PRESS RELEASE
SEPTEMBER 05, 2022

PJSC LUKOIL IMPORTANT NOTICE TO NOTEHOLDERS

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

THIS DOCUMENT IS FOR DISTRIBUTION ONLY (A) TO QUALIFIED INSTITUTIONAL BUYERS ("QIBS") (AS DEFINED IN RULE 144A UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) AND (B) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS. IF HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD IMMEDIATELY CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS.

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUIRED TO EXPEDITE TRANSMISSION HEREOF TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER. IF HOLDERS OR BENEFICIAL OWNERS OF THE NOTES ARE IN ANY DOUBT AS TO THE MATTERS REFERRED TO IN THIS NOTICE, THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should immediately forward this notice to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

1. **the Trust Deed dated 24 April 2013 (the "2023 Trust Deed"), governing the U.S.$1,500,000,000 4.563 per cent. Notes due 2023 (the "2023 Notes") between Lukoil International Finance B.V. (the "2023 and 2026 Issuer"), LUKOIL and Citicorp Trustee Company Limited (the "Original**

Trustee");

2. **the Trust Deed dated 2 November 2016 (the "2026 Trust Deed"), governing the U.S.$1,000,000,000 4.750 per cent. Notes due 2026 (the "2026 Notes") between the 2023 and 2026 Issuer, LUKOIL and the Original Trustee;**

3. **the Trust Deed dated 26 October 2021 (the "2027 Trust Deed"), governing the U.S.$1,150,000,000 2.80 per cent. Notes due 2027 (the "2027 Notes") between Lukoil Capital DAC (the "2027 and 2031 Issuer"), LUKOIL and the Original Trustee;**

4. **the Trust Deed dated 6 May 2020 (the "2030 Trust Deed"), governing the U.S.$1,500,000,000 3.875 per cent. Notes due 2030 (the "2030 Notes") between Lukoil Securities B.V. (the "2030 Issuer" and together with 2023 and 2026 Issuer and the 2027 and 2031 Issuer, the "Issuer"), LUKOIL and the Original Trustee; and**

5. **the Trust Deed dated 26 October 2021 (the "2031 Trust Deed" and, collectively with 2023 Trust Deed, 2026 Trust Deed, 2027 Trust Deed, 2030 Trust Deed and 2031 Trust Deed, the "Trust Deeds"), governing the U.S.$1,150,000,000 3.60 per cent. Notes due 2031 (the "2031 Notes", and, collectively with 2023 Notes, 2026 Notes, 2027 Notes and 2030 Notes, the "Notes") between the 2027 and 2031 Issuer, LUKOIL and the Original Trustee**

LUKOIL is soliciting consents of the Noteholders to the proposals set out herein (the "**Proposals**") to be approved by extraordinary resolutions of the Noteholders (the "**Extraordinary Resolutions**", and each – the "**Extraordinary Resolution**") adopted pursuant to to Condition 13 (a) (*Meetings of Noteholders*) of Part C of Schedule 2 (*Terms and Conditions of the Notes*) and the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) of the Trust Deeds.

Terms defined in the Trust Deeds or the Consent Solicitation Memorandum dated 5 September 2022 (the "**Memorandum**") shall have the same meaning herein unless the context requires otherwise.

The following table sets forth details of the Notes:

Title of Security	Common code / CUSIP	ISIN

U.S.$1,500,000,000 4.563 per cent. Notes due 2023 guaranteed by LUKOIL (the "**2023 Notes**")	091950456 (Reg S Common code) 549876 AH3 (CUSIP)	XS0919504562 (Reg S) US549876AH32 (Rule 144A)
U.S.$1,000,000,000 4.750 per cent. Notes due 2026 guaranteed by LUKOIL (the "**2026 Notes**")	151404588 (Reg S Common code) 549876 AL4 (CUSIP)	XS1514045886 (Reg S) US549876AL44 (Rule 144A)
U.S.$1,150,000,000 2.80 per cent. Notes due 2027 guaranteed by LUKOIL (the "**2027 Notes**")	240157144 (Reg S Common code) 240155141 (Rule 144A Common code) 549875 AA0 (CUSIP)	XS2401571448 (Reg S) US549875AA06 (Rule 144A)
U.S.$1,500,000,000 3.875 per cent. Notes due 2030 guaranteed by LUKOIL (the "**2030 Notes**")	215987400 (Reg S Common code) 215989844 (Rule 144A Common code) 54988L AB2 (CUSIP)	XS2159874002 (Reg S) US54988LAB27 (Rule 144A)
U.S.$1,150,000,000 3.60 per cent. Notes due 2031 guaranteed by LUKOIL (the "**2031 Notes**")	240157152 (Reg S Common code) 240155290 (Rule 144A Common code) 549875 AB8 (CUSIP)	XS2401571521 (Reg S) US549875AB88 (Rule 144A)

1. Background

Following the events of the recent months, the United States, the United Kingdom, the European Union and certain other countries have introduced a number of sanctions and restrictive measures against Russia, Russian companies and individuals. In response to this, the Russian Federation has announced certain counter-measures aimed, among other things, at stabilising the Russian FX market and limiting the outflow of capital from Russia.

The above-mentioned restrictions resulted in a significant disruption of the payment and settlement infrastructure with respect to the notes issued by Russian companies and had a material adverse effect on the ability of the Issuers to effect payments under the Notes. In addition, on 19 July 2022, the Trustee has notified the Issuers of its intention to resign from its position in connection with all series of the Notes.

2. Proposals sought by LUKOIL

*2.1. Removal of the Original Trustee and the appointment of the New Trustee (the "**Retirement and Appointment**")*

The Trustee informed the Issuers on 19 July 2022 of its intention to resign as the trustee in connection with all series of the Notes. Therefore, in order to ensure that there remains a trustee in place in respect of all series of the Notes, LUKOIL intends, if the Extraordinary Resolutions are passed, for the Citicorp Trustee Company Limited to retire from the position of the trustee by way of a notice of resignation to be delivered to the Original Trustee by the Issuers and i2 Capital Trust Corporation Ltd to be appointed as successor trustee by the respective Issuer in respect of each series of the Notes.

*2.2. Introduction of the alternative payment mechanics (the "**Alternative Payment Mechanics**") option*

With regard to each series of Notes, if the respective Amendments Extraordinary Resolutions are duly passed, the relevant Issuer or LUKOIL shall make any payment of principal, interest or other amounts that become due and payable under the Notes (or procure that such payment is made) through the Principal Paying Agent as envisaged by the original Trust Deeds, Loan Agreements and Paying Agency Agreements, save in respect of some of the Notes and/or some of the Noteholders where LUKOIL, in each case upon having received the consent of the concerned Noteholders or beneficial owners or as otherwise permitted or required by all applicable laws, be entitled (in each case as determined at its sole and absolute discretion) to identify certain Notes in respect of which the payment of principal, interest or other amounts under the relevant Notes ("**Direct Payment Notes**") can be made:

- directly or through the relevant Clearing Systems or other financial intermediaries to certain Noteholders or beneficial owners, and against presentation of such documents, applications, confirmations and/or other evidence as may be requested by or on behalf of the Issuer or LUKOIL, in each case in the currency, as may be selected by LUKOIL at its sole discretion (the "**Alternative Currency**"), based on the prevailing exchange rate in the jurisdiction of the payor (the "**Direct Payment Option**"); or

- through nominal accounts, escrow accounts or such other accounts opened in the name or to the benefit of some or all of the Noteholders or beneficial owners, provided that the relevant payments shall be made in the Alternative Currency by application of the concerned Noteholders or beneficial owners to the respective Issuer or LUKOIL and against presentation of such documents, confirmations and/or other evidence as may be requested by or on behalf of the respective Issuer or LUKOIL (the "**Alternative Payment Option**").

In the context of the Direct Payment Option or Alternative Payment Option, the payment obligations of the relevant Issuer towards the relevant Noteholders to

make such payment in accordance with the Conditions of the relevant Notes (including, but not limited to, Condition 8 (*Payments*) thereof), the relevant Trust Deed (including, but not limited to, Clause 2.2 (*Covenant to Pay*) thereof) and the relevant Agency Agreement (including, but not limited to, Clause 5.1 (*Payment to the Principal Paying Agent*) thereof) shall be deemed duly, timely and punctually discharged, notwithstanding that the payment was made in the Alternative Currency and whether made directly, through the relevant Clearing Systems or other financial intermediaries or through nominal accounts, escrow accounts or other accounts (and not via the Principal Paying Agent).
Any payment in respect of the Notes made in accordance with the Direct Payment Option or the Alternative Payment Option shall be renounced immediately upon notification in writing sent by the respective Issuer or LUKOIL (as applicable), acting reasonably and in good faith, to the Principal Paying Agent and/or the Clearing Systems specifying the details of such Notes and the place of their safekeeping, and any such payment shall no longer be deemed to be due on such Notes and Noteholders holding such Notes shall have no further claim in respect of such payments. The Principal Paying Agent and/or the Clearing Systems will bear no liability for having relied upon or acted in accordance with such notification sent by the respective Issuer or LUKOIL.

2.3. Simplified procedure of the Notes' cancellation ("**Notes Cancellation Amendments**" and, together with the Alternative Payment Mechanics, the "**Amendments**")

Additionally, LUKOIL is seeking to amend certain operative provisions of the Trust Deeds and the Conditions of the Notes to enable simplified cancellation of the Notes that may be purchased by the Group, which has become limited by the imposed restrictions.
Given that the Conditions already state that the Notes purchased by the Issuers, LUKOIL or any of their respective subsidiaries shall be cancelled, LUKOIL considers that the proposed amendments relating to deemed cancellation do not affect the rights and interests of Noteholders. In particular, to enable cancellation of the Notes, LUKOIL is proposing that all Notes that have been purchased and/or otherwise held by or on behalf of the Issuers, LUKOIL or any member of the Group shall be cancelled or, alternatively, shall be designated by the respective Issuer or LUKOIL as deemed cancelled forthwith upon their purchase by any member of the Group (the "**Designated Notes**"), and that no interest shall accrue on, and no principal amount shall be payable in respect of, the Designated Notes, from (and including) the date when the respective Issuer or LUKOIL notifies the Principal Paying Agent and the Registrar of the Designated Notes having been submitted or surrendered for cancellation (regardless of whether or not such Designated Notes are in fact cancelled) (the "**Designation Date**"), and such Notes

shall not be deemed to be outstanding for purposes of the Trust Deeds and the Notes. Accordingly, neither the Issuers nor LUKOIL will be liable to pay any amounts on any Designated Notes from (and including) any Designation Date.

2.4 Waivers

LUKOIL is also seeking the following waivers from the Noteholders:

(a) waiver of any actual or potential breaches of the Trust Deeds and Conditions of the Notes and any deficiencies that might formally occur as a result of the Extraordinary Resolutions being adopted on the basis of the procedures set out in the Memorandum and related instructions to the New Trustee to waive the same and treat the Extraordinary Resolutions as valid ones despite any such breaches or deficiencies having occurred;

(b) waiver of any claim that the Noteholders may have against the Original Trustee, the Principal Paying Agent, the Registrar and the New Trustee arising as a result of any loss or damage which they may suffer or incur as a result of any of them acting upon the Extraordinary Resolutions and further confirmation that the Noteholders will not seek to hold any of them liable for any such loss or damage;

(c) waiver of any actual or potential breaches that might formally occur as a result of the Issuer or LUKOIL making or procuring any payments in accordance with one of the Alternative Payment Mechanics options to the extent such Alternative Payment Mechanics options are not formalised by way of executing the Amendment Documents;

(d) to the extent payments are duly made in accordance with one of the Alternative Payment Mechanics options, waiver of any and all rights to receive or claim the respective amounts in accordance with the original Conditions and undertaking to provide such written confirmations or other evidence to the same effect, including that the respective payment obligations under the Notes have been properly discharged in full, as may be requested by LUKOIL, the Issuer, the Principal Paying Agent, the Registrar, Clearing Systems or the nominee of and the common depositary for the Clearing Systems; and

(e) waiver of any and all rights with respect to any default or breach that could arise as a result of the Issuer's and/or LUKOIL's actions pursuant to the Condition 7(f) (as amended), resulting from third party's omission, or action.

This notice does not contain a full description of the Proposals and should be read in conjunction with the forms of Extraordinary Resolutions contained in the Memorandum.

3. Execution requirements and effectiveness condition

With regards to each series of the Notes, the Proposals include (i) retirement of the Original Trustee and appointment of the New Trustee, i2 Capital Trust Corporation Ltd, as a successor trustee under the Trust Deeds and (ii) the Amendments and waiver of certain terms of the Notes (the "**Proposals**"), which are contained in two separate Extraordinary Resolutions, and the Amendments Extraordinary Resolution is conditional on the passing of the Resignation and Appointment Extraordinary Resolution. It is a term of the Consent Solicitation that the Voting Instructions are irrevocable and may not be withdrawn, except in certain limited circumstances where LUKOIL determines withdrawal rights are required by law.

In accordance with paragraph 1.3 of Schedule 3 (*Provisions for Meeting of Noteholders*) to the Trust Deed and the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) of the Trust Deeds, to be passed in relation to the Notes, the Extraordinary Resolutions must be passed at the Meetings duly convened and held in accordance with the provisions of Schedule 3 (*Provisions for Meetings of Noteholders*) of the Trust Deeds by a majority of not less than 75 per cent. of the votes cast. The quorum required at each Meeting shall be: (a) with respect to the Retirement and Appointment Extraordinary Resolution, two or more Noteholders representing or holding a clear majority in principal amount of the outstanding respective series of the Notes; and (b) with respect to the Amendments Extraordinary Resolution, two or more Noteholders representing or holding not less than 75 per cent. of the principal amount of the outstanding respective series of the Notes. If any Meeting is adjourned through want of quorum, the quorum required at such adjourned Meeting shall be: (a) with respect to the Retirement and Appointment Extraordinary Resolution, two or more Noteholders representing or holding whatever proportion of the respective series of the Notes; and (b) with respect to the Amendments Extraordinary Resolution, two or more Noteholders representing or holding not less than 25 per cent. of the principal amount of the outstanding respective series of the Notes.

LUKOIL reserves the right, in its sole and absolute discretion, to waive any defects, irregularities or delays in connection with deliveries of Voting Instructions

To validly participate, a Noteholder should deliver, or arrange to have delivered on its behalf, a valid Voting Instruction voting in favour of, or against, the Proposals to the Information and Tabulation Agent by no later than 26 September 2022 (6:00 p.m. (London time)) (the "**Voting Deadline**"). Only Noteholders who hold the Notes as of 19 September 2022 (the "**Record Date**") may submit a Voting Instruction. The Voting Instructions submitted by the Noteholders shall remain in full force in case of the Meeting's adjournment and be taken into account at

determining the voting results at an adjourned Meeting.

Copies of the Memorandum can be obtained via application to the Information and Tabulation Agent at lukoilconsent@i2capmark.com / via Consent Solicitation Website at https://i2capmark.com/event-details/78/Holder/lukoil-consent. A person requesting a copy of the Memorandum shall make a representation that it is a Noteholder or is acting in the interests of a Noteholder. Questions and requests for assistance in connection with the delivery of the Memorandum may be directed to the Information and Tabulation Agent at lukoilconsent@i2capmark.com. Questions and requests for assistance in connection with the Memorandum and the Proposals may also be directed to LUKOIL at ir@lukoil.com.

Announcements in connection with the Extraordinary Resolutions will be disclosed by LUKOIL on the website of the London Stock Exchange (https://www.lseg.com/areas-expertise/market-information/regulatory-news-service) and/or otherwise be made publicly available.

LUKOIL may, subject to applicable laws and the provisions of the Trust Deed, at its option and in its sole and absolute discretion, at any time:

(a) extend the Voting Deadline or re-open the Consent Solicitation (in which case all references in this Memorandum to "Voting Deadline" shall be to the latest time and date to which the Voting Deadline has been so extended or the Consent Solicitation re-opened);

(b) otherwise extend, re-open and/or amend the Consent Solicitation in any respect (including, but not limited to, any increase, decrease, extension, re-opening and/or amendment, in relation to the Voting Deadline and/or the Meetings); or

(c) terminate the Consent Solicitation, including with respect to the Voting Instructions delivered before the

time of such termination.

LUKOIL will make an announcement in respect of any such extension, re-opening, amendment and/or termination as soon as is reasonably practicable after the relevant decision is made.

4. Disclaimers

The distribution of this notice and the Memorandum to which it relates in certain jurisdictions may be restricted by law. Persons into whose possession this notice and the Memorandum to which it relates come are required by the

Issuers, LUKOIL, the Original Trustee, the New Trustee and the Information and Tabulation Agent to inform themselves about, and to observe, any such restrictions.

This notice must be read in conjunction with the Memorandum. This notice and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Memorandum. If any Noteholder is in any doubt as to the action it should take or is unsure of the impact of the adoption of the Extraordinary Resolutions, it is recommended to seek its own financial advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to deliver the Voting Instructions with respect to the Extraordinary Resolutions.

None of the Issuers, LUKOIL, the Original Trustee, the New Trustee and the Information and Tabulation Agent or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Proposals and/or the Memorandum, and accordingly none of the Issuers, LUKOIL, the Original Trustee, the New Trustee and the Information and Tabulation Agent or their respective directors, officers, employees, affiliates, advisers or agents makes any recommendation as to whether Noteholders should deliver the Voting instructions with respect to the Extraordinary Resolutions, or refrain from taking any action, and none of them has authorised any person to make such recommendation. For the avoidance of doubt, the Original Trustee has not reviewed or approved, nor will it be reviewing or approving, any documents relating to the Amendments.

This notice is for informational purposes only. The Extraordinary Resolutions are sought only in such jurisdictions as is permitted under applicable law.

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.