PRESS RELEASE
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# LUKOIL INCREASED ASSOCIATED GAS CONVERSION CAPACITIES IN WESTERN SIBERIA

Today Vagit Alekperov, OAO LUKOIL President, attended an official ceremony devoted to commissioning the Lokosovskiy gas processing unit production facilities after an upgrading process.

As a result of the upgrading, producing capacity of the unit increased from 1 to 1.9 bln cu m of associated gas per year.

The Lokosovskiy gas processing unit upgrading was the final stage of creating a full associated oil and gas conversion system of OOO LUKOIL-Zapadnaya Sibir (100% subsidiary of OAO LUKOIL). Gas conversion capacities intensification had been underway since 2004. Over 160 km of gas collection and two vacuum-compressor stations were constructed in its framework on Kogalym, Pokachi and Langepas fields. In 2005 an LPG tank farm, with the total capacity of 8 ths cu m, and a loading rack for 30 rail tank cars working simultaneously, as well as a stable natural gasoline and propane filling unit were put into operation in Langepas. While the gas treatment unit was being upgraded, a booster compression station, a gas pipeline over 8 km long and a gas measuring station were put into operation at the tap-in into OAO GAZPROM gas pipeline system.

Presently, the average level of associated gas utilization in the Company is approximately 80%. OOO LUKOIL oil gas utilization program is aimed at reaching 95%.

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