PRESS RELEASE
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# LUKOIL ENTERS HYDROCARBON PRODUCTION PROJECT IN THE REPUBLIC OF CONGO

PJSC LUKOIL concludes an agreement with New Age M12 Holdings Limited tc acquire a 25% interest in the Marine XII license in the Republic of Congo for $800 mln in cash. The transaction is subject to customary conditions, including the approval by the government of the Republic of Congo.

The Marine XII license covering 571 sq. km is located on the continental shelf of the Republic of Congo 20 km from the shore with the sea depth of 20-90 meters. The license covers five discovered fields containing 1.3 billion barrels of oil equivalent of proved and probable (2P) reserves according to international independent auditor. Two fields, Nene and Litchendjili, launched in 2015, currently produce 28 thousand barrels of oil (mainly light and low-sulfur) and gas condensate per day, and 1.7 million cubic meters per day of marketable gas.

The Marine XII license is based on a production sharing contract. Eni is the project's operator with a 65% stake. The project also involves the state company Société Nationale des Pétroles du Congo with a 10% stake.

"Entering this project is in line with our M&A strategy. The project is characterized by explored reserves, substantial production growth potential, access to well-developed infrastructure and it also fits our technological expertise. On top of that, the project is already free cash flow positive. We are also pleased to expand our partnership with Eni that is well-experienced in international offshore projects and known for its successful footprint in the region", said Vagit Alekperov, President of PJSC LUKOIL.

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