

LUKONNECT

A LUKOIL LUBRICANTS MIDDLE EAST PUBLICATION

JULY 2019

From the Director's Desk

Welcome to yet another edition of LUKONNECT.

The first half of 2019 has been a challenging year to date and interestingly, it has also been one of our busiest years in the recent past.

Our automotive lubricants business has been growing exponentially and we are thrilled to welcome the newest member of our family in the region, AMAZ. Headed and managed by a team of thorough industry professionals, they complement our vision and aspirations.

Here's to a bright future ahead for LUKOIL in the UAE Elsewhere, our partners in Oman, Kuwait, Saudi and Bahrain have been furiously busy in implementing a range of branding and marketing initiatives. Bravo!

On the digital media front, I'm also pleased to see our presence growing from strength to strength. In a period of barely a year, we have leap-frogged the competition thanks to an incisive, well thought out digital marketing strategy. This is however, just the tip of the proverbial iceberg. We are working tirelessly in the background to implement a comprehensive web-marketing strategy aimed at ensuring our online presence does justice to our product and technological advancements.

I hope you will enjoy reading this issue as you did our past edition and feel happy about your association with LUKOIL, the fastest growing energy Company in the world.

June Manoharan
Director
LUKOIL Marine Lubricants DMCC

LUKOIL inks deal with AMAZ in UAE



LUKOIL, one of the world's largest vertically integrated and privately-owned global energy companies and the market leading lubricants brand in Russia and Europe, has partnered with AL MUSTAQBIL AL ZAHIR CARS TRADING (AMAZ) to distribute their extensive range of LUKOIL Lubricant products in the United Arab Emirates.

The agreement between the two parties was finalized at the offices of LUKOIL Marine Lubricants DMCC. The event was presided over by June Manoharan, Managing Director, LUKOIL Marine Lubricants DMCC; William Gilbert Dsouza, LUKOIL Sales Director, Automotive Lubricants; Sandeep Malhotra, LUKOIL Regional Sales Manager. Abdullah Ahmed Bahwan, Executive Director; Shyam Asnani, Chief Operating Officer, Int'l Business; Paulo S Fernandes, VP, International Business and Parvinder Singh, Head of Lubricants Business represented AMAZ

"As 21st century consumers, governments and industries move towards advanced technology to achieve increased

efficiency and reduced emissions, the role and scope of oil manufacturers changes and calls for huge R&D investments in new product developments. LUKOIL being a progressive organization, has already kept itself ahead of the curve and developed an impressive range of synthetic products. The LUKOIL GENESIS products meet and exceed stringent quality and high-performance standards set by global industry organizations, API and ACEA. We are pleased to partner with AMAZ to market our motor lubricants in this highly sophisticated and competitive market." June Manoharan was quoted as saying.

"We are very pleased to partner with LUKOIL, a progressive organization and respected global brand, whose strategy for the region matches with ours. We want to bring high quality products & services to UAE consumers and continuously strive to provide best in class customer service. Our experienced and motivated teams will significantly contribute to the success of LUKOIL Lubricants in the UAE" added Abdullah Ahmed Bahwan.

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OMAN

GETTING DOWN TO BUSINESS IN OMAN



LUKOIL renews partnership with Suhail Bahwan Automobiles

As sole distributor of one of the world's most advanced range of automotive lubricants, Suhail Bahwan Automobiles (SBA) renewed its commitment to promote the LUKOIL range of lubricants in the Sultanate.

SBA's commitment complements and augments the group's aspirations to

provide the discerning Omani audience with a suite of world-class automotive products, solutions and services.

In a short span of time, the partnership between SBA and LUKOIL has already proven to be a huge success with the like-minded, customer-centric organisations working tirelessly to provide best-in-class products aided by a strategic suite of marketing and communication campaigns.



SBA ROLLS OUT BUS FLEET IN LUKOIL LIVERY

Aimed at ensuring top-of-mind recall within the country, SBA has begun an ambitious project of refreshing its fleet of delivery vans with an arresting LUKOIL livery.

The results are impressive and the vans are painting the town red... literally!

This is yet another marketing initiative from SBA and complements their ongoing online as well as offline communication programmes in the country.



LUKOIL EXPRESS LAUNCHED IN OMAN.



Preparing for augmented growth in the rapidly evolving lubes market.

Suhail Bahwan Automobiles, LUKOIL's partner in the Sultanate of Oman recently opened a brand new automotive service centre and deployed the LUKOIL EXPRESS solution to cement and sustain its presence in the extremely competitive landscape in the country.

Given the threat of disruptive change in the lubes market, global brands like LUKOIL are continuously implementing competitive strategies quickly and carefully, bearing in mind the need to

extend the offer beyond just the core product suite of lubricants.

While lubricant solutions remain an attractive yet challenging proposition,

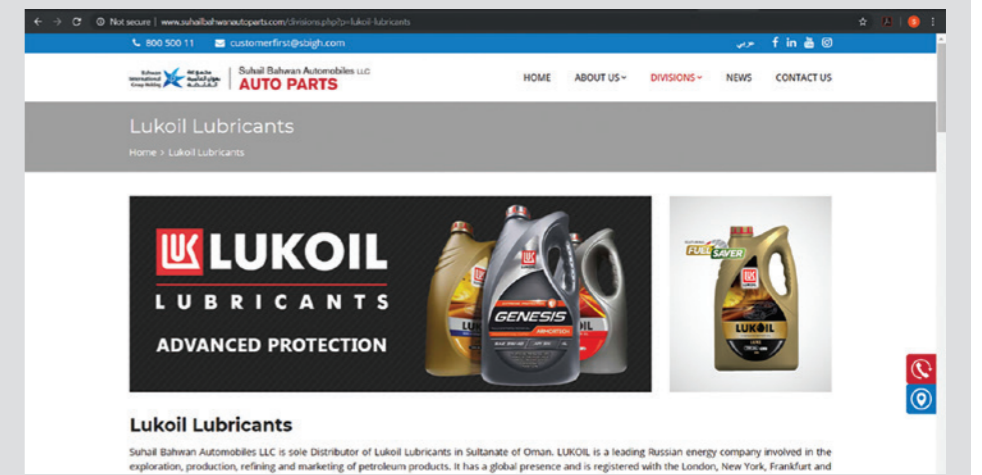
LUKOIL EX-PRESS and FAST TRACK service outlets are a manifestation of LUKOIL's value-added solution to discerning customers in the country and beyond.



SBA LAUNCHES NEW WEBSITE

SBA has launched a new website to promote LUKOIL Lubes hoping to target the customers present on digital platform. The slick, modern portal is www.suhailbahwanautomobiles.com

Complementing this website, SBA is also promoting LUKOIL campaigns on social media to digitally connect with the target audience. The results have been extremely encouraging. Watch this space for more.



Lukoil Lubricants

Suhail Bahwan Automobiles LLC is sole Distributor of Lukoil Lubricants in Sultanate of Oman. LUKOIL is a leading Russian energy company involved in the exploration, production, refining and marketing of petroleum products. It has a global presence and is registered with the London, New York, Frankfurt and

MYANMAR

LUKOIL MAKES A SPLASH AT THE MYANMAR WATER FESTIVAL

Thingyan Festival otherwise called the Water Festival is the festival which denotes Myanmar's New Year. It normally falls in the third week of April and the primary element is tossing water or water showering or drenching each other.

Among Myanmar's 12 seasonal festivals throughout the year, the Thingyan water festival represents the grandest which is believed to bring peace and prosperity to everyone.

The people of Myanmar turn over a new leaf and leave misfortunes from the old year by tossing or pouring water on each other. This symbolically washes away the polluting influences of the old year in order to ensure that any persistent negativities are not carried over into the new year.

It's a fun event where anybody can toss water to anybody, whether they are companions or outsiders.

This year saw LUKOIL participating in this cultural activity with its partner in Myanmar, Pivot Trading. It gives our liquid technology a whole new perspective!



LUKOIL HOSTS A BUSINESS PARTNER CONFERENCE IN MYANMAR



LUKOIL and its distributor in Myanmar, Pivot Trading Co. Ltd. recently conducted a work-shop/conference for their business partners in the country.

The event was held at the prestigious Sule Shangri-La Hotel and was attended by a hand-picked selection of delegates. They were given a brief yet informative overview of the LUKOIL brand, the technology invested in the lubricant portfolio as well global OEM attestations.

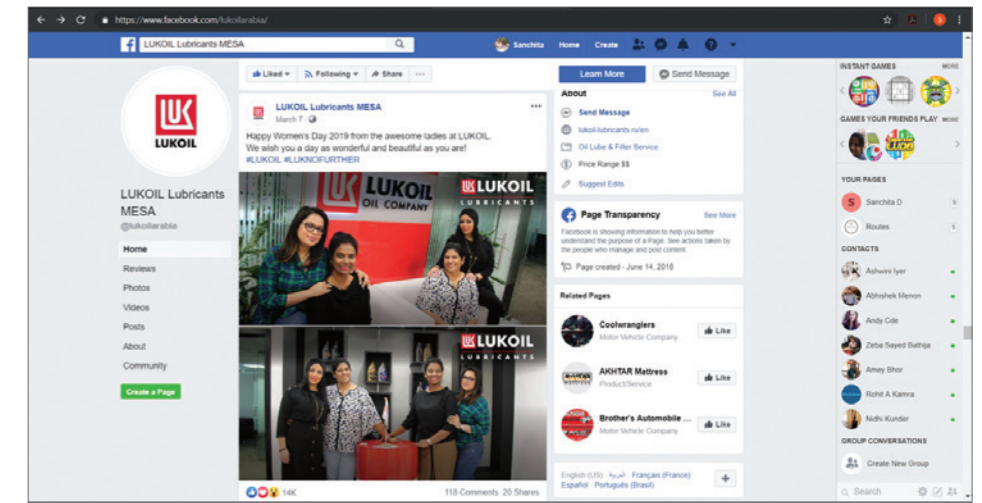
The event was followed by a cultural programme and concluded with dinner.

LUKOIL GAINING TRACTION ON SOCIAL MEDIA

Our online marketing and brand-building campaigns, initiated over a year ago have been bearing fruits. The social media platforms we are present on are Facebook, LinkedIn and Instagram. We have seen significant gains in the manner in which our online audience has been consuming our posts and content.

When we commenced our digital presence, our primary objective was to create compelling and educating messaging around the brand with a mix of product promotion and general automotive advice and brand highlights.

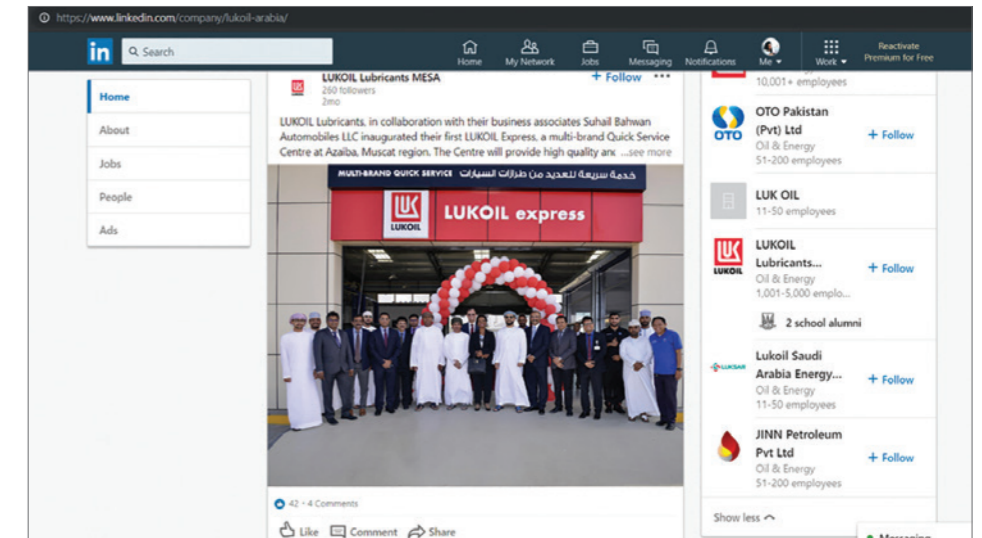
In less than a year, we have over 3,100 organic (not paid) followers on Facebook for the LUKOIL Lubricants MESA page and we have consistently recorded over



200% engagement rates with our media targeting aimed at relevant users on social media platforms.

On Instagram as well, we have recorded average likes of over 3,000 likes per post as a result of our incisive strategy and creative, arresting visual graphics.

LUKOIL Lubricants MESA is now one of the most active brands on social media in this region and is rewriting the rules of how a low involvement category and a relatively new and unknown brand is attracting engagement and spreading brand and product awareness using social media.



LUKOIL GOES PLACES IN THE KINGDOM.

Thanks to an aggressive vehicle branding programme by the LUKOIL partner in Saudi Arabia, the brand is now going places in KSA, literally. Attention-grabbing, attractive vehicle wraps differentiate a vehicle from every other vehicle on the road. Passing drivers will not pay much attention to a plain white van whilst on the road, but they would notice a well-designed vehicle wrap.

The GENESIS branded vans take our high-street presence even further and we are enjoying the returns on this marketing investment.



OMAN

LUKOIL MARINE LUBRICANTS AWARDED 3-YEAR TENDER BY OSC



As per the deal, LUKOIL will supply Oman Shipping Company's fleet

LUKOIL Marine Lubricants has inked a guaranteed 3-year contract with Oman Shipping Company (OSC). The recent signing took place at the Amwaj Rotana in Jumeirah Beach Residence and the parties involved in the signing of the agreement was June Manoharan, Director, LUKOIL Marine Lubricants and Ibrahim Bakhit Al Nadhairi, Technical Director, Oman Shipping Company.

The deal provides OSC the option of extending the partnership an additional two years to ultimately bring the agreement to a total of five years, if the company finds LUKOIL's supply services satisfactory. As per the contractual obligations, LUKOIL's supply shall cover OSC's fleet of 39 vessels consisting of Very Large Crude Carriers (VLCC), Product Tankers, Chemical Tankers, LPG Carriers, Very Large Ore Carriers (VLOCs) and Bulk Carriers.

"Our business relationship first began five years ago and since then it has blossomed through trust and respect into a solid partnership which has proved to be beneficial for both companies. From the moment we partnered in 2014, LUKOIL Marine Lubricants has demonstrated extreme professionalism through repeatedly providing Oman Shipping Company with reliable products and services, a major factor which swayed our decision of rightfully awarding them this contract. As we move forward, we are eager to develop our relationship even further in the next five years." Capt. David Stockley, Chief Operations Officer of Oman Shipping Company was quoted as saying.

Ibrahim Bakhit Al Nadhairi, Technical Director of Oman Shipping Company voiced an echoing sentiment as he added, "From a technical standpoint, Oman Shipping Company continually seeks out

new methods of optimizing our operations and with the assistance of LUKOIL Marine Lubricants, we have been able to increase savings as it pertains to both maintenance and lube oil. LUKOIL has exhibited outstanding operational and technical service and supported our company's global vision with their firmly established expertise in lubricant technology. This agreement comes at an opportune time as we seek to find alternative ways of elevating the status of our fleet's reputation with 2020 just around the corner."

June Manoharan, Director of LUKOIL Marine Lubricants elaborated as she stated, "Today is a momentous day for our company as we have successfully reached an agreement to continue building upon our long-term relationship with Oman Shipping Company with the intent of heightening their already reputable fleet. Although we specialize in the production and marketing of marine lubricants, we also pride ourselves in serving our clients to the utmost standard and in this case, we are excited to see that our efforts have been appreciated. Oman Shipping Company has shown great trust in allowing us to continue supplying their vessels."



AUSTRALIA

LUKOIL MARINE INKS DEAL TO SUPPLY LUBRICANTS FOR AUSTRALIAN GOVERNMENT VESSELS

LUKOIL Marine has recently signed agreements to supply marine lubrication solutions for the prestigious Australian government vessels MV Sycamore and MV Ocean Shield.

This further cements LUKOIL's global position in the marine lubricants industry as a provider of next-generation solutions for the seafaring industry.



KUWAIT

LUKOIL MARINE STRENGTHENS COLLABORATION WITH KOTC



After three successful years, LUKOIL Marine Lubricants will again supply Kuwait Oil Tanker Company's full fleet of various tanker vessels

The new deal between the two companies will help to build upon the existing foundation of an already solid business working relationship. As per the contract terms, LUKOIL will supply KOTC's 24-strong fleet consisting of Very Large Crude Carriers (VLCC's), Product Carriers, Liquefied Petroleum Gas (LPG) Carriers, and Bunker Vessels, for the next three years.

Multiple representatives from both companies attended during the meeting at which the contract terms were agreed upon, and the agreement was signed.

Voicing his satisfaction, Ali Shehab, CEO, KOTC stated, "Though our business relationship with LUKOIL has been brief thus far, the company and its personnel have demonstrated nothing short of first-class quality with both their marine lubricant product, and the excellent services they have provided us with during our three-year collaboration. Ultimately, deciding to renew our contract was the best decision for KOTC as through their services, LUKOIL has aided in our vision of pursuing commercially viable opportunities within the hydrocarbon shipping sector, and our mission of conducting operations to world class standards in an efficient manner while promoting safety and environmental responsibility."

Echoing a similar sentiment, Jihad Al Bannay, the Acting Manager, KOTC added, "Managing an extensive fleet, we are continually seeking optimization methods to enhance our operations.

This is not just for the benefit of our business, and to the advantage of our clients, but also for the well-being of the environmental landscape. Since 2015, LUKOIL has helped us achieve this by repeatedly proving their innovative and technological expertise within the industry. This is something we are deeply appreciative of, and it was a major factor which contributed to our ability to easily agree upon a contract extension."

Effective partnership for more efficient fleet

Bader Al Najjar, Team Leader for Dry Docking elaborated, "Given that our entire fleet of 24 vessels will be dry docking this year, the renewal of our deal with LUKOIL couldn't have come at a more opportune time. In the past three years of using LUKOIL's marine lubricants on board our vessels, our KOTC engineers have been very vocal about the numerous positive benefits which it has had in relation to previous products we have used. This combined with their iColube unit which works hand-in-hand to provide better vessel performance makes us optimistic about the next three years ahead."

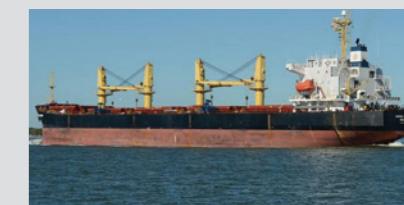
June Manoharan, Director of LUKOIL Marine Lubricants emphasized, "This marks another landmark milestone for LUKOIL as we seek to maintain our leading position in the market. We are thrilled to have reached this renewal agreement with KOTC both quickly and efficiently."

BANGLADESH

BRAVE ROYAL EXTENDS CONTRACT WITH LUKOIL MARINE FOR THREE YEARS



Brave Royal (BRSML Bangladesh) has recently signed on to renew its existing marine lubrication technology and solutions requirements. Having entered the burgeoning Bangladesh market 4 years ago, LUKOIL has made quick inroads into the marine, power generation, automotive and industrial sectors with its suite of industry-specific solutions. This extension by Brave Royal is yet another testimony to LUKOIL's unmatched product quality and support network that ensures the smooth and timely running of this bulk carrier.



Name
BRAVE ROYAL
Vessel Type
BULK CARRIER
Gross Tonnage
28074
Build
2000
Flag:
BANGLADESH

WORLD NEWS

LUKOIL BREAKS GROUND AS FIRST COMPANY TO CERTIFY PLANTS AS PER NEW IATF STANDARD



IATF 16949:2016 is the new international standard of the International Automotive Task Force, an industry organization, which unites leading global car manufacturers. This body puts forward the most advanced demands for quality management systems run by the suppliers of products for the car industry. The

world's leading automakers attach a lot of importance to IATF certification when selecting suppliers of car components and consumables. The previous industry standard ISO/TS 16949:2009 ceased to be effective on Sept. 14, 2018.

LUKOIL Lubricants Company has successfully completed certification of its manufacturing plants in Russia, Austria and Finland as per the latest international IATF 16949:2016 automotive standard. By doing so, the company has become Russia's first lubricants producer to confirm compliance of its plants with current demands of the biggest car manufacturers. This is the outcome of consistent work related to sharing best practices and unifying approaches to quality management at the Company's manufacturing sites in Europe and Russia.

"We deliver our products in Russia and other countries to such carmakers as Volkswagen, Ford, Renault and many others. Their demands for suppliers of spare parts and consumables are very demanding. IATF certification is a milestone for us since it confirms that

today our manufacturing processes, quality management system, logistics and document flow comply with the most advanced international standards. I want to note that the Tyumen plant, which specializes in manufacturing lubricants for industrial equipment, has been internationally audited and certified for the first time. This has to do with expanding first fill oil deliveries to global truck and custom machinery producers," said LUKOIL Lubricants Company general director, Kirill Vereta.

Besides IATF 16949:2016, LUKOIL Lubricants Company's manufacturing plants in Vienna and Perm are also certified as per the VDA 6.3 German automotive standard. Both plants have been successfully audited by Renault-Nissan-Mitsubishi and comply with the Volkswagen Formel Q quality management system. The Perm-based plant also owns the Ford Q1 quality management system certification. All these achievements expand the Company's opportunities for cooperation with automakers in Russia, CIS and other regions.

LUKOIL STARTS ENGINE OILS SALES ON LEADING GLOBAL MARKETPLACE AMAZON

LUKOIL has become Russia's first national lubricants manufacturer to start sales on Amazon, one of the world's largest online marketplaces. Today, LUKOIL GENESIS and LUKOIL LUXE synthetic engine oils are available to European buyers online on the retailer's website. In the near future, the company plans to expand its product range and to start online sales via Amazon in all regions of its operations. The opportunity to buy LUKOIL lubricants online on Amazon has been a genuine breakthrough for the Company in e-commerce. However, this is only the first step en route to the full-scale digitalization of LUKOIL's lubricants business, encompassing all areas of operation including production, R&D, logistics and sales. Last year, LUKOIL struck a partnership with another major international online marketplace, Alibaba.com.

