PRESS RELEASE
JUNE 25, 2014

LUKOIL DEVELOPS GAS PROCESSING AND ITS OWN POWER ENGINEERING

Vagit Alekperov, OAO LUKOIL President, attended a ceremony in Perm today dedicated to the commissioning of a booster compressor station (BCS) at the gas-processing plant (GPP) of LUKOIL-Permneftegazpererabotka. The BCS will be used to transport the dry stripped gas to the power park now under construction at the LUKOIL-Permnefteorgsintez refinery.

In addition, the BCS will provide the technical opportunity to transport the products of LUKOIL-Permneftegazpererabotka to Gazprom's gas-transportation system. The BCS includes three compressor units, each with the capacity of 600 million cubic meters per year.

On the same day, Mr. Alekperov also attended a ceremony dedicated to the commissioning of the power park's first start-up complex to supply electric and thermal power to the LUKOIL-Permnefteorgsintez refinery.

The electric capacity of the first start-up complex is 100 megawatt. The cumulative electric capacity of the power park, which will consist of two start-up complexes, is 200 megawatt, while its thermal capacity is 435 gigacalories per hour.

Commissioning of the first start-up complex, as part of the power park, is scheduled for Q3 of 2014, while the second start-up complex is to be commissioned by the end of the year.

The power park will work on the dry stripped gas produced by the LUKOIL-Permneftegazpererabotka GPP. The rated gas consumption of the power park will be 560 million cubic meters per year.

The power park will fully satisfy the demand of the LUKOIL-Permnefteorgsintez refinery for electric and thermal power and will supply electric power to the LUKOIL-Permneftegazpererabotka GPP. In addition, the reliability of power supply will be considerably enhanced.

The power park design is based on cutting-edge gas-turbine technologies utilizing the heat of the exhaust gases in waste-heat boilers. The combined method used to generate both electric and thermal power helps the company achieve high levels of

fuel efficiency.

In the near future, as the new facilities are commissioned at LUKOIL-Permneftegazpererabotka and the second start-up complex is commissioned as part of the power park, the utilization level of the associated petroleum gas from the LUKOIL-Perm fields will reach 95%.