

# Presentation about company “Lukoil”

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# Activity

Oil and gas productionHydrocarbon reservesLukoil-Western Siberia LLC in TyumenThe company's proven hydrocarbon reserves as of January 1, 2011 amounted to 17.255 billion barrels of oil equivalent, including 13.319 billion barrels of oil and 0.67 trillion m<sup>3</sup> of gas. According to its own information, Lukoil was the largest private oil company in the world by the amount of proven oil reserves at that date, and the sixth by proven gas reserves. Additionally, probable hydrocarbon reserves as of January 1, 2011 amounted to 8.46 billion barrels of oil equivalent (including oil — 6.47 billion barrels and gas — 0.34 trillion m<sup>3</sup>), possible reserves — 3.17 billion barrels of oil equivalent (including oil — 2.78 billion barrels and gas — 65.7 billion m<sup>3</sup>). More than half of Lukoil's oil reserves are concentrated in Western Siberia (the main production operator is Lukoil-Western Siberia LLC (located in the Khanty-Mansiysk Autonomous Okrug), 100% of which is owned by PJSC Lukoil and is Lukoil's largest asset). About half of the natural gas reserves are located in the fields located on the Gydan Peninsula (Yamalo-Nenets Autonomous Okrug).



# Joint projects in Russia

Within the framework of the strategic alliance, Lukoil and ConocoPhillips established a joint venture Naryanmarneftegaz on July 1, 2005 in order to develop oil and gas deposits in the Timan-Pechora oil and gas province in the north of the European part of Russia. Lukoil's share in the created joint venture is 70%, ConocoPhillips' share is 30%. In December 2011, Lukoil established a joint venture with Bashneft to develop large oil fields named after Roman Trebs and Anatoly Titov[49]. The total recoverable oil reserves and resources for these fields are 89.73 million tons for category C1, 50.33 million tons for category C2 and 59.29 million tons for category C3.

# Foreign projects

The operator of Lukoil's foreign projects in the exploration and production sector is its subsidiary Lukoil Overseas. Lukoil participates in the implementation of 16 projects for the exploration and development of structures and deposits in the following countries: Azerbaijan (D-222 (Yalama), Shah Deniz, Shallow waters around the Absheron Peninsula); Kazakhstan (Tengiz, Karachaganak, Kumkol, Karakuduk, Severnoye Buzachi, Alibekmola, Kozhalsai, Arman, Zhambai Yuzhny, Atashsky, Tyub-Karagan); Uzbekistan (Kandym-Khauzak-Shady, Aral, Kungrad, South-Western Hissar); Egypt (Meleya, WEEM Block, Western Geysum, Northeastern Geysum); Iraq (West Qurna-2); Iran (Anaran); Colombia (Condor project jointly with the Colombian state company Ecopetrol); Ivory Coast (production sharing agreement on the C-205 offshore block in the Gulf of Guinea); Venezuela (Junin Block 2); Saudi Arabia. Ghana (Cape Three Points Deepwater) Romania Lukoil-Permnefteorgsintez Oil Refinery in Perm Production of hydrocarbons from all of the above projects is carried out only in Kazakhstan (5.5 million tons of oil and 1.9 billion m<sup>3</sup> in 2006) and Egypt (0.2 million tons)

# Oil and gas processing

Lukoil owns seven oil refineries (refineries) with a total capacity of 58 million tons of oil per year, as well as two refineries.

The company also includes Korobkovsky, Usinsky, Perm and Lokosovsky gas processing plants. In 2005, the company's gas processing plants processed 2,691 million m<sup>3</sup> of gas raw materials and 479 thousand tons of a wide fraction of light hydrocarbons. In 2007, 52.16 million tons of oil were processed at the company's refineries, including 42.55 million tons at Russian plants.



# Petrochemicals

A subsidiary of Lukoil-Neftekhim manages the petrochemical plants Stavrolen (Budenovsk), Saratovorgsintez, and Karpatneftekhim (Kalush, Ukraine). Petrochemical facilities are also part of the Neftochim Burgas plant in Bulgaria. Lukoil is the largest producer of olefins, acrylic acid nitrile (raw materials for the production of synthetic fibers) in Eastern Europe. Also, together with Sibur, Lukoil-Neftekhim owns a controlling stake in the Polyef plant. In 2005, the petrochemical enterprises of Lukoil-Neftekhim produced 1.8 million tons of marketable products, including 402 thousand tons of polyethylene, 128 thousand tons of acrylic acid nitrile. In addition, 372.5 thousand tons of petrochemical products were produced at the Bulgarian oil refinery "Lukoil Neftohim Burgas". An important project of Lukoil in the field of petrochemistry is the construction of the Caspian Gas Chemical Complex (it is expected that it will use the resources of natural gas and gas condensate produced by the company on the shelf of the Caspian Sea). It is assumed that the company will produce a wide range of petrochemical products, including basic organic synthesis products, polyethylene, polypropylene, etc.



# Transportation

The transportation of oil produced by Lukoil in Russia is carried out for the most part by pipelines of Transneft, as well as by rail and water transport. The oil produced at the company's fields in Kazakhstan is transported, among other things, through the pipeline of the Caspian Pipeline Consortium (CPC). Lukoil owns a number of oil and petroleum product terminals used for the export of oil and petroleum products: Terminal in the port of Vysotsk (Gulf of Finland of the Baltic Sea) with a capacity of 10.7 million tons of oil and petroleum products per year (at the beginning of 2006). The terminal near the village of Varandey (Barents Sea) with a capacity of 12.5 million tons of oil per year is used for the shipment of oil produced in the Timan—Pechora oil and gas province. The terminal in the port of Svetly on the Baltic Sea (Kaliningrad region) with a capacity of 6 million tons of oil and petroleum products.

# Sales

Lukoil's petroleum products distribution network covers 19 countries of the world, including Russia, CIS countries (Azerbaijan, Belarus, Georgia, Moldova, Ukraine), European states (Belgium, Bulgaria, Cyprus, Hungary, Latvia, Lithuania, the Netherlands, Poland, Serbia, Romania, Croatia, Montenegro, the Czech Republic 2008 44 gas stations under the JET trademark), Estonia and the USA. The company owns 200 oil depots and 6620 gas stations. Retail sale of petroleum products is carried out for the most part under the Lukoil trademark (LUKOIL – abroad). In the USA, some of the company's gas stations operate under the Getty and Mobil trademarks. In July 2008, Lukoil agreed to purchase the Turkish company Akpet, which owns 693 gas stations, eight petroleum product terminals, five storage facilities for liquefied natural gas, three aircraft refueling complexes and a plant for the production and packaging of motor oils in Turkey. The transaction amount amounted to a little more than \$ 500 million[58]. Since August 2017, Lukoil, together with PAL, has been actively starting to sell its products on the international marketplace Alibaba.com part of Alibaba Group, thereby gaining access to the markets of new countries.



# Electric power industry

Lukoil owns a significant number of small power plants and other power plants. The company's own power capacities for 2009 included 463 generating units with a capacity of 337 MW. These generating capacities provided 6.1% of the company's energy needs in 2008. In addition, Lukoil controls 100% of the shares of Lukoil-Ekoenergo (Southern Generating Company — TGC-8).



# Performance indicators

The average daily production of Lukoil hydrocarbons in 2008 amounted to 2,194 million barrels of oil/day; the volume of oil refining — 1,127 million barrels/day. The output of petroleum products in 2008 (excluding mini-refineries and Sicilian refineries ISAB) increased by 7.4% compared to 2007 and amounted to 52.5 million tons. The total volume of sales of oil and petroleum products in 2008 amounted to 134.7 million tons (an increase of 2.1% compared to the previous year). In 2007, the number of Lukoil employees increased by 1.9% to 151.4 thousand people compared to 2006 (148.6 thousand). The company's revenue for 2013 according to US GAAP amounted to \$ 141.5 billion (for 2012 — \$ 139.17 billion), EBITDA — \$19.3 billion (\$18.9 billion), net profit — \$ 7.8 billion (\$11 billion).

# Social policy

Lukoil's enterprises bear a rather high social burden, especially in oil-producing regions. The share of the company's employees and their family members in the total population of the cities is: Langepas — 42.7%, Uray — 29.5%, Kogalym — 37.4% (2004). The company has a number of educational, medical and health facilities on its balance sheet. The Social Code of PJSC Lukoil, adopted in 2002, is in effect. Lukoil's charity expenses amounted to 3.2 billion rubles in 2010.



I hope you were interested,  
thank you for your  
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