PRESS RELEASE
DECEMBER 31, 2013

LUKOIL TAKES FULL CONTROL OF ISAB REFINERY

LUKOIL has finalized a transaction to purchase the remaining 20-percent share in the joint venture running the ISAB refinery, located in the vicinity of Priolo (Sicily), from the Italian ERG. Thus the company became the sole owner of the refinery.

The value of the transaction totaled EUR 400 million, net of the working capital adjustment.

The agreement to establish the joint venture to run the ISAB complex was signed in 2008. At that time, LUKOIL owned 49% and ERG 51%. Among other things, the agreement provided for the Italian company's option to sell its share to LUKOIL on a stage-by-stage basis.

In 2011, LUKOIL raised its stake in the joint venture to 60% and in 2012, to 80%.

The ISAB complex includes two refineries connected by a pipeline system and integrated into a single engineering complex with a total capacity of 16 million tons a year, a tank battery with a capacity of 3,700 thousand cubic meters and 3 marine terminals.

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