PRESS RELEASE
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# LUKOIL RESUMES PRODUCTION AT KARPATNEFTEKHIM

Karpatneftekhim, part of LUKOIL Group, resumed operations in Kalush (Ukraine) today. The event was marked by the presence of LUKOIL President Vagit Alekperov and Nikolai Azarov, Prime Minister of Ukraine.

As previously reported, the manufacture of the core products (ethylene and polyethylene, vinyl chloride, caustic soda, chlorine, and suspended polyvinyl chloride, or PVC) was suspended in September of 2012 due to unfavorable conditions in the petrochemical market.

In April of 2013, Ukraine' s Cabinet of Ministers and LUKOIL signed a Memorandum of Coordination of Actions to bring the plant to a cost-effective production level.

A large-scale upgrade of the chemical processing equipment took place at Karpatneftekhim in 2008-2011.

Currently, the enterprise is capable of manufacturing 300,000 tons of PVC, 200,000 tons of caustic soda, approximately 180,000 tons of chlorine, 250,000 tons of ethylene and 100,000 tons of polyethylene annually.

Last year saw the commissioning of a shop to fabricate 20,000 tons of PVC profiles annually from suspended polyvinylchloride resins.

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