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News Release

Contract Award for Modernization of the Oil Refinery in Tatarstan, Russia

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Toyo Engineering Corporation

Toyo Engineering Corporation (TOYO, President and CEO Katsumoto Ishibashi) has been awarded a contract with "TAIF-NK" to provide services for detailed engineering and procurement for the oil refinery modernization project in Nizhnekamsk. "TAIF-NK" belongs to "TAIF" PSC Group (Republic of Tatarstan, Russian Federation) and is one of the largest oil refineries in Russia. The current project utilizes the VCC (Veba Combi Cracker) process of Kellogg Brown and Root (KBR, the engineering company with headquarters in Houston, USA) to be implemented at the Heavy Residue Conversion Complex (HRCC) for the first time in the world. The project is going to be completed in 2016 and the Complex will convert the following oil refinery heavy residues: 2,700,000 tons/year of vacuum residue and 1,000,000 tons/year of vacuum gas oil with high ratio of conversion to more valuable and high-quality oil products.

In 2015 the Russian government plans to annul the decree currently in effect of lowering the heavy residue export taxes towards increasing added value for the exported petroleum products and compliance with the motor gasoline environmental standards (Euro 5) being used domestically. In this regard oil refineries in Russia were given directions for urgent establishing the units for heavy oil conversion.

TOYO has been awarded with this contract based on its successful experiences in construction more than 60 plants in both Russia and CIS countries from 1960's and receiving a high appraisal for its engineering know-how on numerous projects in the field of heavy oil conversion.

TOYO is going to actively expand its business and marketing activities in years to come for the energy and petrochemical projects.

Project Outline

- Client: "TAIF-NK" (head office in Nizhnekamsk, Republic of Tatarstan, Russian Federation)
- Contractor: Toyo Engineering Corporation
- Site: Nizhnekamsk, Republic of Tatarstan, Russian Federation
- Plant: Heavy Residue Conversion Complex with a capacity of processing 2,700,000 tons/year of vacuum residue + 1,000,000 tons/year of vacuum gas oil
- Scope: EP (Detail Engineering & Procurement)
- Completion: Year of 2016 (scheduled)



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(Note)

"TAIF-NK" as an oil refining company being a part of "TAIF" PSC Group with annual sales of about USD 3,9 billion. It controls oil refineries with capacity of processing 8,000,000 tons/year of feedstock.

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