PRESS RELEASE
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LUKOIL CONTINUES CONSTRUCTION OF SUBSEA PIPELINES IN THE CASPIAN SEA

OOO LUKOIL-Nizhnevolzhskneft (a wholly-owned LUKOIL subsidiary) and Saipem SPA (Italy) signed a contract today to construct subsea pipelines to transport oil and gas from the Northern Caspian fields.

The contract calls for the laying of two pipelines on the seabed to connect the riser block located at the Vladimir Filanovsky field with the landfall and the onshore site to the hub of plugging devices.

The oil pipeline diameter will be 559 mm, its length to the coast will be 114 km and the length to the hub of plugging devices will be 10 km. The gas pipeline diameter will be 711 mm, its total length will be 114 km and the length to the hub of plugging devices will be 20 km.

The work under the contract is scheduled to be completed in the second half of 2015.

As previously reported, LUKOIL-Nizhnevolzhskneft and the Malaysian company Bumi Armada Caspian signed a contract at the beginning of April to construct subsea pipelines to connect the V. Filanovsky field with the Y. Korchagin field.

Overall, the infrastructure development project for the V. Filanovsky field includes more than 330 kilometers of subsea pipelines and 350 kilometers of onshore pipelines.

Category C1+C2 recoverable oil reserves at the V. Filanovsky field are estimated at 153.1 million tons, and category C1+C2 gas reserves total 32.2 billion cubic meters. The field commissioning is scheduled for the end of 2015.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com