PRESS RELEASE
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LUKOIL COMMISSIONS VISBREAKING UNIT AT UKHTA REFINERY

Vagit Alekperov, OAO LUKOIL President, attended an official ceremony in Ukhta today devoted to commissioning a tar visbreaking unit at OAO LUKOIL-Ukhtaneftepererabotka.

Expected capacity of the unit is 800 thousand tons of stock per year.

During the visbreaking, tar, i.e. residue of oil vacuum distillation, undergoes thermal treatment resulting in gasoline and commercial fuel oil.

Implementation of this technology at Ukhta refinery will help increase vacuum gasoil production by 77% through reduction of fuel oil production. Total crude processing depth at the refinery will grow by 5 percentage points.

In 2006, Ukhta refinery processed 3.56 million tons of oil, produced 308 thousand tons of automobile gasolines, over 940 thousand tons of diesel fuel, 850 thousand tons of residual oil. Oil processing depth at the refinery amounted to 76%, light petroleum products production came to 39.3%.

The commissioning of the visbreaking unit will improve the production environmental safety.

‘Commissioning the visbreaking unit at Ukhta refinery is an important stage of upgrading one of the oldest refineries of LUKOIL and of the industry as a whole. Notwithstanding the fact that it was constructed 73 years ago, the refinery is dynamically developing and very soon will become one of the most advanced refineries in the Company’s Downstream Segment’, Vagit Alekperov said.

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