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Citi, Bank of America Merrill Lynch & Sovcomflot sign a USD 140 million, 7 year loan agreement

St. Petersburg, Russia: Citi, Bank of America Merrill Lynch, and OAO Sovcomflot (SCF Group) have signed a USD 140 million, 7 year loan Agreement to finance the construction of two VLCC-tankers. The vessels are currently under construction with delivery scheduled in 2013. They will operate on long-term charter agreements with PetroChina International (a subsidiary of China National Petroleum Corporation CNPC), one of the world's leading oil & gas corporations.

Sergey Frank, Sovcomflot President & CEO, said: "We are very pleased to welcome Citi and Bank of America Merrill Lynch to join the core group of Sovcomflot's lenders. This is the first time Sovcomflot has established a long-term relationship with two such prominent global financial institutions. I hope that this transaction demonstrates that SCF Group has continued access to debt capital to finance its investment needs throughout the shipping cycle. We look forward to further developing our partnership with Citi and Bank of America Merrill Lynch. SCF Group has a long history in the international financial markets and has been raising funds from international banks since the late 1980's. We are grateful to our financial partners for their ongoing support for the growth of our business."

Vikram Pandit, CEO, Citigroup, said: "Citi has been enabling progress for its clients for nearly 200 years, and for the last 20 years in Russia. Since financing of the first supertanker in 1948, Citi has placed a high priority on supporting major transportation projects. Today Sovcomflot is one of the world's leading shipping companies, and we are pleased to be a partner in this benchmark deal. Cooperation between such major international corporations creates additional opportunities for the development of this sector and will help strengthen Sovcomflot's business ties with world financial institutions."

Roman Zilber, head of Corporate Banking for Russia at Bank of America Merrill Lynch added: "Russia is a strategic focus for Bank of America Merrill Lynch and we have seen encouraging signs of our firm's strength and capabilities through recent deals such as this. Such successes are a result of strong client relationships coupled with specialised expertise. We look forward to further opportunities to support SCF and our other Russian clients, providing the very best global infrastructure with the benefit of local, in-country expertise."

SCF Press-office

OAO Sovcomflot (SCF Group) — one of the world's leading energy shipping companies, specialising in crude oil, petroleum products and liquefied gas transportation and servicing offshore upstream oil & gas projects. The fleet includes 157 vessels with a total deadweight of 12 million tonnes. The company is registered in St. Petersburg with offices in Moscow, Novorossiysk, Murmansk, Vladivostok, London, Limassol, Madrid and Singapore. .

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

ZAO Citibank, a full subsidiary of Citi, has been operating in Russia since 1992. At present ZAO Citibank is among the country's largest banks offering a full range of products and services to corporate and consumer customers. Citibank has over 3,500 employees; its distribution network includes retail branches, 550 ATMs and representative offices in largest cities in Russia, Citi also operates in Ukraine and Kazakhstan. The number of the bank's consumer clients has exceeded 1,000,000 Russians. www.citibank.ru.