PRESS RELEASE
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LUKOIL PROVED RESERVES REPLACEMENT RATIO FOR LIQUIDS TOTALED 101% IN 2018

LUKOIL (hereinafter the Company) announces the results of the reserves assessment and independent audit as of December 31, 2018.

According to the SEC classification, the Company's proved hydrocarbon reserves totaled 15.9 billion barrels of oil equivalent, 76% of which stood for liquids. The proved reserves replacement ratio for liquids totaled 101%. In Russia, the main region of LUKOIL's operations, the replacement ratio reached 127%. The Company's proved hydrocarbon reserves life is 19 years.

As a result of geological exploration and production drilling conducted in 2018, LUKOIL added 576 million barrels of oil equivalent to proved reserves with the largest contribution from production drilling in West Siberia and Timan-Pechora.

A positive revision of the proved reserves in the aggregate of 297 million barrels of oil equivalent was driven by higher average oil price, optimization of development systems and wellwork programs at existing fields, conversion of contingent resources to reserves in particular as a result of final investment decision on the Rakushechnoye field in the Caspian Sea as well as introduction of the profit-based tax for a number of fields. The reserves dynamics were negatively affected by reserves revision for the international projects based on PSAs and service contracts due to average oil price growth and changes in the West Qurna-2 project development plan.

LUKOIL Group's Hydrocarbon Reserves

As of December 31, 2018	Liquids, million barrels	Gas, billion cubic feet	Hydrocarbons, million barrels of oil equivalent
Proved reserves, including:	12,082	23,093	15,931
Developed	7,939	10,976	9,768
Undeveloped	4,143	12,117	6,163
Probable reserves	4,855	9,414	6,424

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

Possible reserves	2,727	3,091	3,242

The independent audit of proved reserves was performed by Miller and Lents based on the commercial life-of-field approach.

The conversion ratio from cubic feet to barrels: 1 barrel = 6,000 cubic feet.

Information about company:
LUKOIL is one of the largest oil & gas vertical integrated companies in the world accounting for over 2% of crude production and circa 1% of proved hydrocarbon reserves globally. LUKOIL enjoys a full production cycle to control the entire value chain from upstream to downstream. LUKOIL employs over 110 thousand people who join their efforts and talents to secure the Company's market leadership.