

PRESS RELEASE
MAY 27, 2015

LUKOIL COMMISSIONS SECOND LINE OF UNIT TO TREAT ASSOCIATED
PETROLEUM GAS AT ITS PLANT IN PERM TERRITORY

Vagit Alekperov, OAO LUKOIL President, Mikhail Babich, Presidential Plenipotentiary Envoy to the Volga Federal District, and Viktor Basargin, Governor of Perm Territory, took part in the ceremonial commissioning of the second production line of a unit, NTKR-2, for low-temperature condensation and fractionation of associated petroleum gas, at OAO LUKOIL-Permnefteorgsintez, a wholly-owned OAO LUKOIL subsidiary.

As part of the reconstruction project, the existing industrial networks were replaced, and around 20 new main and auxiliary facilities were constructed, including a compressor unit with a gas-turbine drive, a dehydration block, a gas low-temperature absorption unit, a low-temperature condensation and fractionation unit, and a sulfur-recovery unit.

The commissioning of the unit will enable the company to completely remove hydrogen sulfide from all the associated petroleum gas extracted in Perm Krai. Thus, the company will use its APG as eco-friendly fuel at the captive power plant of OOO LUKOIL-Permnefteorgsintez, as well as produce 3,600 tons of liquid sulfur annually.

“The commissioning of the new unit in Perm is yet another significant step as part of the recent large-scope program to upgrade the processing capacities. Not only will the program make it possible to raise the utilization level of associated petroleum gas in Perm Krai to 95 percent. What’s more, the program will unlock synergies for LUKOIL Group’s organizations in the territory through the production of associated petroleum gas, its processing and power generation,” Mr. Alekperov commented.