PRESS RELEASE
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LUKOIL OBTAINS LONG-TERM FINANCING FOR SECOND STAGE OF SHAH DENIZ PROJECT IN AZERBAIJAN

Under the second stage of the Production Sharing Agreement of the Shah Deniz Project in Azerbaijan, LUKOIL Overseas Shah Deniz Ltd. (a fully-owned PJSC LUKOIL subsidiary) has signed in Baku a 12 year credit-facility agreement with a consortium of banks to borrow USD 1 billion.

Of that amount, USD 560 million will be provided for 12 years jointly by the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB) and the Black Sea Trade and Development Bank (BSTDB). The remaining amount, USD 440 million, will be provided for a period of 10 years by a commercial banking syndicate comprising of the ING Bank N.V., the Bank of China, UniCredit AG and Societe Generale via B Loan programs of the EBRD and ADB.

Stage 2 of Shah Deniz started in December 2013. The total amount of investments provided by the operating consortium (BP, 28.83%; TPAO, 19%; Petronas, 15.5%; SOCAR, 10%; LUKOIL, 10%; NICO, 10%; and SGC, 6.67%) will be approximately USD 28 billion, excluding the construction of the export pipeline systems. The annual total Shah Deniz Stage 1 and Stage 2 production will peak at 25 billion cubic meters of natural gas.

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