

LUKOIL



**PURE
ENERGY**



LUKOIL

LUKOIL — PURE ENERGY



Pure energy



For more than twenty years, LUKOIL has adhered to its main business principle: using natural energy for the benefit of human beings.

One of our key objectives is not just extracting and converting the energy of natural resources, but doing it with the utmost care to spare the environment. LUKOIL's environmental standards always match or exceed those of its countries of presence, as illustrated by our projects

in the Baltic and Caspian Seas, or in the Gulf of Guinea. Having operations in nearly forty countries, in the Americas, Asia, Europe, and Africa, we never forget that LUKOIL is a Russian company, first and foremost. This is a special responsibility, not only through the record-breaking tax payments and customs duties it makes, but also through its diverse social projects, including in social partnership and charity.



LUKOIL

OIL AND GAS EXPLORATION





For any oil and gas producer, restoring its resource base is a key to stable development. This is why LUKOIL never stops intensive geological survey and exploration. The geography of research by our geologists is wide ranging: we are looking for oil in the West Siberian tundra and in the tropics of Equatorial Africa, on South American plains, and in the Arabian desert sands. However most of our geological explorations are in Russia. LUKOIL has a special focus on a search for offshore hydrocarbons.

In their work, our geologists are assisted by the most advanced equipment and up to date technologies that can assess the value of fields with the utmost accuracy, carry out 2D and 3D seismic surveys, and map deposit structures. These technologies help us protect the environment around the field as much as possible. Owing to its continuous painstaking efforts to locate new fields, LUKOIL has remained a world leader by its proven oil and gas deposits for two decades.



LUKOIL

OIL PRODUCTION

We never stop developing and purchasing the most advanced technologies and equipment to drill ever deeper and more complicated wells.

LUKOIL is engaged in oil production in Russia, Egypt, Kazakhstan, and Uzbekistan. We are sparing no effort to launch commercial production of hydrocarbons in Iraq, Venezuela, Ghana, Côte d'Ivoire, and in other countries in the nearest future. Most of the Company's

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operations are in Russia, where we have been developing a whole series of deposits with success.

We are honing our offshore production technologies, and the Company's doubtless achievement is that the first oil in the Russian sector of the Caspian was produced by LUKOIL. In a way, our success there continued our many years of efficient oil production in the Baltic. Safety systems onboard our platforms

ensure zero spillages, and thus guarantee the pristine condition of aquatic habitats.

Keeping the Baltic and the Caspian clean is a point of honour for our Company, and we are proud to say that we have done well.



LUKOIL

GAS PRODUCTION

To match the high status of an energy company, LUKOIL is actively developing gas fields. Most of the Company's gas sources are in Russia, with Azerbaijan, Kazakhstan, and Uzbekistan accounting for about one fourth of total production.

The associated gas that comes with oil has always been an issue of special concern for the Company. Such gas was typically flared off, being very difficult



to utilize. Aware of our duty to keep the air clean, we have deployed a range of programs in an effort to utilise associated gas in an environmentally friendly way. Today, gas is injected into underground beds to maintain pressure, or transported to our treatment facilities. In addition, we use associated gas in power plant projects built next to our fields — this helps with oil production and keeps our base camps lit and heated.

We are proud that nearly 80% of the associated gas in the Company can be utilised, while in West Siberia — our main production area — the figure exceeds 95%





LUKOIL

OIL AND GAS REFINING. PETROCHEMISTRY

Every year, nearly 65 million tons of oil comes to our refineries in Russia, Bulgaria, Italy, the Netherlands, Rumania, and the Ukraine.

All our refineries are upgraded regularly to improve their performance, including the refining rate and the Nelson index. Our capital investments in refinery retrofitting have helped us achieve impressive results in high-octane gasoline output, and become Russia's

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first company to sell only Euro-5 standard diesel fuels and gasoline in Russia.

Our four gas refineries are also making good progress — located in Russia, they all convert associated gas to commodity gas. In Russia, Bulgaria, and Ukraine, we have four petrochemical plants that form one of the largest petrochemical complexes of Eastern Europe and make hundreds of products.

As prerequisite to all our units' operation, they must comply unfailingly with environmental standards to ensure conservation of soil, air, and water.





LUKOIL

LUKOIL FILLING STATIONS AND FUELS

The grid of our chain filling stations has nearly six thousand points, present in more than 25 countries worldwide, including Russia, the former Soviet Union, the US, and across European nations.

Our filling stations sell the most advanced products: Euro-5 standard diesel fuels and gasoline. They not only make your engine run better and extend your mileage, they are less harmful to the urban environment.

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This is particularly important if you consider that toxic exhaust fumes account for more than 80% of total air pollution in major Russian cities.

Being low on sulphur and aromatic hydrocarbons, ECTO diesel fuel reduces carcinogenic emissions 6 times, nitrogen compounds 2 times, and black soot 1.5 to 2 times. Compared to standard fuels, our ECTO Plus and ECTO Sport gasoline contain 3 times less sulphur, and 5 times less

benzene — this greatly reduces air pollution in carcinogenic and other hazardous emissions too.

Our technologies and continuous work to improve our fuel is an effort to make air in our cities cleaner.





LUKOIL

LUKOIL OIL BRANDS

Our Company leads on the Russian market of motor oils. About 44% of Russian-made motor oils are produced by our plants. Today, more than 43% of all industrial oils and about one third of car oils sold on the Russian market are made by LUKOIL. These are eloquent figures: millions of our consumers can't be wrong.

Oils are produced by the Company's four refineries in Russia, and by its businesses in Romania, Turkey, and

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Finland. Our dealer network covers 20 countries in the Former Soviet Union and Eastern Europe. Our oils compete successfully with other oil brands on local markets in over 40 nations worldwide, including in Asia, the Americas, the Middle East, and in Europe.

Our oil has been accredited by BMW, MAN, Mercedes-Benz, Porsche, Renault, Volkswagen, Volvo, AvtoVAZ, KAMAZ, and other automotive manufacturers.

We produce our oils using efficient additives from major international and Russian makers.

Ultimately, we are doing our best to help each motorist enjoy a fast and smooth drive.



A close-up photograph of a hummingbird in flight, positioned on the right side of the frame. The bird's wings are blurred, suggesting rapid movement. Its body is a mix of iridescent green and brown. The background is a soft, out-of-focus green. The overall composition is clean and modern, with a focus on nature and energy.

LUKOIL

ELECTRIC POWER GENERATION

LUKOIL is a leader on the Russian power market, with major heat and power generation facilities located in Russia's south, in Bulgaria, Romania, and in the Ukraine.

We are aware that the 21st Century is the age of new power technologies. The Company is developing and promoting projects that involve renewable power. Jointly with our partners, we are engaged on wind-power projects in Russia, Bulgaria, Romania, and in the Ukraine.

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For example, Bulgaria and Romania have been selected to host a network of our wind power plants.

LUKOIL is also actively involved in solar power engineering development. Even now, some of our filling stations in Russia, Italy, Serbia and other countries obtain power from photovoltaic sources. Another photovoltaic station has been commissioned in Bulgaria, at one of the Company's thermal power plants.

We see ever more active use of renewable power sources as a top priority. This work is an important part of our contribution to mitigate impacts on the environment.





LUKOIL

TECHNOLOGIES AND INNOVATIONS

Today's petroleum industry is one of the most science-intensive sectors of Russian economy. That is why LUKOIL adopts advanced technologies and innovations and uses them as a competitive edge. The technology of higher oil recovery from deposit beds has helped the Company raise its recovery rates greatly. More than 20% of all our Russian-produced oil is the result of advanced deposit-control technologies which have been adopted.

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The Company also actively adopts modern technologies to retrofit its refineries and petrochemical facilities. Fuels and oils produced as a result of such efforts not only save the consumer money, they are on the level with the most stringent global environmental standards.

Innovations adopted by the Company are also used in sales. For example, the Russian city of Perm welcomed the nation's first filling station that receives payments

from mobile phones, saving the drivers both time and trouble. Work is underway for the Company to bring this service to other filling stations.





LUKOIL

ENVIRONMENTAL PROTECTION

Our planet's nature is unique in the entire universe. As we work in 40 countries and drill oil from the seabed, we see how fragile and sometimes even defenceless the environment is. Preserving the nature and careful attitude to its resources has always been of primary importance for us.

Our adherence to high environmental standards is illustrated by our permanent offshore platforms that drill deposits in the Baltic and Caspian Seas, and in the Gulf of

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Guinea, with not a single case of environmental pollution on record from the day of commissioning, owing to our 'zero-spillage' technology.

LUKOIL is involved in implementation of the environmental and economic mechanisms of the Kyoto Agreement to reduce greenhouse gas emissions. During 2008–2012, we cut our emissions by 33 million tons of carbon-dioxide gas equivalent.

With this and other projects, the Company seeks to preserve the environment. For us, these projects are our duty to the public and the coming generations who deserve living in a healthy environment.



LUKOIL

SOCIAL PARTNERSHIP



LUKOIL implements a variety of social programmes.

We see aid to orphanages as an important priority. As we create good living conditions to children, we also see it as our duty to give them a chance with secondary, occupational, and college education.

We support about 20 colleges nationwide. Grants are paid to young talented faculty, and personal scholarships to

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students in major petroleum-profile and other colleges and universities. We also finance logistical development of a number of colleges.

The Company regards the nation's cultural heritage with respect, and charitable aid is given to Russia's leading cultural institutions. They are the Pushkin Museum of Fine Arts, the Tretyakov Gallery, the Museums of the Moscow Kremlin, the State Russian Museum, the State Historical

Museum, the Vasnetsov Brothers Art Museum of Vyatka Oblast, the Tchaikovsky Symphony Orchestra of Moscow Radio, and many others. Donations are given to finance programmes that assist the revival of folk handicraft.

As our special achievement, we see the Social Project Contest designed to support initiatives of communities to address critical local issues, and to make the Company's charity programmes more efficient and transparent.





LUKOIL

SPORTS PROJECTS

LUKOIL gives active support to sports-related projects in three main directions: health-improvement sports for the Company's employee's support of professional athletic teams, and activities to promote sports among children.

LUKOIL is a sponsor for professional athletic clubs nationwide. This includes Spartak soccer club (Moscow), Zarya Kaspiya handball club (Astrakhan), Dinamo (Moscow) and Torpedo (Nizhny Novgorod) ice hockey clubs, Spartak water

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polo team (Volgograd), and Dinamo-Yantar volleyball team (Kaliningrad). LUKOIL is an official partner of the VTB United League — a club championship of top-league basketball teams in Eastern Europe.

LUKOIL is also the general sponsor of the Russian national cross-country skiing team, and has been a partner of many years with the Russian Olympic Athletes Support Fund.

For years, LUKOIL has supported the LUKOIL Racing Team. Time and again, the team's victories have proved efficiency of our Company's brand oils and fuels. For more than a decade, LUKOIL has been general partner of the Children's Soccer League that involves more than three thousand teams from all over Russia.



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