

PRESS RELEASE  
MARCH 30, 2017

## LUKOIL INCREASES ASSOCIATED PETROLEUM GAS UTILIZATION IN TIMAN-PECHORA

LUKOIL has put in operation a gas desulphurization unit at the Usinsky gas processing plant. Sour gas will be processed to products containing the allowable level of hydrogen sulphide.

The new facility will make it possible to increase the utilization of associated petroleum gas from the Usinskoye field to 95%. Processed gas will be used for production needs at the facilities of the Company in the Republic of Komi, including the Usa power generation center, as well as supplied to the central heating station of Usinsk and Gazprom's Sosnogorsk gas processing plant.

The gas desulphurization unit was built as part of the reconstruction of the Usinsky gas processing plant resulting from the startup of new fields in the northern part of the Republic of Komi and implementation of a program to increase the associated petroleum gas utilization.