PRESS RELEASE
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LUKOIL TO ENSURE CLOSED-CYCLE WATER CONSUMPTION AT YAREGA FIELD IN THE KOMI REPUBLIC

LUKOIL commenced construction of a water treatment facility with a capacity of 4.3 thousand cubic meters an hour at Yarega field in the Komi Republic. When commissioned, the facility, for which advanced equipment of Russian manufacturers will be used, will treat waste waters, arriving from various sources. Treated waters will be used to generate steam, required for the production of high-viscosity oil.

Closed-cycle water consumption is intended to minimize environmental footprint and increase efficiency of the field development. The completion of the facility is slated for the autumn of 2017.

Active development, launch of a water treatment facility with a capacity of 700 cubic meters an hour and commissioning of steam generators of Phase 1 (Center) and 2 (Lyael), producing 100 and 200 tonnes of steam an hour respectively, provided a 23% oil production increase in 2016.

Information:
Yarega oil field, brought into production in 1939, is located in the southern part of Timan-Pechora province, 20 km away from the city of Ukhta, the Komi Republic. The largest high-viscosity oil field in the asset portfolio of LUKOIL Group, Yarega field consists of Yarega, Lyael and Vezhavozh areas. Thermal recovery methods (thermal mining and steam-assisted gravitation) are used to extract oil at the first two areas. As of late 2016, proven reserves equal 347 million barrels of oil. LUKOIL is the first company in the world to apply steam assisted gravity drainage on a 1 km long well shaft at Lyael area.

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