PRESS RELEASE
DECEMBER 16, 2011

FIRE OUTBREAK AT STAVROLEN CONTAINED, NO HEALTH THREAT TO POPULATION POSED

In connection with the fire outbreak which took place at the Stavrolen petrochemical complex, a wholly-owned OAO LUKOIL subsidiary, at 2:15 pm local time on December 15, 2011 the Press Service of the Company announces that the fire outbreak was contained within two hours.

At present, in line with the EMERCOM recommendation, the residual product leaking from the production equipment of workshop No. 2 (pyrolysis gas separation and benzene production) of the ethylene production unit is being burned off.

The Press Service would like to emphasize that Budennovsk residents need not worry about their health.

The fire outbreak did not cause the exceedence of the maximum permissible concentrations (MPC) of harmful substances. This fact is confirmed by the data provided by the stationary atmospheric air control station located at a 400-meter distance from the border of the sanitary protection zone of the petrochemical complex in the immediate vicinity of the residential area. The atmospheric air monitoring is conducted based on 13 criteria.

In addition, specialists of the complex conduct continuous monitoring by means of an ultraviolet open path gas detector which simultaneously estimates the concentration of 38 major pollutants in the air within an accuracy of parts per billion. The air samples are taken automatically along the perimeter of the complex.

According to the data provided by the stationary control station located in the center of Budennovsk, no cases of harmful substances exceeding the MPC have been registered in the city.

According to the latest information, eight people were injured due to the incident. Medical assistance was provided to five of them at the medical unit of the complex. Three were taken to the hospital. One of them is in moderately grave condition which poses no threat to life. The doctors say two of the patients should be able to leave the hospital by the end of the day.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

The Company hopes that the fire outbreak will soon be brought fully under control. Then an ad hoc committee under the auspices of the state supervisory authorities will investigate the cause of the incident. The Company will do its best to recommission the ethylene production unit as soon as possible.

The Company will utilize mass media to inform the Budennovsk population of the response measures taken and the environmental conditions.