PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE FOURTH QUARTER AND TWELVE MONTHS OF 2020

In the fourth quarter of 2020 LUKOIL Group's average hydrocarbon production excluding the West Qurna-2 project was 2,065 kboe per day, which is 9.5% higher quarter-on-quarter. The growth was attributable to the dynamics of the external limitations on oil production due to the OPEC+ agreement, as well as recovery of gas production in Uzbekistan. In 2020 average hydrocarbon production was 2,064 kboe per day, which is 12.2% lower year-on-year. Production was reduced due to the OPEC+ agreement and a temporary decrease in gas supply from Uzbekistan to China, that were driven by a negative impact of the COVID-19 pandemic on hydrocarbon demand.

Hydrocarbon production, kboe per day

4Q 2020	3Q 2020		12M 2020	12M 2019
2,065	**1,885**	**Total (excluding the West Qurna-2 project)**	**2,064**	**2,350**

Oil production excluding the West Qurna-2 project was 18.8 million tonnes in the fourth quarter of 2020, which is 2.8% higher quarter-on-quarter. As a result, in 2020 oil production totaled 77.2 million tonnes, which is 10.1% lower year-on-year. Oil production dynamics was driven by the OPEC+ agreement concluded in April 2020, which led to limitations on oil production by the Group in Russia and at certain international projects. In particular, due to the agreement crude oil production by the Group in Russia was cut in May 2020 by approximately 310 thousand barrels per day, or by 19%, as compared to the level of the first quarter of 2020. By the end of 2020 production was gradually increased by approximately 100 thousand barrels per day as compared to the May level.

Oil production, thousand tonnes

4Q 2020	3Q 2020		12M 2020	12M 2019
18,755	**18,250**	**Total (excluding the West Qurna-2 project)**	**77,206**	**85,872**
17,801	17,416	Russia	73,459	82,068

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17,663	17,292	Subsidiaries	72,940	81,458
138	124	Share in affiliates	519	610
954	834	Outside of Russia	3,747	3,804
605	496	Subsidiaries	2,256	2,110
349	338	Share in affiliates	1,491	1,694
464	565	*Share in production of the West Qurna-2 project*	2,844	1,616
19,219	**18,815**	**Total**	**80,050**	**87,488**

Despite a sharp decrease in oil prices and external limitations on production volumes, development of the priority projects continued. In particular, in West Siberia total oil and gas condensate production in 2020 at the V. Vinogradov, Imilorskoye, Sredne-Nazymskoye and Pyakyakhinskoye fields increased by 20.4% year-on-year, to 4.2 million tonnes.

High viscosity oil production at the Yaregskoye field and Permian reservoir of the Usinskoye field in 2020 increased by 6.2% year-on-year, to 5.2 million tonnes.

Implementation of drilling programs at the V. Filanovsky and Yu. Korchagin fields in the Caspian Sea allowed to maintain production at project levels. Total oil and gas condensate production in 2020 totaled 7.4 million tonnes. The V.I. Grayfer field development continues: jackets have been installed in the Caspian Sea for the fixed ice-resistant platform and accommodation platform, topsides of both platforms are being built at the shipyards.

The share of the abovementioned projects in the LUKOIL Group's oil production excluding the West Qurna-2 project amounted to 22% in 2020 as compared to 18% in 2019.

Gas production, million cubic meters

4Q 2020	3Q 2020		12M 2020	12M 2019
8,225	**5,969**	**Total**	**29 005**	**35,046**
4,309	4,299	Russia	17,578	17,797
4,269	4,267	Subsidiaries	17,463	17,709
40	32	Share in affiliates	115	88
3,916	1,670	Outside of Russia	11,427	17,249

3,759	1,532	Subsidiaries	10,808	16,608
157	138	Share in affiliates	619	641

In the fourth quarter of 2020, gas production increased by 37.8% quarter-on-quarter, to 8.2 billion cubic meters. The growth was driven by recovery of gas production in Uzbekistan. As a result, in 2020 gas production was 29.0 billion cubic meters, which is 17.2% lower year-on-year. Production decline was due to temporary decline in demand from China for gas produced in Uzbekistan amid the COVID-19 pandemic.

Refinery throughput, thousand tonnes

4Q 2020	3Q 2020		12M 2020	12M 2019
13,145	**14,848**	**Total for LUKOIL Group refineries**	**58,608**	**68,746**
9,682	10,207	Russia	40,109	44,154
3,463	4,641	Outside of Russia	18,499	24,592
3,085	4,215	Oil processing	16,888	22,673
378	426	Refined products processing	1,611	1,919
28	41	Third party refineries abroad	146	4,460

In the fourth quarter of 2020 refinery throughput at LUKOIL Group's refineries was 13.1 million tonnes, which is 11.5% lower quarter-on-quarter. As a result, in 2020 refinery throughput was 58.6 million tonnes, which is 14.7% lower year-on-year. The decline was attributable to throughput optimization at some of the Company's refineries on the back of lower demand for petroleum products and decline in refining margins due to the COVID-19 pandemic, as well as to scheduled maintenance works.

Refinery throughput in Russia in the fourth quarter of 2020 decreased by 5.1% quarter-on-quarter to 9.7 million tonnes due to scheduled maintenance works at Volgograd and Nizhny Novgorod refineries. As a result, in 2020 refinery throughput in Russia was 40.1 million tonnes, which is 9.2% lower year-on-year due to scheduled maintenance works and throughput optimization at refineries.

Refinery throughput in Europe in the fourth quarter of 2020 decreased by 25.4% quarter-on-quarter to 3.5 million tonnes mainly due to scheduled maintenance works and throughput optimization at refineries in Italy and Bulgaria. As a result, in 2020 refinery throughput in Europe totaled 18.5 million tonnes, which is 24.8%

lower year-on-year due to scheduled maintenance works at refineries in Bulgaria, Italy and the Netherlands, as well as throughput optimization at European refineries.

Information:
LUKOIL will release its Audited Consolidated Financial Statements prepared in accordance with IFRS and MD&A for the fourth quarter and twelve months of 2020 on March 10, 2021.

The information in this press release is an estimate of the LUKOIL Group's results for the fourth quarter and twelve months of 2020 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 2020. 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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