PRESS RELEASE
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LUKOIL DEVELOPS TRANSPORTATION ACCESS ROUTES TO LUKOIL-II DISTRIBUTION AND TRANSFER TERMINAL

Vagit Alekperov, OAO LUKOIL President, and Vladimir Yakunin, President of OAO Russian Railways, signed an agreement on developing railway transportation infrastructure around LUKOIL-II distribution and transfer terminal on Vysotsky island (Leningrad region).

In accordance with the agreement OAO Russian Railways will electrify Pikhtovaya-Vysotsk haul and perform other procedures which would allow to increase the volume of oil and petroleum product transportation to the terminal to up to 9 mln tons per year.

LUKOIL's volume of investments in the project will amount to 141.5 mln rubles.

In 2005 after 1.5 km long crossover tracks around Vyborg had been put into operation and after Pikhtovaya station construction had been completed, train-handling capacity to LUKOIL-II terminal increased to up to 7 mln tons per year. LUKOIL's investment in the construction of these sites amounted to 300 mln rubles. Implementation of the project also allowed to improve the environmental situation in Vyborg since railway carriages with oil and petroleum products quit passing through the town.

Currently, OAO LUKOIL and OAO Russian Railways expert groups are working together on further development of railway infrastructure around LUKOIL-II terminal aiming to increase the volume of oil and petroleum product transportation to up to 12 mln tons per year.

Development of transport infrastructure around LUKOIL-II distribution and transfer terminal is one of the key profitability factors of the terminal, given its unique technical specifications and advantageous geographic position.

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