

PRESS RELEASE
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LUKOIL APPLIES NEW TECHNOLOGIES FOR CONSTRUCTION AND
UPGRADE OF PIPELINES

Epoxy, silicate and enamel coatings, reinforced polymeric and fiberglass materials will be applied on over 65% of LUKOIL's modernized and new pipelines at potentially hazardous areas in 2017 to enhance corrosion resistance of pipes. Their service life will be extended by means of corrosion inhibitors and cathodic protection.

Modernization of pipelines, based on innovative technologies, is especially intensive in the Republic of Komi, Western Siberia, the Perm Territory, the Volgograd and the Samara Regions. The company will allocate 16 billion rubles for these purposes in 2017, appropriating 45 billion rubles for environmental protection in total.

The new technologies help enhance the reliability and safety of hydrocarbon transportation and extend the service life of LUKOIL's pipeline network, contributing to the mitigation of environmental risks and oil loss.