

NEWS RELEASE

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CJSC Stroytransgaz to Build New Pipeline for SIBUR

CJSC Stroytransgaz and SIBUR, Russia's biggest petrochemical holding company, signed a general contractor agreement. Stroytransgaz will build a section of a new NGL trunkline from the Purovsky Gas Condensate Processing Plant to the Tobolsk-Neftekhim petrochemical plant.

Stroytransgaz will build turnkey a pipeline section from 278 to 417 km marks (running from the Yuzhno-Balykская Main Pumping Station to Tobolsk-Neftekhim) which includes an underwater crossing of the Turtas River. The construction is to finish in December 2013.

The new NGL pipeline will encourage greater and higher quality associated petroleum gas processing with a positive effect on the Western Siberia environment. The construction project will be carried out using state-of-the-art automatic and semi-automatic welding technology and up to the best and most up-to-date environmental standards.

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CJSC Stroytransgaz is one of Russia's leading construction companies that provides Engineering, Procurement, Construction and Maintenance services related to large-scale infrastructure projects in the global oil and gas industry. The company has been part of such projects as ESPO, BPS-2, the Bovanenkovo-Ukhta pipeline, and the Southern Corridor. For more information, visit www.stg.ru

The Purovsky GCPP – Yuzhno-Balyksky GPP – Tobolsk-Neftekhim Project is to build a more than 1,100 km-long natural gas liquids (NGL) pipeline. The project is owned and invested in by the SIBUR Group. The pipeline will connect the Purovsky Gas Condensate Processing Plant (located in the Yamalo-Nenets Autonomous Area and owned by NOVATEK), the Yuzhno-Balyksky Gas Processing Plant (located in the Khanty-Mansy Autonomous Area and owned by OJSC SIBUR Holding) and SIBUR's petrochemical facilities in Tobolsk (Tyumen Region).

The project is split into two construction sections, the first one running from the Purovsky GCPP to the Yuzhno-Balykская Main Pumping Station (689 km long) and the second one from the Yuzhno-Balykская Main Pumping Station to Tobolsk-Neftekhim (417 km long). The pipeline's designed capacity will be up to 5.5 mtpa in the first section and around 8 mtpa in the section running to Tobolsk-Neftekhim.

Once the new pipeline is put into operation, SIBUR will be able to decommission some sections of the existing NGL pipeline. It will also enhance the overall system's capacity and make it more reliable.

CJSC STROYTRANSGAZ
www.stg.ru

Press Contacts:

Mikhail Zharkov
+7 495 741-48-17
press@stg.ru