

PRESS RELEASE  
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## LUKOIL BEGINS COMMERCIAL PRODUCTION AT PYAKYAKHINSKOYE FIELD IN WEST SIBERIA

LUKOIL started today commercial production at the Pyakyakhinskoye oil and gas condensate field in the Yamal-Nenets Autonomous District. The official ceremony was attended by Deputy Prime Minister of the Russian Federation Arkady Dvorkovich, President of LUKOIL Vagit Alekperov and Governor of the Yamal-Nenets Autonomous District Dmitry Kobylkin. The event is a milestone for both the Company and the Russian oil and gas industry.

The active construction and development phase at the Pyakyakhinskoye field started in 2014. A gas-turbine electric power plant with a capacity of 36 MW and a number of production, social and environmental facilities have been built at the field to date, including an oil treatment unit, a pump station of the pressure-maintenance system, a condensate de-ethanization and stabilization unit, a transfer-and-acceptance station, a gas treatment unit, a refuse dump for household and industrial waste, and a field camp for 300 people.

One hundred and seven (107) wells have been drilled at the field, including 72 oil wells and 31 gas wells. Thirty-six (36) oil wells are currently in production, with an overall daily flow rate exceeding 3,000 tons (20,000 barrels). The crude oil is transported via the Zapolyarye-Purpe pipeline.

The launch of gas production at the field is planned for the latter part of 2016. Marketable gas from the field will be transported via a trunk pipeline to a gas-compressor station near the Nakhodkinskoye field and farther on to the Yamburgskaya gas-compressor station.

The field is planned to produce 1.5 million tons of crude oil and gas condensate and 3 billion cubic meters of natural gas in 2017.

Arkady Dvorkovich also presented state awards to 4 employees of LUKOIL–West Siberia.

*Справка:*

*The Pyakyakhinskoye oil and gas condensate field is one of the largest fields in the Yamal-Nenets Autonomous District put into production during the past several years in terms of reserve base.*

*The field, discovered in 1989, is located within the Bolshekhetskaya depression in the Yamal-Nenets Autonomous District. LUKOIL began production in this region in 2005 by commissioning the Nakhodkinskoye field.*

*Recoverable reserves of the Pyakyakhinskoye field of the C1+C2 category under the Russian reserve classification are estimated at 86 million tons of liquids and 253 billion cubic meters of gas.*

*The Pyakyakhinskoye field facilities, built with the use of Russian-made equipment and materials, are designed to withstand the extreme operating conditions at sub-zero ambient temperatures of up to -56 ° centigrade.*

*All activities at the Pyakyakhinskoye field meet the requirements of the Russian legislation, including those protecting the rights of the local indigenous people.*