

TOYO enters into GESA with South Oil Company of Iraq

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Toyo Engineering Corporation

In February 2012, Toyo Engineering Corporation (TOYO, President and CEO Yutaka Yamada) entered into a General Engineering Service Agreement (GESA) with South Oil Company (SOC) for upstream projects. This agreement covers all oil fields and related facilities that SOC is responsible for in the south of Iraq. TOYO will, on a long term basis and according to SOC's request, provide comprehensive technical services in order to expedite the smooth, timely and economic implementation of SOC's upstream projects.

For Iraqi state owned companies, including SOC, this GESA is the first implementation of an alliance-type contract. Performing as a partner of the oil company the alliance contractor typically provides a broad-scope of services from business development, through planning works to project management and so on. Therefore a wide-range of capability and a trustworthy relationship with the oil company is essential. TOYO has broad and worldwide experience in the provision of providing technical services based on GESA, having concluded agreements with more than ten oil & gas companies, starting from the first GESA with a joint venture between Saudi Aramco and Kuwait Oil Company. TOYO considers that this experience and their performance were fairly recognized, and thus reached this conclusion of the GESA with SOC.

In tandem with the Japanese government's activities relating to Iraq reconstruction, TOYO has been promoting discussions for both upstream and downstream businesses, not only with SOC but also the other state owned companies under control of the Iraq Ministry of Oil. TOYO considers the signing of the GESA with SOC as a significant milestone in its activities in Iraq, and will continue developing its businesses opportunities with SOC and the other state owned companies, in order to contribute to the smooth reconstruction of Iraq industries.

Going forward TOYO intends to continuously develop and expand the services they provide to the worldwide upstream oil and gas business field.

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