LUKOIL

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LUKOIL REPORTS PRELIMINARY OPERATING DATA FOR THE SECOND QUARTER AND SIX MONTHS OF 2019

For the six months of 2019 LUKOIL Group's average hydrocarbon production excluding the West Qurna-2 project was 2,352 thousand boe per day, which is 2.8% higher year-on-year. The increase was mainly driven by the development of gas projects in Uzbekistan, as well as oil production growth in Russia due to change in terms of the external limitations of Russian companies' production volumes.

Hydrocarbon production, thousand boe per day

2Q 2019	1Q 2019		6M 2019	6M 2018
2,324	**2,379**	**Total (excluding the West Qurna-2 project)**	**2,352**	**2,287**

Oil production excluding the West Qurna-2 project for the six months of 2019 totaled 42.6 million tonnes, which is 1.3% higher year-on-year. In the second quarter of 2019 oil production appeared 0.6% lower quarter-on-quarter in average daily terms, which was attributable to the external limitations of Russian companies' production volumes.

Oil production, thousand tonnes

2Q 2019	1Q 2019		6M 2019	6M 2018
21,353	**21,245**	**Total (excluding the West Qurna-2 project)**	**42,598**	**42,061**
20,459	20,328	Russia	40,787	40,258
20,304	20,177	Subsidiaries	40,481	39,943
155	151	Share in affiliates	306	315
894	917	Outside of Russia	1,811	1,803
476	484	Subsidiaries	960	947
418	433	Share in affiliates	851	856
410	*365*	*Compensation oil from the West Qurna-2 project*	*775*	*769*

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21,763	**21,610**	**Total**	**43,373**	**42,830**

Active development of the priority projects was on track. In particular, for the six months of 2019 oil production at the V. Filanovsky field increased by 12% year-on-year. In the second quarter of 2019, the eighth and ninth wells, both producing, were commissioned at the second production platform of the field.

For the six months of 2019 oil production at the Yu. Korchagin field ramped up by 30% year-on-year owing to drilling program within the field's second development stage.

The development of the Yaregskoye field and Permian reservoir of the Usinskoye field, including the launch of new steam-generating facilities, led to increase of high viscosity oil production for the six months of 2019 by 18% year-on-year, to 2.4 million tonnes.

The development of growth projects in West Siberia also continued. The aggregate oil and gas condensate production at the V. Vinogradov, Imilorskoye and Pyakyakhinskoye fields for the six months of 2019 increased by 15% year-on-year.

The share of the abovementioned projects in the LUKOIL Group's oil production excluding the West Qurna-2 project amounted to 18% for the six months of 2019 compared to the 16% for the six months of 2018.

Gas production, million cubic meters

2Q 2019	1Q 2019		6M 2019	6M 2018
8,376	**8,976**	**Total**	**17,352**	**16,126**
4,449	4,407	Russia	8,856	8,952
4,426	4,386	Subsidiaries	8,812	8,904
23	21	Share in affiliates	44	48
3,927	4,569	Outside of Russia	8,496	7,174
3,766	4,406	Subsidiaries	8,172	6,836
161	163	Share in affiliates	324	338

For the six months of 2019, LUKOIL Group's gas production was 17.4 billion cubic meters, which is 8% higher year-on-year. The main driver of gas production growth was the development of projects in Uzbekistan.

As a result of the launch of the second stage of the Kandym gas processing plant in April, 2018, production in Uzbekistan for the six months of 2019 increased to 7.0 billion cubic meters (LUKOIL's share) which is 18% higher year-on-year.

A quarter-on-quarter decrease in gas production in the second quarter of 2019 is explained by seasonality factor, as well as by projects in Uzbekistan, in particular, by a scheduled maintenance works at Kandym gas processing complex and limitations in gas intake from Gissar project by Shurtan gas chemical complex (JSC "Uzbekneftegas") due to technical reasons.

Refinery throughput, thousand tonnes

2Q 2019	1Q 2019		6M 2019	6M 2018
16,823	**16,668**	**Total for LUKOIL Group refineries**	**33,491**	**32,847**
10,749	10,967	Russia	21,716	21,323
6,074	5,701	Outside of Russia	11,775	11,524
5,554	5,224	Oil processing	10,778	9,889
520	477	Refined products processing	997	1,635
1,643	1,588	Third party refineries abroad	3,231	3,291

For the six months of 2019, refinery throughput at LUKOIL Group's refineries was 33.5 million tonnes, which is 2.0% higher year-on-year. In the second quarter of 2019 refinery throughput was virtually flat quarter-on-quarter in average daily terms.

Refinery throughput in Russia for the six months of 2019 increased to 21.7 million tonnes, which is 1.8% higher year-on-year. The increase was mainly due to higher utilization rate of the Nizhny Novgorod refinery. A quarter-on-quarter decrease in refinery throughput in the second quarter of 2019 was due to scheduled maintenance works at the Perm refinery.

Refinery throughput in Europe for the six months of 2019 increased to 11.8 million tonnes, which is 2.2% higher year-on-year. The growth was driven by the maintenance works at the refinery in Bulgaria in the first quarter of 2018. A quarter-on-quarter increase in refinery throughput in the second quarter of 2019 was driven by feedstock supply disruptions through the port of Novorossiysk in the first quarter due to weather conditions.

Note:

LUKOIL will release its Condensed Interim Consolidated Financial Statements prepared in accordance with IFRS and MD&A for the second quarter and six months of 2019 on August 28, 2019.

The information in this press release is an estimate of the LUKOIL Group's results for the second quarter and six months of 2019 and therefore constitutes forward-looking statements. This information is preliminary and based on information available at the date of this document, and may be revised after statistical, financial, tax and accounting statements become available. The information on the LUKOIL Group's operational results in this press release are subject to many external factors which may cause the actual results to differ materially from those expressed or forecasted in this press release for the second quarter and six months of 2019. The LUKOIL Group assumes no obligation to update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise, except to the extent required by applicable law.

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Information:
PJSC "LUKOIL" is one of the largest publicly traded, vertically integrated oil and gas companies in the world in terms of proved hydrocarbon reserves and production; and the second largest producer of crude oil in Russia. Established in 1991, the Company currently operates in more than 30 countries with core upstream assets located in Russia. The full production cycle includes oil and gas exploration, production and refining; production of petrochemicals and lubricants; power generation; marketing and distribution. The Company's shares are listed in Russia on Moscow Exchange under the ticker "LKOH" and depositary receipts are listed on the London Stock Exchange under the ticker "LKOD".