LUKOIL

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LUKOIL COMMISSIONS GAS PROCESSING COMPLEX IN UZBEKISTAN AHEAD OF SCHEDULE

Today LUKOIL has commissioned a Gas Processing Complex at the Kandym fields cluster in Uzbekistan. The official opening ceremony was attended by the President of the Republic of Uzbekistan Shavkat Mirziyoyev, Minister of Energy of the Russian Federation Aleksander Novak, Ambassador Extraordinary and Plenipotentiary of the Russian Federation to the Republic of Uzbekistan Vladimir Tyurdenyov, Ambassador Extraordinary and Plenipotentiary of the Republic of Korea to the Republic of Uzbekistan Kwon Yong Woo and the President of PJSC "LUKOIL" Vagit Alekperov.

The construction of the Kandym Gas Processing Complex was completed exactly two years since its start and eight months ahead of the schedule set by the President of Uzbekistan. Around ten thousand people were involved in the construction, while over two thousand permanent working places are created with the launch of the Complex. In total, around three thousand people are employed by LUKOIL in Uzbekistan with over 90% of them being citizens of the Republic.

The new Gas Processing Complex with the annual capacity of eight billion cubic meters of gas is designed to convert gas from the Kandym fields cluster to marketable gas, stable gas condensate, and marketable sulfur. There are 77 wells drilled and a gas gathering facility established at the Kandym field cluster. The commissioning of the Complex will allow to launch the pre-drilled wells at the field and achieve the projects' plateau production level within a short timeframe.

"In Uzbekistan we highly appreciate and value strategic partnership and alliance type of the relationships with Russia built on trust, mutual support and benefit, and consideration of common interests. The agreements reached at our high-level meetings gave momentum and opened new possibilities for future action-oriented cooperation between our countries. Russia has been traditionally our largest trade and investment partner. Our key strategic long-standing and life-tested partner is LUKOIL, one of the leaders in the global energy sector", President Mirziyoyev said.

Russia's Minister of Energy Aleksander Novak read out the President of the Russian Federation Vladimir Putin's welcome message to the participants of the Kandym Gas Processing Complex opening ceremony.

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"The delivery of this sophisticated, technologically-intensive project was possible due to the coherent productive work of specialists from Russia and Uzbekistan, expert managerial decisions of LUKOIL's executives and its partners from neighbourly Uzbekistan. Built with the use of the advanced technological solutions and factoring in the most up-to-date health, safety and environmental protection requirements, the new Gas Processing Complex will become one of the largest in Central Asia", President Putin said in his welcome message.

Prime Minister of the Russian Federation Dmitry Medvedev sent his congratulations with the launch of Kandym Gas Processing Complex.

"The launch of the Kandym GPC is another evidence of the ample opportunities for Russia-Uzbekistan partnership in the energy sector. I would like to highlight the substantial contribution of Russian investor – LUKOIL in the development of humanitarian projects in the Kashkadarya and Bukhara regions. These projects addressing children, among others, are of important significance for the relationships between our countries in the future", Dmitry Medvedev said in his welcome message.

In his speech, President of PJSC "LUKOIL" Vagit Alekperov thanked the Republic of Uzbekistan's leadership for the rendered support:

"The Kandym Gas Processing Complex is a unique project where the most challenging technical ideas and the world's cutting-edge technologies were applied. The project was completed in the shortest possible timeframe and on budget. I am grateful to the leaders of Uzbekistan for their trust in our Company, which we were pleased to meet once again".

Information:
The Kandym Gas Processing Complex was constructed under the Production Sharing Agreement concluded with the Republic of Uzbekistan regarding the Kandym group of fields, Khauzak-Shady and Kungrad areas.

The Kandym field project envisaged construction of a gas gathering system, a gas treatment plant, an office building, repair areas, other industrial facilities and a self-contained living quarters for 1,150 people, approximately 500 kilometers of process and in-field pipelines, 281 kilometers of motor roads, water lines, 272 kilometers of overhead electric lines and a 50-kilometer local railroad.