

PRESS RELEASE
AUGUST 19, 2020

LUKOIL LAUNCHES A POWER PLANT FOR EFFICIENT ASSOCIATED PETROLEUM GAS USE IN THE PERM REGION

LUKOIL launched Chashkino gas-turbine power plant which generates electricity using the associated petroleum gas (APG) produced at the Company's fields in the Perm region. Governor of the Perm region Dmitry Makhonin and LUKOIL Vice President for Power Generation Denis Dolgov participated in the opening ceremony.

The 16 MW plant will annually use about 50 million cubic meters of APG produced at the LUKOIL fields in the Perm region. The bulk of the electricity generated will be transferred to the Company's operation facilities. This will allow to reduce the amount of energy purchased and thus decrease LUKOIL Scope 2 greenhouse gases emissions by 49 thousand tonnes of CO₂-e.

Supplying power to external consumers is also on the roadmap. This will allow to provide for up to 2% of the total consumption at the Bereznikovskiy-Solikamskiy power distribution area. A digital substation – the first one in LUKOIL's history – had been launched earlier at the Chashkino plant in order to transmit electric energy to the grid. The substation features a high automation level. Its operation management and the information exchange between its elements are completely digitized.

Information:

LUKOIL is one of the leaders among international oil and gas companies with lowest intensity of GHG emissions. LUKOIL has been delivering on measures to reduce GHG emissions for more than fifteen years. Since 2003, LUKOIL has been implementing the Efficient Associated Petroleum Gas Use Program and as a result the efficient APG use rate increased to 97.6% in 2019.