PRESS RELEASE
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# OOO LUKOIL-VOLGOGRADNEFTEPEPERABOTKA LAUNCHED A NEW UNIT

OOO LUKOIL-Volgogradneftepererabotka (the Volgograd refinery) launched the first stage of the diesel fuel hydrofining unit in Volgograd today. The ceremony was attended by Nikalai Maksyuta, Governor of the Volgograd region, and Vagit Alekperov, President of LUKOIL.

This unit was built as part of a complex program of the Volgograd refinery upgrade throughout 2010. The first stage of the unit with annual capacity of 1.4 million tons is designated for production of diesel fuel with a lower content of sulfur. After this unit becomes fully operational, production of diesel fuel with sulfur content of 0.5% will be completely closed down. Transition to production of diesel fuel with lower content of sulfur will allow to reduce significantly atmospheric emission of sulfides in exhaust fumes.

The construction of the unit was launched in 1997. The unit has been designed and constructed on the basis of Russian technologies using highly efficient imported catalytic agents. The equipment for the unit construction was supplied by Russian companies, Volgogradchimmash, the Volgograd Shipyards, Dzerzhinskneftechimmash, Uralchimmash, Volgodonsk.

The first stage of the Volgograd refinery upgrade (till 2005) includes commissioning of 7 new processing units which would allow to renew the range and ameliorate the quality of products and improve significantly environmental safety.

At the second stage (till 2010) it is planned to construct a redistillation complex, gasoline isomerization unit, and the second stage of diesel fuel hydrofining.

The implementation of the refinery upgrade program will enable to increase refining depth to 95%, expand production of high-quality products in accordance with European standards and improve environmental safety in the region.

"Commissioning of the unit indicates the beginning of a new stage in enhancement of oil refining technology at the Volgograd refinery and implementation of environmental policy," said LUKOIL president Vagit Alekperov.

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