PRESS RELEASE
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LUKOIL COMPLETES CONSTRUCTION OF KHARYAGA - YUZHNOYE KHYLCHUYU INTERFIELD OIL PIPELINE

LUKOIL has completed construction of the Kharyaga - Yuzhnoye Khylchuyu interfield oil pipeline.

The total length of the pipe is 158 km, and its annual capacity is 4 million tons.

The oil pipeline is designed to transport commercial oil from the “Sever-TEK” (Kharyaga) terminal to the Yuzhnoye Khylchuyu oil delivery and acceptance station and subsequently deliver oil to the Yuzhnoye Khylchuyu - Varandey interfield oil pipeline.

The commissioning of the line will allow to reduce the payback period for the Varandey terminal construction due to the terminal’s considerably increased load. In addition, the Company will be able to cut the oil transportation expenses via the Baltic Pipeline Transportation System. It will also relieve the Kharyaga-Usa interfield oil pipeline, as well as the Usa-Ukhta and Ukhta-Yaroslavl trunk oil pipelines from some of their load, as currently they are being operated at full capacity.

The Kharyaga - Yuzhnoye Khylchuyu oil pipeline is equipped with the LeakSPY leak detection system which proved effective when operated at the other facilities of the pipeline transportation system. The underground sections of the pipeline are equipped with reinforced anticorrosive insulation while the above-ground sections are equipped with heat insulation. Regular in-line inspections will be carried out during the operation of the pipeline.

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