

PRESS RELEASE  
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LUKOIL CELEBRATES THE FIFTH ANNIVERSARY OF OIL RECOVERY IN  
THE BALTIC SEA

It has been five years since Russian oil was recovered for the first time in the Baltic Sea.

On July 20, 2004 LUKOIL recovered its first tons of oil at Kravtsovskoye (D-6) field.

The field was discovered in 1983. It is located 22.5 km off the coast of Kaliningrad region. The C1+C2 reserves at Kravtsovskoye field is estimated at 21.5 million tons, recoverable reserves at 9.1 million tons.

Drilling and oil production are performed by means of an offshore ice-resistance fixed platform, which was constructed at the steelwork plant of OOO LUKOIL-Kaliningradmorneft. It is the first Russian offshore production platform designed and constructed by Russian design and construction organizations. All industrial processes at the platform are based on a zero-discharge principle according to which all industrial and household waste is transported to the shore for further utilization.

A 47-km long subsea pipeline connects the platform to the shore. It is used for transportation of the formation production, i.e. oil and associated gas mixture, to the Romanovo oil-gathering facility, at which it is brought in compliance with the market standards.

The oil recovered at the field is exported via the LUKOIL-I Complex oil terminal located in Izhevskoye.

By now 14 producing wells have been drilled at the field, including 13 wells with the horizontal ending. Oil production for the whole platform operation period came to about 3.6 million tons.

LUKOIL has been conducting integrated environmental monitoring, i.e. offshore, onshore and satellite monitoring, since the beginning of field development. Monitoring suggests there have been no cases of pollution caused by the LUKOIL offshore platform operations.