

BUSINESS MODEL



EXPLORATION AND PRODUCTION

EXPLORATION

LUKOIL is among leaders by proved liquid hydrocarbon reserves and by proved reserves to production ratio. The majority of LUKOIL reserves are of conventional type.

Climate zones:

from subarctic to equatorial

DEVELOPMENT OF RESERVES AND HYDROCARBON PRODUCTION

We develop reserves located, inter alia, in major oil and gas provinces in Russia, Uzbekistan and Iraq, producing liquid hydrocarbons (oil and gas condensate), natural and associated petroleum gas.

- Leadership in development of hard-to-recover reserves in Russia
- Share of international projects hydrocarbon production in total hydrocarbon production — around 15%.

Offshore
(0.3 to 3,000 m) and onshore projects



POWER GENERATION

The power generation sector is represented by a complete chain from generation to transmission and sale of thermal and electric energy to external consumers.



Thermal power plants and boiler houses in the southern part of Russia



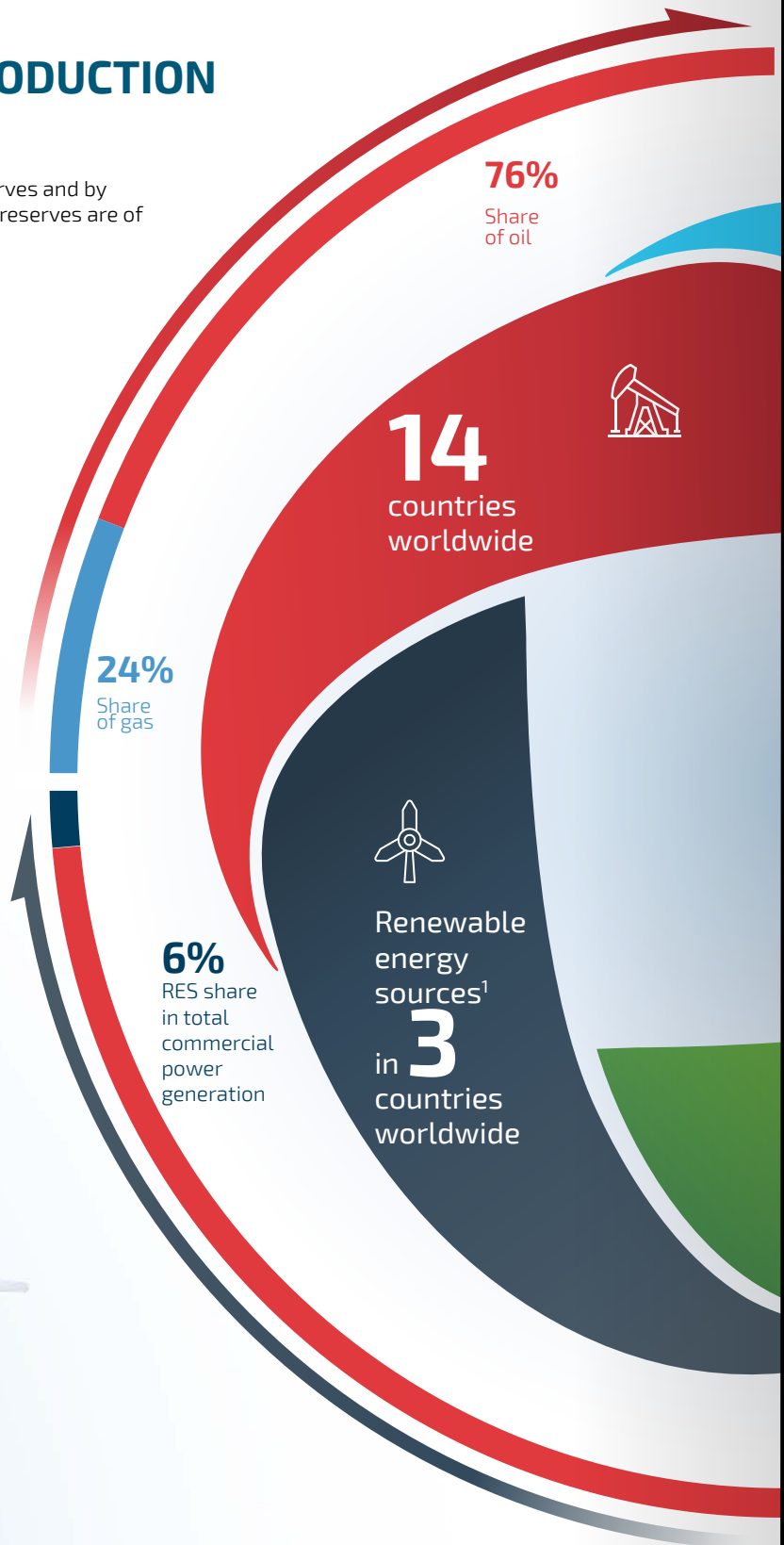
4
hydroelectric power plants



3
solar power plants



1
wind power plant



LUKOIL is a global vertically integrated company accounting for around 1.4% of global oil production and around 0.5% of proved hydrocarbon reserves.



REFINING

Our refineries product mix is used as a fuel for a variety of means of transport, as well as a raw material in other industries



OIL REFINING

4 oil refineries in Russia and 4 — in Europe²

Products: motor fuel, lubricants and bitumen, bunker and jet fuel



GAS PROCESSING

4 gas processing plants and 2 processing facilities at other plants in Russia

Liquid hydrocarbon and marketable gas



PETROCHEMICALS

2 petrochemical plants in Russia and 2 production facilities at European oil refineries

Pyrolysis and organic synthesis products, fuel fractions and polymeric materials

6 countries worldwide



92.6%

Oil refinery yield

>100 countries worldwide



61%

share in sales of EKTO branded fuel



MARKETING AND DISTRIBUTION

LUKOIL is a major crude oil and marketable gas trader and a supplier of premium quality fuels and lubricants.



International trading: wholesale of our crude oil and petroleum products, trading third-party hydrocarbons



Lubricants production and marketing:

>800 types of lubricants



Retail sales: fuel stations network



Marine and river bunkering

23 countries worldwide



Aircraft refueling

¹ Commercial and supporting

² LUKOIL owns a 45% share in the Dutch refinery.