PRESS RELEASE
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LUKOIL DEVELOPS NEW ROUTES TO DELIVER PETROLEUM PRODUCTS

The inhabitants of the town of Navashino in Nizhny Novgorod oblast witnessed the launching of a ship today. The RST54 "Balt Flot 1" lead ship is designed for the transportation by river of petroleum products from OOO LUKOIL-Nizhegorodnefteorgsintez to the RPK-Vysotsk LUKOIL-II terminal in Leningrad oblast.

The ship, designed by the Marine Engineering Bureau, is one of 10 vessels of the first batch to be built under the contract between OAO LUKOIL and the customer, OOO BF Tanker (St. Petersburg). The construction of the remaining nine ships is to be completed by October of 2015. The first one, Balt Flot 1, will be put into operation in September of 2014.

"We regard navigation as an additional way to transport our petroleum products. It will help the company considerably cut its transportation costs," Vladimir Nekrasov, First Vice President of OAO LUKOIL, said. "We also hope that our orders will promote the development of Russia's shipbuilding industry, thus creating new jobs and enhancing tax proceeds to the budget."

"This project is a unique one, since apart from safe and efficient petroleum-product transportation it will ensure the back loading of general cargo, including off-gauge industrial equipment up to 4,500 tons in weight, which is especially important for the cargo owner," Sergey Chaplygin, General Director of BF Tanker, said.

For reference:

The RST54 project, an unrivalled combination of a platform-vessel and a tanker, has a deadweight of 5,589 tons and a 3.6-meter draft in fresh water. It is designed for transportation of light and heavy petroleum products, as well as dry cargo, including containers of different types (148 TEUS), equipment and off-gauge cargo. The capacity of the cargo tanks is 5,653 cubic meters. The vessel dimensions perfectly fit within the possible actual itinerary conditions of Russia's Unified Deepwater System. The RST54 vessel meets the requirements of the Volga-Don Shipping Canal and the Volga-Baltic Waterway. The ship is 140.85 meters long, 16.6 meters wide and 6 meters deep.

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