PRESS RELEASE
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LUKOIL UPGRADES ENVIRONMENTAL COMPLEX AT PERM REFINERY

Vagit Alekperov, President of OAO LUKOIL, and Grigory Rapota, Plenipotentiary of the RF President in the Volga Federal District, participated in the festive ceremony held in Perm today to honor the 50th anniversary of OOO "LUKOIL-Permnefteorgsintez".

As part of the ceremony held at the refinery, newly constructed and renovated facilities of the environmental complex, which incorporates facilities for mechanical, chemical and biochemical treatment, mechanical and sorption filters, ultraviolet disinfection units and a surplus sludge dehydration unit, were presented.

The complex is designed for deep purificaiton of the industrial sewage generated by "LUKOIL-Permnefteorgsintez" and dozens of other plants and enterprises which form the Osentsovsk industrial hub located in Perm. The complex capacity is 68 thousand cu.m. of purified industrial sewage per day.

Cutting-edge technologies and equipment allow to remove hydrocarbons, nitrogen- and phosphorus-containing pollutants, thus making the quality of the purified industrial sewage compliant with fishery requirements. Application of filters with coal sorbents prevents discharge of over 40 tons of petroleum products per annum into surface water bodies. Application of the ultraviolet disinfection method instead of classic chemical treating methods to purify the sewage from pathogenic microorganisms is a characteristic feature of the complex. Application of new technologies for industrial sewage purification also allows to cut river water consumption of the enterprise by 10 %.

Since 2006, over RUR 500 million has been invested into construction of new facilities and reconstruction of the existing ones at OOO "LUKOIL-Permnefteorgsintez" environmental complex.

OOO "LUKOIL-Permnefteorgsintez" is a refinery specializing in fuel, oils and petrochemistry. The enterprise joined LUKOIL Group in 1991. The refinery processes a blend of oils produced by the fields located in the north of Perm region and Western Siberia. The oil is delivered to the plant via oil pipe lines Surgut-Polotsk and Kholmogory-Klin. The end products are shipped by railway, automobile and river transport and via oil products pipeline Perm-Andreevka-Ufa. The refinery capacity is 12.4 million tons/per annum. The Nelson complexity index

is 8.0. In 2007 11.94 million tons of oil was processed by the refinery.

The period from 1993 to 1998 witnessed reconstruction of a coker, construction of a fuel-oil vacuum distillation unit and initiation of lubricant production. In 1999 a hydrogen desulfide recycling and sulfuric acid producing unit was commissioned. In 2004 a deeper conversion complex for hydrotreating and hydrocracking of vacuum distillate blend and derived components was commissioned. In 2005 a vacuum block of AVT-4 unit was reconstructed. An additives feed block for diesel fuel at the hydrodearomitization unit was commissioned, thus making the produced diesel fuel compliant with the European standard EN-590. 2006 witnessed elaboration of a reconstruction program up to 2016, which envisages construction of a catalytic cracking complex. 2007 witnessed commissioning of an isomerization unit, which allowed to cut the share of imported high-octane additives and enhance the output of Euro-3 and Euro-4 compliant gasolines. The diesel fuel with the sulfur content of 50 and 10 ppm (Euro-4 and Euro-5) has been produced since 2004. The refinery also produces mineral, semisynthetic and synthetic oils. The enterprise was certified in terms of its quality management systems compliance with the standard ISO 9001:2000.