PRESS RELEASE
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LUKOIL IS COMMISSIONING THE FIRST PHASE OF LUBRICANT PRODUCTION AND PACKAGING UNIT AT LUKOIL-PERMNEFTEORGSINTEZ REFINERY

Today in Perm at OOO LUKOIL-Permnefteorgsintez an automated terminal, which is the first phase of lubricant production, packaging, storage and shipment unit was commissioned.

The automated terminal is a unique facility which has been constructed in Russia for the first time. It includes a storage facility for 3 ths tn of packed lubricants, equipped with a digital product flow record-keeping system, ramps for simultaneous product loading to motor and railway carriages (the storage system provides for loading 12 railway and 30 motor carriages of packed products per day), an administrative unit, a change room and a transformer station. External and internal finish of the terminal as well as instrumentation and automated control systems, ventilation, electric power supply and fire protection components comply with the latest international standards and safety regulations and are in no way hazardous to the environment.

Keen demand for LUKOIL high efficient motor lubricants resulted in constructing the unit, which implies motor lubricant production growth. At present 50 ths tn of lubricants are packed in small packages (1-,4-,5-liter fuel cans) at the refinery. Meanwhile, the plan is to double lubricant production capacities before 2015. The second phase of the unit which includes installation of blowing machines for polymer container production and automatic lines for lubricant packaging, tank farm and pumping station installations is to be commissioned in 2007.

Implementation of the project will not only improve performance of LUKOIL lubricant business by making it the leader of the Russian lubricant market, but will also meet the ever growing demand of Russian automobile owners by fully providing them with a wide range of high quality lubricants. Moreover, combining the processes of packaging, packing, storage and shipment in a single production unit will ensure best consumer protection and prevent counterfeit products appearing under the LUKOIL brand.

OOO LLK-International (100% subsidiary of OAO LUKOIL) which is in charge of LUKOIL lubricant business is customer of facility construction.

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