PRESS RELEASE
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LUKOIL COMPLETES CONSTRUCTION OF TERMINAL IN VYSOTSK

An official ceremony was held today in Leningrad Region to mark completed construction of the LUKOIL-II distribution and transshipment complex on Vysotsky Island. The designed annual capacity of the terminal is 11.6 mln tons.

The first stage of the terminal was commissioned in June, 2004, the second stage – in April, 2005.

The total capacity of the terminal's tank farm including the third stage is 460 thous. cub. m. Investments in the distribution and transshipment complex have totaled 684 mln USD.

In 2005, 6.9 mln tons of crude oil and petroleum products were shipped through the Vysotsk terminal. The plan for 2006 envisages transshipment of about 9 mln. tons of petroleum products.

Further development of the near-terminal railroad infrastructure and construction of a new pipeline branching off the Kstovo-Primorsk main oil-products pipeline will raise the terminal's annual transshipment volumes to 13.5 mln tons of petroleum products and will expand the selection of petroleum products.

The construction of the terminal was performed jointly with the leading American engineering company – Fluor Corporation. The private American investment fund – HBK Fund – provided a loan for construction of the terminal. The loan was secured by OPIC (Overseas Private Investment Corporation) – a national American agency for private investments insurance and the Credit Suisse First Boston Bank. This is the first project with 100% Russian private equity financed by OPIC.

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