

PRESS RELEASE
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LUKOIL COMMISSIONS A SMALL-SCALE HYDROPOWER PLANT IN THE KRASNODAR REGION

LUKOIL renovated and commissioned a small-scale hydropower plant (HPP) with installed capacity of 1.5 MW on the Beshenka River in the Krasnodar region. The plant was constructed in 2004 as a part of the hydropower complex of the Krasnopolyanskaya HPP. The reconstruction project entailed renovation of the hydropower unit and a complete replacing of the operational dispatching management system, which will allow for the unmanned operation of the HPP in the future.

The modernization of the small-scale HPP made it possible to use the hydropower potential of the Krasnopolyanskaya HPP's complex to a greater extent. The HPP will deliver power to the retail market and provide electricity for the consumers located at the *Krasnaya Polyana* mountaintop resort and in the city of Sochi.

The renovation of the small-scale HPP is yet another project aimed at increasing the share of renewables in LUKOIL's energy balance.

Information:

LUKOIL operates a large portfolio of generation facilities running on renewable energy sources. In 2019, renewable generation accounted for 6% of LUKOIL commercial electricity production. This results in a reduction of greenhouse gases emissions by more than 500 thousand tonnes of CO2 equivalent annually.

LUKOIL's main renewable assets include four hydropower plants in Russia (total capacity – 291 MW), the Land Power wind farm in Romania (84 MW), and solar power plants in Russia (in the Volgograd region), Romania and Bulgaria (with aggregate capacity exceeding 20 MW). The first stage of the Volgograd SPP with installed capacity of 10 MW was commissioned in 2018. In 2020, LUKOIL started construction of its second stage with installed capacity of 20 MW. The Company also embarked on a project of constructing a new 2.35 MW SPP in the Krasnodar region.