

NEWS RELEASE

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CJSC Stroytransgaz to Build Pipeline from North Caspian Gas Fields

CJSC Stroytransgaz today announced that it has been awarded the LUKOIL-Nizhnevolzhskneft contract to build one of the pipeline facilities to transport natural gas from the North Caspian gas fields developed by LUKOIL. Under the contract signed on October 23, 2013, CJSC Stroytransgaz will build a 263.3 km long pipeline by June 2015 (the pipeline name: Landfall – Stavrolen LLC).

The gas pipeline will cross the territory of the Republic of Kalmykia and Stavropol Region. CJSC Stroytransgaz will build gas receiving station at the starting point of the pipeline route on the Caspian sea shore, an inlet station at its end point (at the Stavrolen chemical plant), as well as rail and motorways crossings.

The pipeline operations will be supported by power lines laid along the route, 22 transformer substations, 24 control station, telecommunications line and other infrastructure facilities. The gas pipeline will be equipped with the leak detection and electrochemical protections systems, as well as technical security equipment.

“The pipeline’s route runs along farming lands, so the contractor will have to complete field studies, ensure demining and secure preservation of cultural heritage sites along the whole route of the pipeline. This is a complicated project and CJSC Stroytransgaz always guarantees the customers the highest quality standards regardless of construction conditions”, commented Anton Rae, CEO of CJSC Stroytransgaz.

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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 pipeline’s designed capacity will total 8 bcm per year. The project is designed to transport associated petroleum gas from North Caspian oil deposits developed by LUKOIL to which is then reused for the production of polyethylene and polypropylene at a gas treatment plant, part of a gas chemical facility currently under construction led by LUKOIL’s Stavrolen LLC. Besides, commercial gas from the facility will be fed into Gazprom’s gas transportation system. The launch of the first stage of the gas treatment plant with the capacity of 2 bcm per year is scheduled for 2015.

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