PRESS RELEASE
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LUKOIL MAKING GOOD HEADWAY WITH PRIORITY PROJECTS IN THE CASPIAN SEA

LUKOIL is successfully evolving its priority projects in the north of the Caspian Sea. The company continues to construct facilities at Vladimir Filanovsky, Yury Korchagin and Rakushechnoye fields.

Thus, the company has commissioned the eighth and ninth production wells at V. Filanovsky field as part of Phase 2 of the project development. The former has the bottom hole as deep as 5,153 meters and a 3,439-meter long horizontal section. The bottom hole of the latter is 2,540 meters deep; its horizontal section is 629 meters long. Both wells are monobore wells with a daily initial flow rate exceeding 1,000 metric tons each. The field's production is maintained at the planned level of 6 million metric tons a year since 2018.

As part of Phase 2 of the construction plan for Yury Korchagin field, the company has completed the fourth well at the wellhead platform with a bottom hole 6,390 meters deep and a horizontal section 4,276 meters long. An intelligent completion system run down the hole of the well, allows real-time control of operation depending on actual conditions, which contributes to higher efficiency of the recovery of hydrocarbons. As a result of the drilling program implemented as part of Phase 2 of the Yury Korchagin development plan, production of oil went up 27% in the first quarter of 2019 as against the same period of the previous year.

As for Rakushechnoye field, the company performs construction and assembly works, develops technical documentation, procures equipment and materials, and performs hull works on the topsides and substructures of the fixed ice resistant platform and of the accommodation platform. Commercial production of oil at Rakushechnoye field is to begin in 2023. The planned annual production rate is estimated 1.2 million metric tons of oil.

Information:
LUKOIL has pioneered the development of the Russian sector of the Caspian Sea oil and gas reserves. This resulted in the discovery of ten fields with total initial recoverable reserves amounting to approximately seven billion barrels of oil equivalent.
LUKOIL's fields in the north of the Caspian Sea share a single infrastructure to treat and ship the yield. All the facilities, built at Russian shipyards, comply with

the zero-emission principle, which guarantees safety for the ecosystem, as all household and industrial wastes are transported to the shore to be recycled or utilized.