PRESS RELEASE
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LUKOIL PLANS TO RESUME ETHYLENE PRODUCTION AS SOON AS POSSIBLE

LUKOIL is conducting energetic repair and maintenance operations to cure the effects of the fire outbreak which took place in mid-December of 2011 at the ethylene production unit of the Stavrolen petrochemical complex.

It was expected that the ethylene production unit could resume its operations by April 1, 2012 at the latest, provided that the required equipment was manufactured and delivered in due time.

However, in view of the fact that part of the damaged equipment can be manufactured only abroad due to its unique nature and technical complexity, the repair and maintenance operations schedule has been extended.

The imported equipment is expected to be delivered in July of 2012. The equipment manufactured within Russia will be delivered to the complex from April to May of 2012. It is expected to take about two weeks to install, test and start the long-lead equipment.

Meanwhile, on March 11, 2012, the complex resumed polypropylene production at the polypropylene unit which processes the propylene manufactured by the Karpatneftekhim (LUKOIL subsidiary) and a number of other Russian companies.

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