PRESS RELEASE
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LUKOIL LAUNCHES PRODUCTION OF ADVANCED POLYMER-BITUMEN BINDERS AT ITS NIZHNY NOVGOROD REFINERY

Deputy Prime Minister of the Russian Federation Yury Borisov, Governor of the Nizhny Novgorod region Gleb Nikitin and President of PJSC LUKOIL Vagit Alekperov took part in the ceremony of commissioning of a polymer-bitumen binders production unit at LUKOIL's Nizhny Novgorod refinery. The commissioning took place today in the city of Kstovo (Nizhny Novgorod region).

By launching this unit, LUKOIL takes another step towards improving Russian motorways and implementing federal programs aimed at the development of the road construction industry. The new production unit withannual output of over 150 thousand tonnes will allow to expand LUKOIL's bitumen products range by introducing modern modified products and innovative polymer-bitumen binders. A significant increase in roadway pavement lifetime will be achieved by applying these products, as well as the unique technology of manufacturing rubber asphalt concretes with addition of crumb rubber produced from recycled auto tyres.

Commissioning of the facility is another stage in the development of the bitumen cluster of the Nizhny Novgorod refinery. Over the last few years, the refinery saw opening of a bitumen products loading terminal and a research center.

"Launch of this production unit at the Nizhny Novgorod refinery will allow for a consistent supply of Russian road construction industry with as much innovative high quality polymer-modified bitumen as necessary. This will provide our road construction industry with means to reach its goals, with respect to climate and traffic intensity," noted Deputy Prime Minister of the Russian Federation Yury Borisov.

"The Nizhny Novgorod region is among the leaders in implementing the *Safe High-Quality Roads* national project. Expansion of LUKOIL's bitumen production will provide the road industry with proper materials. We value the fact that it is in our region that modern technologies are developed and new jobs are created," said Governor of the Nizhny Novgorod region Gleb Nikitin.

"We expect Russian motorway infrastructure and the industry in general will benefit from commissioning of the new bitumen production facility, as well as from the continuous work conducted in our Research Center. Our specialists work on

modelling traffic loads and weather conditions in order to create efficient and stable asphalt concretes formulas," stated President of LUKOIL Vagit Alekperov.

Information:
LUKOIL-Nizhegorodnefteorgsintez LLC (a wholly owned subsidiary of PJSC LUKOIL) is among Russia's five largest refineries. It supplies the Central and North-West regions of the country with high quality fuels and is responsible for about 10% of Russia's gasoline production. In 2016, LUKOIL finished the main upgrade programme at its refineries, having invested over $10 billion into it. LUKOIL became the first company in Russia to produce exclusively Euro 5 compliant gasolines and diesel fuels, meeting the requirements of the Russian Refineries Upgrade Programme under the four-way agreements between government authorities and oil companies. Since then, the Company keeps implementing selective investment projects in this field, as well as in petrochemistry.