PRESS RELEASE
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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2018

For the first nine months of 2018 LUKOIL Group's average hydrocarbon production excluding West Qurna-2 project was 2,301 thousand boe per day, which is 3.7% higher year-on-year. The increase was mainly driven by the development of gas projects in Uzbekistan.

In the third quarter of 2018 production increased by 1.7% quarter-on-quarter and averaged 2,327 thousand boe per day mainly driven by higher oil production in Russia.

Hydrocarbon production, thousand boe per day

3Q 2018	2Q 2018		9M 2018	9M 2017
2,327	**2,289**	**Total** (excluding West Qurna-2 project)	**2,301**	**2,218**

Oil production excluding West Qurna-2 project for the first nine months of 2018 was 63.8 million tonnes, including 21.7 million tonnes produced in the third quarter, which is 1.6% higher quarter-on-quarter in average daily terms. The Company has rapidly ramped up production in Russia since the change of external production limitations on July 1, 2018.

Oil production, thousand tonnes

3Q 2018	2Q 2018		9M 2018	9M 2017
21,717	**21,135**	**Total** (excluding West Qurna-2 project)	**63,778**	**64,115**
20,865	20,253	Russia	61,123	61,354
20,706	20,096	Subsidiaries	60,649	60,635
159	157	Share in affiliates	474	719
852	882	Outside of Russia	2,655	2,761
457	457	Subsidiaries	1,404	1,477
395	425	Share in affiliates	1,251	1,284

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469	318	*Compensation oil from West Qurna-2 project*	1,238	1,426
22,186	**21,453**	**Total**	**65,016**	**65,541**

Active development of the priority projects continued. In the third quarter of 2018 the fourth well was launched at the second development stage of the V. Filanovsky field. In the first nine months of 2018 oil production at the field increased by 40% year-on-year, to 4.4 million tonnes.

In the third quarter of 2018 oil production at the Yu. Korchagin field increased by 6% quarter-on-quarter as a result of the first production well launch at the field's second development stage in July 2018. The additional drilling at the field's first development stage also supported the production growth.

Further development of the Yaregskoe field and Permian reservoir of the Usinskoe field, including the launch of new steam-generating capacities, allowed to increase high viscosity oil production for the first nine months of 2018 by 29% year-on-year, to 3.1 million tonnes.

Oil and gas condensate production at the Pyakyakhinskoe field in West Siberia increased by 5% year-on-year, to 1.2 million tonnes.

The share of the abovementioned five projects in the LUKOIL Group's oil production excluding West Qurna-2 project amounted to 15% for the first nine months of 2018, 3 percentage points up year-on-year.

Gas production, million cubic meters

3Q 2018	2Q 2018		9M 2018	9M 2017
8,512	**8,127**	**Total**	**24,638**	**20,668**
4,447	4,456	Russia	13,399	13,595
4,423	4,431	Subsidiaries	13,327	13,524
24	25	Share in affiliates	72	71
4,065	3,671	Outside of Russia	11,239	7,073
3,919	3,493	Subsidiaries	10,755	6,472
146	178	Share in affiliates	484	601

For the first nine months of 2018 LUKOIL Group's gas production was 24.6 billion cubic meters, which is 19.2% higher year-on-year. In the third quarter of 2018 gas

production was 8.5 billion cubic meters, 3.6% up quarter-on-quarter in average daily terms.

The main driver of gas production growth was the successful development of projects in Uzbekistan. Due to the launch of new gas treatment facilities, the Group's share in production at Kandym and Gissar projects in the first nine months of 2018 increased to 9.6 billion cubic meters which is 84% higher year-on-year. Kandym gas processing complex has reached its design capacity of 8 billion cubic meters in September 2018.

Refinery throughput, thousand tonnes

3Q 2018	2Q 2018		9M 2018	9M 2017
17,467	**16,734**	**Total for LUKOIL Group refineries**	**50,314**	**49,946**
10,939	10,668	Russia	32,262	31,963
6,528	6,066	Outside of Russia	18,052	17,983
5,837	5,340	Oil processing	15,726	16,301
691	726	Refined products processing	2,326	1,682
1,622	1,631	Third party refineries abroad	4,913	4,744

For the first nine months of 2018 refinery throughput at LUKOIL Group's refineries increased by 0.7% year-on-year, to 50.3 million tonnes, mainly due to higher utilization rates at the refineries in Perm and Volgograd. Lower processing of oil and higher processing of refined products outside of Russia were mainly attributable to the feedstock optimization at the refineries in Italy and the Netherlands.

In the third quarter of 2018 the Group's refinery throughput was 17.5 million tonnes, 4.4% higher quarter-on-quarter, mainly due to the scheduled maintenance works at refineries in Nizhny Novgorod and Bulgaria in the second quarter of 2018.

Note:

LUKOIL will release its Interim Consolidated Financial Statements for the third quarter and the first nine months of 2018 prepared in accordance with IFRS and MD&A on November 28, 2018.

The information in this press release is an estimate of the LUKOIL Group's results for the third quarter and the first nine months of 2018 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 third quarter and the first nine months of 2018. 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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Information:
PJSC "LUKOIL" is one of the largest publicly traded, vertically integrated oil and gas companies in the world in terms of proved hydrocarbon reserves and production; and the second largest producer of crude oil in Russia. Established in 1991, the Company currently operates in more than 30 countries with core upstream assets located in Russia. The full production cycle includes oil and gas exploration, production and refining; production of petrochemicals and lubricants; power generation; marketing and distribution. The Company's shares are listed in Russia on Moscow Exchange under the ticker "LKOH" and depositary receipts are listed on the London Stock Exchange under the ticker "LKOD".