PRESS RELEASE
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LUKOIL LAUNCHED SODIUM CYANIDE PRODUCTION PROJECT AT OOO SARATOVORGSINTEZ

Today in Saratov sodium cyanide production project was launched at OOO Saratovorgsintez which is part of the LUKOIL-Neftekhim Group (OAO LUKOIL petrochemical holding).

At present OOO Saratovorgsintez has to burn around 10 thous. tons of hydrocyanic acid which is the raw material for sodium cyanide production. The total volume of investments of the LUKOIL-Neftekhim Group for this project will amount to 817 mln. rubles. Hydrocyanic acid processing is based on a DuPont technology which ensures 100% waste neutralization during production of hydrocyanic acid and acrylonitrile. The technology was selected by the LUKOIL-Neftekhim Group experts due to its reliability and safety; it was extensively applied abroad, is used on standard equipment and ensures waste utilization during continuous production of hydrocyanic acid and acrylonitrile.

Sodium cyanide is applied in gold mining to separate noble metals from ore rock. Over 90% of gold is produced using sodium cyanide. At present, the demand of the Russian minerals industry, which is estimated at 20 thous. tons per year is mostly satisfied by imports. Sodium cyanide mass share in OOO Saratovorgsintez finished product is no less than 98% which fully complies with global standards and will enable LUKOIL to establish supply to CIS markets. The sodium cyanide production device is expected to be commissioned in 2007. The volume of produced sodium cyanide is estimated at 15 thous. tons per year. Glatt GmbH, a German company, has agreed to provide engineering and equipment supply.

Around 100 additional work places will be created as a result of project implementation at OOO Saratovorgsintez.

‘The sodium cyanide production project is absolutely unique in Russia, it will allow OAO LUKOIL to almost entirely quit importing the product and that will definitely benefit the environment’, said Vagit Alekperov, President of OAO LUKOIL.

All companies of the LUKOIL-Neftekhim Group are expected to have completed their unified corporate management system certification in compliance with international ISO 14001 Environmental Management Standard requirements.

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