PRESS RELEASE
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LUKOIL AND GAZPROM NEFT CREATE JOINT VENTURE TO DEVELOP LARGE OIL AND GAS CLUSTER IN YAMAL-NENETS REGION

Today, in Saint Petersburg, PJSC LUKOIL and PJSC Gazprom Neft concluded an agreement on creating a joint venture to develop a major oil and gas cluster in the Nadym-Pur-Tazovsky area of the Yamal-Nenets Autonomous District. The document was signed by Vagit Alekperov, President of LUKOIL, and Alexander Dyukov, CEO of Gazprom Neft PJSC, in presence of Alexey Miller, Chairman of the Management Committee of Gazprom PJSC.

The joint venture will be based at *Meretoyakhaneftegaz LLC*, a Gazprom Neft subsidiary. The Tazovskoye oil and gas condensate field, which was put on-stream this June, will be at heart of the new production area. The venture is also to develop the Severo-Samburgskoye and Meretoyakhinskoye fields, as well as two Zapadno-Yubileiny license blocks. These areas currently undergo additional appraisal and pilot works, on which basis a development strategy for the cluster will be developed. Total reserves initially in place at this new cluster stand at over a billion tonnes of oil and about 500 bcm of gas. A considerable proportion of the reserves initially in place lie within the Achimov Formation and are categorised as hard-to-recover reserves.

Meretoyakhaneftegaz is the first asset to be managed by LUKOIL and Gazprom Neft on a parity (50:50) basis. Over the next few months, the parties plan to prepare detailed binding documents on establishing the joint venture, as well to secure all necessary corporate and regulatory approvals.

The companies will also look into further opportunities to expand their cooperation on several lucrative projects in their regions of operation in Russia.

"LUKOIL has always been putting a premium on homeland projects; we see great prospects for them. The Company is interested in increasing its investment both into upstream and downstream projects in our country. We are actively developing new fields in West Siberia, Timan-Pechora, the Caspian and Baltic Seas, as well as in other Russian regions. We also keep implementing selective deep conversion projects at our refineries in Russia. Gazprom and Gazprom Neft has been our strategic partners for many years. Together, we can combine the best Russian technologies to develop this new massive hydrocarbon cluster in the region we consider strategic – the Yamal-Nenets region. Its development will ensure

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additional hydrocarbons output, extra tax revenues to Russian budget, and have a multiplier effect for related industries," said Vagit Alekperov, President of LUKOIL PJSC.

"Inviting a partner to develop an asset in polar regions, which is important for Gazprom Group, falls in line with Gazprom Neft's strategy, aimed, among other things, at further growth in the Arctic and efficient introduction of complex geology fields. A collaborative development of solutions to the challenges posed by hard-to-recover reserves is an essential task for oil and gas companies. Its accomplishment will significantly increase the resource potential of the industry. This deal supports further evolution of our strategic partnership with LUKOIL," said Alexey Miller, Chairman of the Management Committee, Gazprom PJSC.

"Developing those fields covered by our joint venture with LUKOIL is a critical task – for our entire industry. This joint venture, bringing together our financial and technological resources, will see us working on developing hard-to-recover reserves, including producing oil from Achimovsky strata. This, in turn, will create new jobs – and extra tax revenues – at every level, as well as facilitating further technological development, for both our company and the entire wider ecosystem of contractors and equipment producers," noted Alexander Dyukov, CEO, Gazprom Neft PJSC.

Information:
Gazprom Neft's oil and gas production cluster in the Nadym-Pur-Tazovsky area includes the Tazovskoye, Meretoyakhinskoye and Severo-Samburgskoye fields, as well as two Zapadno-Yubileiny licence blocks. The Tazovskoye oil and gas condensate field was discovered in 1962. It is located 525 km away from the city of Salekhard. Its reserves are among the largest in West Siberia: 419 million tonnes of oil and 225 bcm of gas. Full-scale commercial operation at the field kept getting delayed because of its complex geology. The field's reserves occur in an oil-rim - a thin layer of oil between a "gas cap" and a water horizon. Their extraction demands drilling of high-tech wells, as complex as offshore ones. Commercial production at the field started in June 2021. Annual output is expected to peak at 1.7 million tonnes of oil and eight bcm of gas.
The Meretoyakhinskoye field is in early production. Major geological prospecting works have been undertaken, on which basis the geological model of this asset will be updated, a development and infrastructure-solutions programme will be devised.
Oil initially in place at the Severo-Samburgskoye field is estimated at 460 million tonnes. Exploration wells at the field have been re-tested, high quality 3D-seismic

undertaken, and two horizontal wells (involving multi-stage fracking) drilled. Plans for further geological prospecting investigations are now being updated in line with the information gathered, as is the asset's development strategy.
The Zapadno-Yubileiny blocks are part of the Nerutinskaya exploratory zone in the Nadymsky municipality of the Yamal-Nenets Autonomous District. Extended geological and geophysical downhole surveys are undertaken there. Geological prospecting works are expected to be complete by 2024-2026, on which basis the business case for this project will be updated.
The Achimov Formation refers to strata located in the lower part of Cretaceous sediments. Achimov reservoirs occur throughout practically the entire West-Siberian Basin, over an area covering more than 900 thousand square kilometres. The thickest formations have been identified in the Nadymsky and Purovsky municipalities of the Yamal-Nenets Autonomous District. Achimov strata have a complex geological structure, requiring the use of sophisticated technologies in development. Specialists estimate total reserves at the Achimov Formation to be around 60 billion tonnes of oil.