

PRESS RELEASE
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LUKOIL INSTALLS FIXED OFFSHORE ICE-RESISTANT OFFLOADING TERMINAL IN THE BARENTS SEA

LUKOIL installed a base leg of the fixed offshore ice-resistant off-loading terminal (FOIROT) on the bottom of the Barents Sea meant for the Varandey Oil Export Terminal (VOET).

The FOIROT is designed to fill reinforced ice-breaking tankers (DWT 70,000 tons).

The FOIROT was constructed at OOO LUKOIL-Kaliningradmorneft steelworks, a fabrication facility for metal structures used in construction.

The FOIROT is a structure with a height of over 50 metres and a total weight of over 11 thousand tons which consists of a base leg with an accommodation module, a mooring cargo handling system (MCHS) with a jib, and a helicopter pad. Two barges were used to deliver the FOIROT to the site of installation.

The project suggests that the FOIROT base leg will be secured to the seabed by 24 piles at the depth of 17 meters, 22 km offshore. Then the MCHS will be mounted on the base leg. The FOIROT will be connected to two underwater pipelines, 820 mm in diameter, whereby the oil will be fed from onshore tanks. After upgrading, the onshore tank capacity of the VOET will amount to 325,000 cu m.

‘Construction of the offshore terminal had been successfully completed at the steelworks in Kaliningrad. The FOIROT was delivered to the site of installation as scheduled,’ Anatoly Barkov, Vice-President of LUKOIL said. ‘Now mounting of a mooring cargo handling system has been started and very soon underwater pipelines will be connected to the terminal. Thus, construction of the offshore part of the Varandey Oil Export Terminal will be completed.’

The upgraded VOET is to be commissioned in the fourth quarter of 2007.

The VOET is designed to export oil produced by LUKOIL in the north of the Nenets Autonomous District by sea. Currently, the Company is increasing the terminal capacity up to 12 million tons of oil per year. Hence LUKOIL will be the first company to ever create a unique sea export system which would allow to transport large quantities of oil to polar regions, to preserve oil quality while delivering it to the European and North American markets using the shortest sea

route at minimum cost, and to obtain an infrastructure which would help develop new fields in Timan-Pechora oil and gas province.