PRESS RELEASE
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LUKOIL SELECTS CONTRACTORS TO CONSTRUCT GAS PIPELINE FOR CASPIAN GAS TRANSPORTATION

LUKOIL has announced a bidding procedure for contractors to build the export transportation facilities that will transport gas from the Northern Caspian fields along the route "Onshore exit point (Artesian) - OOO Stavrolen".

The capacity of this 711-mm gas pipeline is expected to reach 8 billion cubic meters per year. The total length of the pipeline will be 263.3 km. The gas pipeline is scheduled to be commissioned in May 2015.

To ensure the efficient operation of the gas pipeline, the company has also planned to construct power transmission lines to be laid along the road route, 22 transformer substations, 24 control points, telecommunication lines and other infrastructure facilities. The gas pipeline will be equipped with a leak detection system and an electrochemical protection system, as well as with technical security devices.

The gas pipeline will be used to transport the associated petroleum gas (APG) from LUKOIL's North Caspian fields to be converted into polyethylene and polypropylene at the gas processing plant (GPP), part of the gas chemical complex that is being constructed by the Company at the Stavrolen industrial site. In addition, the marketable gas from the gas chemical complex will be transported to the Gazprom transportation system.

The first stage of the GPP, with a capacity of 2 billion cubic meters per year, is scheduled to be commissioned in 2015.

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