PRESS RELEASE
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LUKOIL INCREASES ITS ENERGY EFFICIENCY

Heads of the Power Generation business segment of LUKOIL Group convened recently in Krasnodar.

At the meeting, the executives noted that the primary objective of the LUKOIL investment program in Power Generation was to enhance the efficiency of enterprises in this business segment, particularly, in generation of electric and thermal power.

According to the investment program, one of the key factors in improving energy efficiency is to increase the share of modern combined-cycle plants (CCP) in the cumulative rated capacity of generating companies up to 24% by 2019, which is expected to reach 4.7 gigawatt as compared with the current 3.9 gigawatt. Reaching that goal would cut consumption of the reference fuel per unit of generated power by over 20% (down to 280 grams per 1 kilowatt hour).

At present LUKOIL implements CCP construction projects at some of its energy facilities. For instance, commissioning of the CCP-110 unit at the Astrakhan hydraulic power station of OOO LUKOIL-Astrakhanenergo is scheduled for the fourth quarter of 2010, and commissioning of the CCP-410 unit at the Krasnodar thermal power plant of OOO LUKOIL-Kubanenergo is expected in the third quarter of 2011.

In 2009 LUKOIL investments in the Power Generation business segment came to RUR 6.24 billion, and in 2010 they are expected to exceed RUR 20.16 billion.

LUKOIL also continues to implement energy saving measures in the Power Generation business segment which allowed it to save in 2009 100.7 million kilowatt hours of electric power, 57 thousand tons of reference fuel and the equivalent of RUR 288.2 million.

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