

## Lukoil increased production by 2.8% yoy in 1H2019

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Altynay Ibraimova — August 13, 2019

Yesterday, Lukoil published preliminary production results for 1H2019. During the reporting period, the average daily hydrocarbon production increased by 2.8% yoy and amounted to 2.4mn bopd. Progress on projects in Uzbekistan continues to have a positive impact on production dynamics.

The Group's oil production increased by 1.3% to 42.6mn tons. At the Filanovsky field oil production grew by 12% yoy. At the Korchagin field oil production grew by 30% yoy. The development of the Yaregskoye field and permocarbon deposits of the Usinskoye field allowed increasing the production of high-viscosity oil by 18% yoy. The development of growth projects in Western Siberia contributed to a 15% yoy increase in production at major fields.

Gas production in 1H2019 amounted to 17.4bn cubic meters, which is 8% higher yoy due to an increase in gas production in Uzbekistan by 18% yoy.

In the reporting period, the volume of oil refining amounted to 33.5mn tons exceeding 1H2018 by 2%. Refining volume in Russia grew by 1.8% yoy to 21.7mn tons. Refining volume in Europe increased by 2.2% to 11.8mn tons.

The financial results will be published on August 28.

### **Our view**

By positively evaluating progress on growth projects, we express confidence that Lukoil will be able to achieve our forecasts for increased production by the end of the year. We mark the company as one of the most stable and less sensitive to the correction of oil prices financially and maintain our "Buy" recommendation for Lukoil shares.

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