

PRESS RELEASE
NOVEMBER 23, 2009

LUKOIL TRAINS PERSONNEL TO CONTAIN OIL SPILLS IN THE CASPIAN SEA

LUKOIL conducted an oil spill response exercise in the Caspian Sea today aimed at the rectification of the consequences of uncontrolled blowouts in the course of construction of appraisal wells.

The exercise was held on the Astra jack-up drilling rig in the vicinity of the Rakushechnaya area and Iskusstvenny Island.

Workers from the units and engineering facilities of OOO LUKOIL-Nizhnevolzhskneft, OOO LUKOIL-Avia, EMERCOM of the Russian Federation, the Federal State Unitary Enterprise North-Caspian Department for Emergency and Subsea Engineering Operations, and also of OAO Center for Emergency and Environmental Operations took part in the drill.

According to the simulated scenario of the exercise, on November 23, at 10:00 am, in the course of drilling a well an uncontrolled oil discharge occurred at the Astra jack-up rig. No oil caught fire, nor were there any fatalities or injuries among the platform personnel. As a result of the emergency operations at the jack-up rig, the blowout was halted. However, about 700 tons of oil had leaked into the sea.

In order to contain the oil spill, offshore floating booms were assembled around the jack-up rig. However, the “zero” barrier of the floating booms failed to capture the spilled oil. A certain amount of oil detached from the main oil spill and drifted in the direction of Iskusstvenny Island. Based on this scenario, steps were taken to protect the coastline and adjacent land, while a coastal area five kilometers wide and five kilometers long was decontaminated. Specialized vessels collected 450 tons of oil-contaminated water. According to the exercise scenario, three thousand tons of oil-contaminated soil and waste were also collected and transported to the landfill for utilization during the five subsequent days. The contaminated area of the island coast was fully cleaned.

The exercise showed that LUKOIL has sufficient capacities and means to prevent and respond to oil spills occurring during the construction of appraisal wells in the Caspian Sea.

LUKOIL has been conducting drilling operations in the Caspian Sea since 1999,

while strictly adhering to the “zero discharge” principle. This principle demands complete prohibition of the discharge of any industrial waste into the marine environment. Within its 10-year period of operations in the Caspian Sea, LUKOIL has not allowed a single oil spill and also succeeded in preventing any other contamination.