period, based on CPI published by Rosstat.

Upon proposal of Vagit Alekperov, President of PJSC "LUKOIL", the Board of Directors also approved an early termination of powers of Sergey Malyukov, member of the Management Committee and the respective size of the Management Committee, which now consists of 14 members. The reason for termination of

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powers of S.N. Malyukov was the prior resolution of the Board of Directors to appoint him Head of Internal Audit Service directly reporting to the Company's Board of Directors.