

PRESS RELEASE
APRIL 19, 2016

LUKOIL STARTS CONSTRUCTION OF A LARGE GAS PROCESSING COMPLEX IN UZBEKISTAN

LUKOIL started the construction of Kandym Gas Processing Complex (KGPC) – a key production facility in development of the Kandym group of gas condensate fields located in the Bukhara Province in the south-west of the Republic of Uzbekistan.

The ceremony for laying the foundation stone was attended by Prime Minister of the Republic of Uzbekistan Shavkat Mirziyoyev, President of PJSC LUKOIL Vagit Alekperov and representatives of local authorities and contractors.

The Kandym Gas Processing Complex will include construction of a gas treatment plant capable of processing 8.1 billion cubic meters of gas per year, as well as a natural gas gathering system, which, at its peak, will comprise 114 producing wells, 11 well pads and 4 gathering stations. 370 km of gas pipelines will be installed and 160 km of motorways will be built. Around 7,000 people will be involved in the construction of the complex and infrastructure facilities.

"The beginning of construction of the Kandym Gas Processing Complex marks a new stage in the development of gas resources in Uzbekistan. The complex will be one of the largest in Central Asia, and its operation will enable the creation of more than two thousand full-time employment positions," noted Prime Minister of the Republic of Uzbekistan Shavkat Mirziyoyev.

"The Kandym Gas Processing Complex will involve the best experts and cutting edge process solutions while ensuring compliance with the highest health, safety and environment standards. This is the Company's largest investment project in Uzbekistan," said Vagit Alekperov, President of PJSC LUKOIL.

LUKOIL implements the Kandym Group of Fields development project together with National Holding Company Uzbekneftegaz under the Kandym-Khauzak-Shady-Kungrad Production Sharing Agreement. The Kandym group consists of six gas condensate fields – Kandym, Kuvachi-Alat, Akkum, Parsankul, Khoji and West Khoji.