PRESS RELEASE
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LUKOIL IS AWARDED ECO-QUALITY CERTIFICATE

LUKOIL has been awarded an Eco-Friendly Certificate by the All-Russian Society for Environmental Protection, which confirms compliance of its gas-processing unit (GPU-1) with a capacity of 2.2 billion cubic meters per year, under construction at the production site of the Stavrolen petrochemical enterprise in Budennovsk, with the environmental safety standards outlined in the RF environmental legislation.

The GPU-1 is expected to enhance the economic efficiency of the enterprise through utilization of associated petroleum gas (APG), which will be recovered at LUKOIL's fields in the Northern Caspian Sea. The commissioning of the facility is scheduled for the fourth quarter of 2015.

The natural gas liquids (NGL) from the GPU-1 will be transported to the ethylene production unit, while ethane and dry gas will be supplied to the OAO Gazprom gas-transportation system.

The GPU-1 commissioning, accompanied by the upgrade of other facilities owned by the enterprise, will reduce the amount of the pollutant emissions by roughly 300 tons per year. The APG, which will be transported to the GPU-1 from LUKOIL's Caspian fields, is free of hydrogen sulfide compounds and, consequently, will cause no negative environmental impact in the region.

Apart from the GPU-1, the Caspian APG will be transported to the 135-megawatt CCGT (combined cycle gas turbine) unit for thermal- and electric-power generation, which is also under construction at the Stavrolen production site to enhance the APG utilization ratio and satisfy the balance-of-plant needs of the enterprise and those of other production and social facilities of Stavropol Krai. The commissioning of this facility is scheduled for the third quarter of 2014.

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