PRESS RELEASE
MARCH 03, 2014

# FIRE AT STAVROLEN FULLY PUT OUT

The OAO LUKOIL Press Service would like to announce that by 4:32 p.m. on March 1, 2014, the fire that occurred on February 26, 2014 at the Stavrolen Petrochemical Enterprise (Budennovsk, Stavropol Krai) was fully put out. The outbreak took place in ethylene-manufacturing workshop No. 2 (separation of pyrolysis gas and production of benzene) of the gas separation section of the petrochemical facility. Modern technologies help neutralize fire outbreaks of this kind on a step-by-step basis over the course of several days.

As a result of the incident, hydrocarbons, which are decomposed into water and carbon dioxide during combustion, had caught fire. Carbon dioxide is neither a toxic nor an explosive substance. The fire did not cause any oil spills, land contamination or exceedance of the maximum permissible concentrations of harmful substances. No threat was posed to the environment or health of the employees or the Budennovsk population. The atmospheric air-monitoring data indicate that the environmental conditions at the enterprise and in Budennovsk are at normal levels. The monitoring is conducted by laboratories of the Federal Service for Supervision of Consumer Rights Protection and Human Welfare (Rospotrebnadzor) and of the Federal Service for Supervision of Natural Resource Usage (Rosprirodnadzor). Additionally, the situation is also monitored round the clock by the company's department of industrial safety and environment protection, with samples taken every 20 minutes.

The Stavrolen has suspended all production. The commission investigating the fire outbreak is headed by a representative of Rostekhnadzor (Russian Technical Supervisory Authority). The nature and scope of the damage are being determined. The period required to resume production will be determined as soon as the commission completes its work. The company is preparing for repairs.

As previously reported, 18 persons were injured as a result of the incident. As of today, 5 of them have returned to work, 3 more are being treated at Moscow's medical institutions, while another 4 are in the Budennovsk hospital. Six of the injured are rehabilitating at home. All the injured or aggrieved persons are out of danger. Each one of them will get compensation in the amount of RUR 50 thousand. In addition, Stavrolen is going to submit respective documents to the insurance company OAO Kapital Strakhovaniye to settle the issue of additional

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

compensation payments under the Voluntary Occupational Injury Insurance Agreement.