PRESS RELEASE
OCTOBER 25, 2016

LUKOIL BEGINS COMMERCIAL PRODUCTION AT PYAKYAKHINSKOYE FIELD IN WEST SIBERIA

LUKOIL started today commercial production at the Pyakyakhinskoye oil and gas condensate field in the Yamal-Nenets Autononous District. The official ceremony was attended by Deputy Prime Minister of the Russian Federation Arkady Dvorkovich, President of LUKOIL Vagit Alekperov and Governor of the Yamal-Nenets Autonomous District Dmitry Kobylkin. The event is a milestone for both the Company and the Russian oil and gas industry.

The active construction and development phase at the Pyakyakhinskoye field started in 2014. A gas-turbine electric power plant with a capacity of 36 MW and a number of production, social and environmental facilities have been built at the field to date, including an oil treatment unit, a pump station of the pressure-maintenance system, a condensate de-ethanization and stabilization unit, a transfer-and-acceptance station, a gas treatment unit, a refuse dump for household and industrial waste, and a field camp for 300 people.

One hundred and seven (107) wells have been drilled at the field, including 72 oil wells and 31 gas wells. Thirty-six (36) oil wells are currently in production, with an overall daily flow rate exceeding 3,000 tons (20,000 barrels). The crude oil is transported via the Zapolyarye-Purpe pipeline.

The launch of gas production at the field is planned for the latter part of 2016. Marketable gas from the field will be transported via a trunk pipeline to a gas-compressor station near the Nakhodkinskoye field and farther on to the Yamburgskaya gas-compressor station.

The field is planned to produce 1.5 million tons of crude oil and gas condensate and 3 billion cubic meters of natural gas in 2017.

Arkady Dvorkovich also presented state awards to 4 employees of LUKOIL–West Siberia.

Справка:
The Pyakyakhinskoye oil and gas condensate field is one of the largest fields in the Yamal-Nenets Autonomous District put into production during the past several years in terms of reserve base.

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

The field, discovered in 1989, is located within the Bolshekhetskaya depression in the Yamal-Nenets Autonomous District. LUKOIL began production in this region in 2005 by commissioning the Nakhodkinskoye field.

Recoverable reserves of the Pyakyakhinskoye field of the C1+C2 category under the Russian reserve classification are estimated at 86 million tons of liquids and 253 billion cubic meters of gas.

The Pyakyakhinskoye field facilities, built with the use of Russian-made equipment and materials, are designed to withstand the extreme operating conditions at sub-zero ambient temperatures of up to -56 ° centigrade.

All activities at the Pyakyakhinskoye field meet the requirements of the Russian legislation, including those protecting the rights of the local indigenous people.