

TOYO Awarded Contract for Second Azerbaijan Shimal Gas Combined Cycle Power Plant Project

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Toyo Engineering Corporation

Toyo Engineering Corporation (TOYO, President & CEO Yutaka Yamada) and Azenco Joint Stock Company, a local construction company, have entered into power plant implementation contracts with Azerenerji Joint Stock Company, a government owned power utility company in Republic of Azerbaijan.

According to the terms of the contract, a 400 MW combined cycle power plant is to be constructed in the suburbs of Baku as the 2nd Shimal Gas Combined Cycle Power Plant Project. The Gas Turbine and the Steam Turbine will be supplied by Mitsubishi Heavy Industries, Japan. Construction of the plant is scheduled to begin in February 2011 and completed by November 2013.

In 2002, TOYO was awarded a contract for a gas pipeline and compressor station project in Azerbaijan. The successful implementation of this project as well as the extensive experience TOYO has gained in Russia, CIS countries and other countries worldwide has led to the award of this contract.

This contract will be financed by Yen Credit according to the ODA Loan Agreement between the Japanese Government and the Government of the Azerbaijan Republic signed in May 2005, and is TOYO's second order received with Yen Credit for Azerbaijan following the above-mentioned pipeline project.

Azerbaijan's high level of economic growth is driven by the development and production of oil and gas from fields in the Caspian Sea. The majority of demand for power comes from the eastern part Apsheron Peninsula (Apsperonskii Polustrov) including the capital Baku. Therefore, the construction of this new, high efficiency power station will contribute greatly to the reliable and stable power supply in Azerbaijan.

TOYO is increasing the focus on Infrastructure (electric power, water, and transportation) projects as their demand is predicted to grow in the coming years. This award, coming on the heels of the 7 Small Power Plants award in October 2010 from Thailand confirms TOYO's competitiveness in the Power Plant field also. TOYO will leverage the award of this contract for a large scale gas turbine combined cycle project to win other power project opportunities worldwide.

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