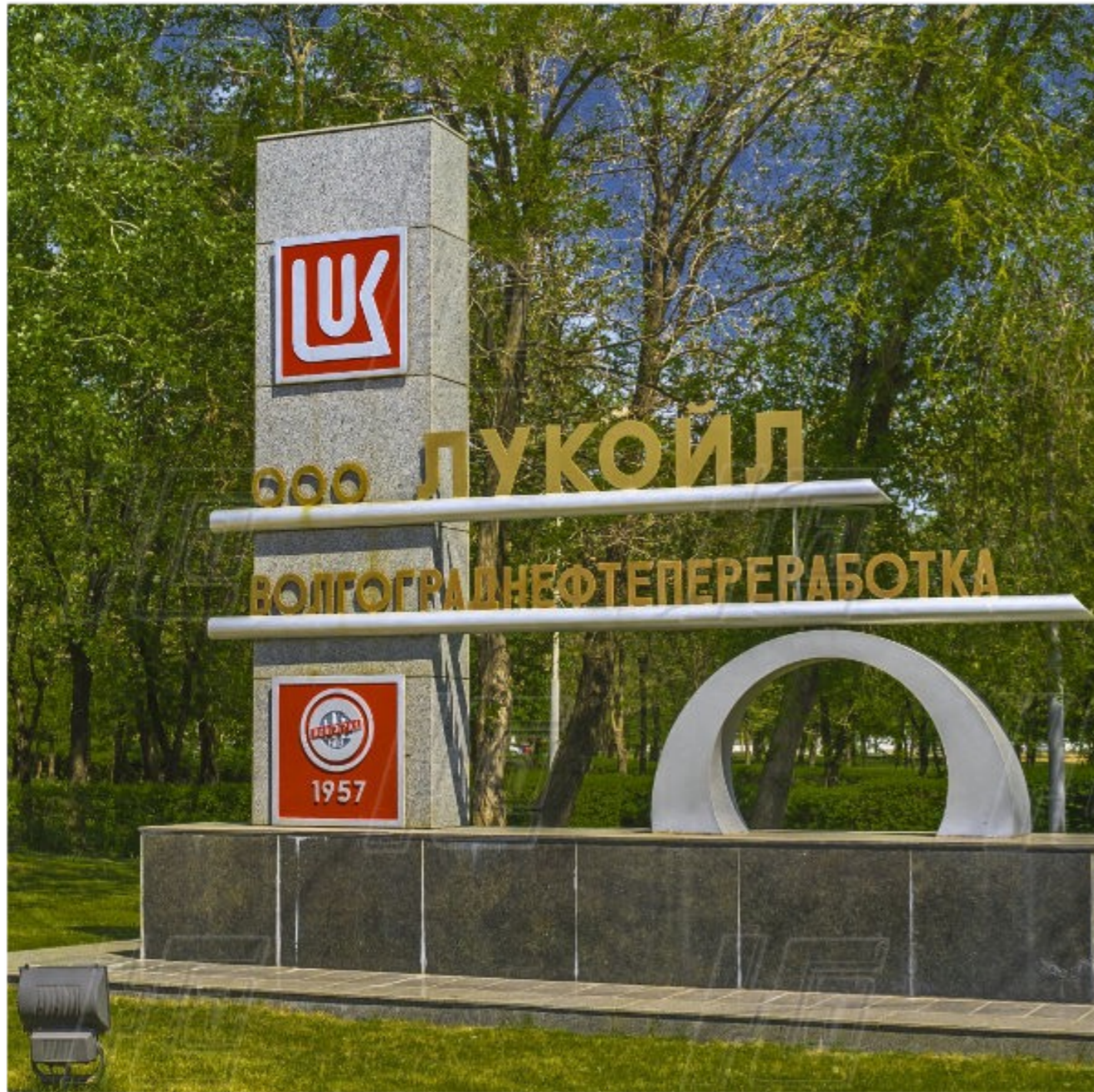




VACUUM GAS OIL DEEP CONVERSION PROJECT

Lukoil - Volgograd Russia

BRIEFLY VGO



LUKOIL-Volgogradneftepererabotka is now a large advanced enterprise engaged in the production of fuels and lubricants. The refinery treats 9.8 million tonnes of crude a year with a product yield of 77.5%. Its work force exceeds 5,000.

With an annual output of nearly 1 million tonnes, the refinery has become in recent years one of Russia's largest producers of lubricants. Unleaded motor gasolines, transmission, compressor and turbine oils are on its list of products which also includes benzene, toluene, jet-engine, diesel and furnace fuels, fuel oil, bitumen and coke. The refinery has started pilot production of new kinds of lubricants, in particular for polar areas.

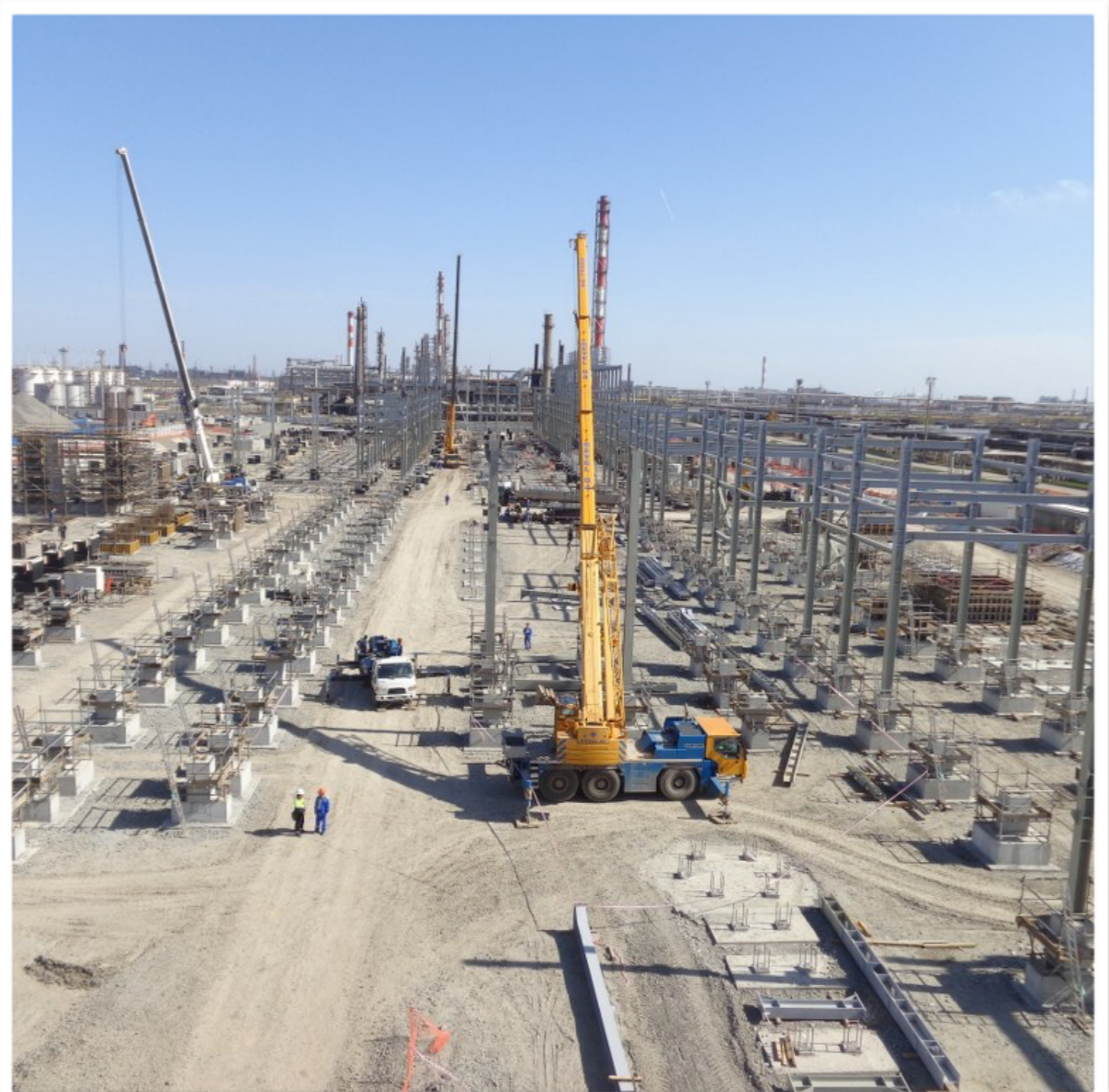
The modernization program now underway will lead to an increase in the production of motor fuels; the products will meet the highest quality standards. Two gas refinery units and units for high-yield refinery of oil residues and isomerization of low-octane gasoline catalytic reforming fractions and 1.4 million tonnes a year diesel fuel hydrocleaning units will be built. The construction of an automatic gasoline blending station with an additional assembly for removal of high-octane dopes will be brought to completion.

"We attach great importance to the overhaul and modernization of our oil refineries and so our investment program calls for the allocation of large amounts for these purposes," said LUKOIL President Vagit Alekperov.

MAIN FIGURES OF THE PROJECT

Client : LukOil
Location : Volgograd / Russia
Contract Amount : 250M USD
Scope : Perform all the construction works of Mild Hydrocracker Unit which will be **One of the World's Largest** VGO light hydrocracker units with a capacity of 3.5 million tons per year and up to 75% conversion ratio, a combined sulphur production unit and hydrogen production facilities

Concrete Works	: 7500 m3
Steel Structure Erection	: 6800 tons
Equipment Installatio	: 8800 tons
Piping Works	: 4200 tons
Electrical Cable Laying	: 270 km
Instrumentation Cable	: 455 km
Insulation Works	: 55000 m2













18.03.2015 16:00

OPENING CEREMONY



OPENING CEREMONY



PRESS-RELEASE

31.05.2016

LUKOIL COMMISSIONS VGO DEEP CONVERSION COMPLEX

Today, in Volgograd, Oil Deep Conversion Complex has been commissioned as part of vacuum gasoil (VGO) hydrocracking facility at PJSC LUKOIL's wholly owned oil refinery OOO "LUKOIL-Volgogradneftepererabotka". The ceremony was attended by the Head of the Government of the Russian Federation Dmitry Medvedev, Deputy Head of the RF Government Arkadiy Dvorkovich, RF Minister of Energy Alexandr Novak, Envoy of the RF President to the Southern Federal District Vladimir Ustinov, Governor of the Volgograd Oblast Andrey Bocharov and President of PJSC "LUKOIL" Vagit Alekperov.

The capacity of Russia's largest VGO deep conversion complex is 3.5 million tons a year. **The complex, which also has hydrogen and elemental sulfur production units and auxiliary facilities, was completed in record breaking time of three years. In total, 2.2 billion US dollars were invested in the project.**

The project, which created additional employment for 300 people, will allow an annual increase in output of EURO-5 diesel fuels, motor gasoline components and liquefied gases by 1.8, 0.6 and 0.1 million tons respectively. These products will be marketed in the southern parts of Russia in the first place.

The VGO Deep Conversion Complex, designed by OOO "LUKOIL-Nizhegorodniinefteproyekt", was constructed by Russian and foreign contractors.

Commissioning of the Complex in Volgograd makes LUKOIL the first Russian company **to fulfill its commitments under a quadripartite agreement between oil companies, RF Federal Antimonopoly Service, Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor) and Federal Agency for Technical Regulating and Metrology (Rosstandart).**
