



**TECNICAS REUNIDAS**

## **FULL YEAR RESULTS**

January – December 2017

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**2017 Annual accounts audited by Deloitte and Price Waterhouse Coopers**

## 1. MAIN HIGHLIGHTS AND GUIDANCE

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- Backlog at the end of 2017 of € 9.9 billion
- 2017 Order intake of €4.6 billion, mainly awarded at the end of the year.
- 2018 YTD Order Intake of € 1.1 billion.
- 6% growth in sales to € 5.1 billion
- Operating profit at € 100 million, with a 2.0% EBIT margin
- Net profit from operations at € 64 million
- Net cash position of € 231 million
- Dividend paid in 2017: € 75 million

Backlog at the end of December stood at € 9.9 billion that compares with a €10.6 billion at December 2016. These figures are heavily impacted by the 14% depreciation of the Dollar against Euro, and therefore, the company fully replaced the backlog in dollar terms. Backlog in dollars grew by 6% in 2017, from USD 11.1 billion to USD 11.8 billion.

The main awards, worth €4.6 billion, were the Haradh gas project in Saudi Arabia, the Baku refinery project in Azerbaijan, the Duqm refinery project in Oman and Tierra Mojada CCGT project in Mexico. In February, Técnicas Reunidas signed the Bahrein refinery project, which will be included in the 1Q 2018 backlog.

Total sales reached € 5.1 billion in 2017, a 6% growth compared to 2016, as the major projects in execution were in the procurement and construction stage.

The balance sheet closed with a net cash position of € 231 million. Net Cash was affected by greater needs of working capital for major projects in the Middle East and the lack of relevant downpayments through the year.

The company's EBIT was € 100 million, with an operating margin of 2.0%, in line with the company guidance. The company's operating margins are being impacted by non-recurrent factors, as was mentioned in the 9M 2017 results:

- An increase of idle costs because of reduced activity, due to the delay in the launch of major projects (no oil and gas projects started in 2017).
- The extra costs incurred in some specific projects at the last stage of construction, mechanical completion or commissioning, with a greater degree of uncertainty about the capacity to recover these costs under the current crisis situation.

### Year 2018 Guidance

- Sales: € 4,300 - 4,600 million, impacted by the late start of the already awarded projects
- EBIT Margin: 1.5% - 2.5%, with a progressive improvement during the year
- Commitment to shareholders' remuneration policy

Juan Lladó, Técnicas Reunidas Chief Executive Officer, commented:

*“2017 was challenging for Técnicas Reunidas. We started the year with high expectations, as a result of the award of important projects and a successful bidding strategy in the Middle East. In the second half of the year, we faced the cancellation of the projects in Latin America and the delay in the final signature and start of the jobs in the Middle East.*

*As a result, Técnicas Reunidas had to take the strategic decision to maintain intact the core Engineering and Project Management capabilities to be ready for the start of the projects, even if it had an impact on company margins coming from the underutilization of its workforce.*

*I believe this decision was proven right. We are starting the year with a backlog of more than € 10 billion and the capacity to launch projects, worth almost USD 6 billion, during the first and second quarter of the year.*

*In the first two months of 2018, we are seeing higher activity in the pipeline and receiving more invitations to bid than in previous years, new opportunities that are well diversified by industries and regions. With these market indicators and the signature and start of the recently awarded projects, we can face the near future with optimism”*

Técnicas Reunidas will hold a conference call today at 4:00 PM. It can be accessed through the link in its homepage <http://www.tecnicasreunidas.es/en/>.

## 2. BACKLOG

	Project	Country	Client
Refining and Petrochemical	Baku refinery	Azerbaijan	SOCAR
	Duqm refinery	Oman	DRPIC
	Ras Tanura refinery	Saudi Arabia	Saudi Aramco
	Al Zour refinery	Kuwait	KNPC
	Minatitlán refinery	Mexico	Pemex
	Westlake petrochemical complex	US	Sasol
	Heroya Industrial Park	Norway	Yara Norge AS
	RAPID refinery	Malaysia	Petronas
	Talara refinery	Peru	Petroperu
	Star refinery	Turkey	SOCAR
	Jazan refinery	Saudi Arabia	Saudi Aramco
Upstream & Gas	Haradah	Saudi Arabia	Saudi Aramco
	Fadhili	Saudi Arabia	Saudi Aramco
	GT5	Kuwait	KNPC
	Jazan IGCC	Saudi Arabia	Saudi Aramco
	GASCO	United Arab Emirates	ADNOC / Total / Shell
	Touat gas field	Algeria	GDF Suez / Sonatrach
Hail Field Development*	United Arab Emirates	ADOC	
Power	Biomass plant	UK	MGT Teeside
	Turów	Poland	Polska Grupa Energetyczna
	Tierra Mojada	Mexico	Fisterra Energy
	Kilpilahti	Finland	Neste / Veolia / Borealis

\* Project in mechanical completion or carrying out services for the start up phase of the plant

### **Backlog as of December, 31<sup>st</sup> 2017**

At the end of December 2017, Técnicas Reunidas' backlog amounted to € 9,870 million, 7% lower compared to € 10,582 million reached at the end of December 2016. These figures are heavily impacted by the 14% depreciation of the Dollar against Euro, and therefore, the company fully replaced the backlog in dollar terms. Backlog in dollars grew by 6% in 2017, from USD 11.1 billion at the end of 2016 to USD 11.8 billion at the end of 2017.

Oil and Gas projects stood for 92% of the total backlog, whereas the Power division accounted for 8%.

FY 2017 order intake was € 4,624 million which includes the Tierra Mojada CCGT project for Fisterra Energy in Mexico, the Duqm refinery project for DRPIC in Oman, the Haradh gas project for Saudi Aramco and the Baku refinery project for SOCAR in Azerbaijan. In February, Técnicas Reunidas signed the Bahrein refinery project, which will be included in the 1Q 2018 backlog.

The awards added to the backlog in the fourth quarter of the year were the following:

- In November, Saudi Aramco awarded to Técnicas Reunidas three gas compression facilities. The total amount of the project is valued by Saudi

Aramco at nearly USD 4.5 billion. The scope of Técnicas Reunidas would be around 50% of the referred amount.

This investment is part of Saudi Aramco's Gas Compression Program in the Southern Area. The project will improve and sustain gas production from Haradh and Hawiyah fields for the next 20 years by bringing an additional 1 billion standard cubic feet per day (scfd). The Hawiyah Gas Plant (HGP) Expansion Project will provide additional gas processing facilities to process raw sweet gas, to efficiently meet the Kingdom's energy demand.

- Técnicas Reunidas was selected by State Oil Company of Azerbaijan Republic (SOCAR) for the execution of the Modernisation and Reconstruction of Heydar Aliyev Refinery in Baku, Azerbaijan. The contract was awarded as EPCm, with conversion to lump sum turn key contract and will be completed in 38 months.

The contract involves the revamping of major process units within the diesel block (crude and vacuum, FCC, kero treatment and amines) and gasoline block (CCR, naphtha hydrotreater, and VGO hydrotreater), the modifications and expansion to the associated Utilities and Offsites, and the coordination of the execution activities with the existing refinery and contractors for other packages of the overall project.

- In 2017, Técnicas Reunidas was awarded a contract to conduct the Detailed Engineering and Procurement Services for a 400kta green field world scale polyethylene plant for NOVA Chemicals Corporation (NOVA Chemicals) in Ontario, Canada, along with the material handling and utilities infrastructure required for the operation of the new plant. The projects will be designed according to the NOVA Chemicals' proprietary technology.

## 2018 Awards

- In February, Técnicas Reunidas, jointly with its JV partners, Samsung and Technip, signed a contract with Bahrain Petroleum Company (Bapco) for the Bapco Modernization Program (BMP). The project is located on Bahrain's Eastern coast and involves the expansion of the capacity of the existing Sitra refinery from 267,000 up to 360,000 barrels per day, the improvement of energy efficiency, the monetization of the bottom of the barrel, the enhancement of products slate and the compliance of the products with environmental regulations.

The project will be executed on engineering, procurement, construction and commissioning (EPCC) lump sum turnkey basis and is expected to be completed in 2022. The scope of the project for Técnicas Reunidas, will include the detail engineering of some of the most complex units, as the crude unit, vacuum unit, hydrocracker, saturated gas plants 1&2, and of other auxiliary facilities, and will also directly participate in the Directorate of the JV in the procurement and construction activities for the whole project.

The contract value for the JV amounts to USD 4.2 billion and the share of the contract for Técnicas Reunidas is USD 1.35 billion.

### **2017 FEEDs and R&D projects**

The company is continuously awarded conceptual studies, feasibility studies and FEEDs (Front End Engineering and Design), which are not announced individually. These projects contribute to strengthen our relationship with clients and are crucial to keep developing our leading technical and technological capabilities. The company is reinforcing its strategy to carry out more projects of this type. Also, Técnicas Reunidas participates in different projects for research and development of new technologies.

The main FEEDs, conceptual studies and R&D projects awarded during 2017 were:

- More than 20 engineering contracts related to oil and gas in the Sultanate of Oman.
- Técnicas Reunidas was awarded 6 engineering contracts for ENAP in Chile, including Basic Engineering for the Installation of sour water stripper unit at Enap Refinerías S.A. and a frame agreement for detailed engineering for ENAP Aconcagua.
- A technical study for the Crude Oil Refinery for Phasis Oil in Georgia.
- Técnicas Reunidas develops a continuous and intense activity in the research and development (R&D) of new technologies. During 2017, Técnicas Reunidas was involved in eight national and European R&D programs. The combined budget of these programs was around € 12 million. The projects' scope was the study and development of technologies, processes and treatments related with monetization of biomass residues, advanced materials for energy storage, hydrometallurgy and metals concentration and recovery, among others.

## 2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - December	Year 2017 € million	Year 2016 € million	Var. %
<b>Net Revenues</b>	<b>5,067.9</b>	<b>4,792.6</b>	<b>5.7%</b>
Other Revenues	1.8	4.2	
<b>Total Income</b>	<b>5,069.8</b>	<b>4,796.8</b>	<b>5.7%</b>
Raw materials and consumables	-4,051.0	-3,407.0	
Personnel Costs	-581.5	-576.3	
Other operating costs	-315.4	-602.5	
<b>EBITDA</b>	<b>121.9</b>	<b>211.0</b>	<b>-42.2%</b>
Amortisation	-21.5	-19.1	
<b>EBIT</b>	<b>100.4</b>	<b>191.9</b>	<b>-47.7%</b>
Financial Income/ expense	-6.9	4.0	
Share in results obtained by associates	-2.3	-2.5	
<b>Profit before tax</b>	<b>91.2</b>	<b>193.4</b>	<b>-52.8%</b>
Income taxes	-27.2	-53.2	
<b>Net Profit from Continuing Operations</b>	<b>64.0</b>	<b>140.2</b>	<b>-54.3%</b>
<b>Net Loss from Discontinued Operations</b>	<b>-5.0</b>	<b>-11.0</b>	
<b>Net Profit after Discontinued Operations</b>	<b>59.0</b>	<b>129.2</b>	<b>-54.4%</b>

### 3.1 REVENUES

REVENUES BREAKDOWN January - December	Year 2017 € million	%	Year 2016 € million	%	Var. %
Oil and gas	4,281.5	84.5%	4,266.2	89.0%	0.4%
Power	684.3	13.5%	395.9	8.3%	72.8%
Infrastructure and industries	102.1	2.0%	130.5	2.7%	-21.8%
<b>Net Revenues</b>	<b>5,067.9</b>	<b>100%</b>	<b>4,792.6</b>	<b>100%</b>	<b>5.7%</b>

In 2017, net revenues grew by 5.7% to € 5,067.9 million, as major projects in the backlog are in the procurement and construction stage.

Sales from the oil and gas division went up 0.4% and reached € 4,281.5 million in 2017. Oil and Gas revenues represented the vast majority of total sales (84%):

- Refining and Petrochemical: The projects with the highest contribution to sales were the following: Al Zour for KNPC (Kuwait), Talara for Petroperu (Peru), RAPID for Petronas (Malaysia) and Ras Tanura for Saudi Aramco (Saudi Arabia).
- Upstream and Natural Gas: The main contributors to sales were: the Fadhili project for Saudi Aramco (Saudi Arabia), the GT5 project for KNPC (Kuwait), the Jazan IGCC for Saudi Aramco (Saudi Arabia) and the Hail field project for Adoc (UAE).

Revenues from the power division grew by 73% to € 684.3 million in 2017. The Teeside biomass project for MGT Teeside (UK), Kilpilahti electricity generation project for Neste / Veolia / Borealis (Finland) and the Turow coal plant for Polska Grupa Energetyczna (Poland) were the largest contributors to sales.

### 3.2 OPERATING AND NET PROFIT

<b>OPERATING AND NET PROFIT</b> January - December	<b>Year 2017</b> € million	<b>Year 2016</b> € million	<b>Var.</b> %
<b>EBITDA</b>	121.9	211.0	-42.2%
<b>Margin</b>	2.4%	4.4%	
<b>EBIT</b>	100.4	191.9	-47.7%
<b>Margin</b>	2.0%	4.0%	
<b>Net Profit*</b>	64.0	140.2	-54.3%
<b>Margin</b>	1.3%	2.9%	

\* Net Profit from Continuing Operations

<b>EBIT BREAKDOWN</b> January - December	<b>Year 2017</b> € million	<b>Year 2016</b> € million	<b>Var.</b> %
<b>Operating Profit from divisions</b>	201.3	283.5	-29.0%
<b>Costs not assigned to divisions</b>	-100.9	-91.5	10.2%
<b>Operating profit (EBIT)</b>	<b>100.4</b>	<b>191.9</b>	<b>-47.7%</b>

<b>Financial Income/Expense</b> January - December	<b>Year 2017</b> € million	<b>Year 2016</b> € million
Net financial Income *	-0.7	1.2
Gains/losses in transactions in foreign currency	-6.2	2.8
<b>Financial Income/Expense</b>	<b>-6.9</b>	<b>4.0</b>

\* Financial income less financial expenditure

2017 EBIT reached € 100.4 million and Operating Margin was 2.0%, as it was expected by the company. The Operating Result was impacted by non-recurrent factors, as mentioned in the 9M 2017 results:

- An increase of idle costs because of reduced activity, due to the delay in the launch of major projects (no oil and gas projects started in 2017).
- The extra costs incurred in some specific projects at the last stage of construction, mechanical completion or commissioning, together with a greater degree of uncertainty about the capacity to recover these costs under the current crisis situation.



Net profit was € 64.0 million, 54.3% lower compared to 2016, impacted by:

- A decrease in financial results, from an income € 4.0 million in 2016 to an expense of € 6.9 million in the 2017. This reduction was mainly due to a € 6 million loss in transactions in foreign currency, as the dollar suffered a depreciation against the euro of 14% since the beginning of 2017.
- In 2017, the company income tax was € 27.2 million, which represents an effective tax rate of 29.8%.

#### 4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET December 31	Year 2017 € million	Year 2016 € million
<b>ASSETS:</b>		
<b>Non-current Assets</b>		
Tangible and intangible assets	50.1	69.7
Investment in associates	13.4	13.1
Deferred tax assets	254.6	225.8
Other non-current assets	19.8	24.6
	<b>337.8</b>	<b>333.1</b>
<b>Current assets</b>		
Inventories	17.9	17.0
Trade and other receivables	2,786.1	2,406.3
Other current assets	106.6	90.5
Cash and Financial assets	637.3	752.4
	<b>3,548.0</b>	<b>3,266.2</b>
<b>TOTAL ASSETS</b>	<b>3,885.8</b>	<b>3,599.3</b>
<b>EQUITY AND LIABILITIES:</b>		
<b>Equity</b>	<b>463.3</b>	<b>441.8</b>
<b>Non-current liabilities</b>		
Financial Debt	92.2	155.2
Other non-current liabilities	44.5	28.5
<b>Long term provisions</b>	<b>43.2</b>	<b>35.0</b>
<b>Current liabilities</b>		
Financial Debt	313.8	109.4
Trade payable	2,796.0	2,570.5
Other current liabilities	132.8	258.9
	<b>3,242.5</b>	<b>2,938.8</b>
<b>Total liabilities</b>	<b>3,422.5</b>	<b>3,157.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,885.8</b>	<b>3,599.3</b>

<b>EQUITY</b> <b>December 31</b>	<b>Year 2017</b> <b>€ million</b>	<b>Year 2016</b> <b>€ million</b>
Shareholders' funds + retained earnings	538.1	619.6
Treasury stock	-73.0	-72.6
Hedging reserve	15.8	-73.4
Interim dividends	-35.9	-35.9
Minority Interest	18.2	4.1
<b>EQUITY</b>	<b>463.3</b>	<b>441.8</b>

<b>NET CASH POSITION</b> <b>December 31</b>	<b>Year 2017</b> <b>€ million</b>	<b>Year 2016</b> <b>€ million</b>
Current assets less cash and financial assets	2,910.7	2,513.8
Current liabilities less financial debt	-2,928.8	-2,829.4
<b>COMMERCIAL WORKING CAPITAL</b>	<b>-18.1</b>	<b>-315.6</b>
Financial assets	67.4	64.2
Cash and cash equivalents	569.9	688.3
Financial Debt	-406.0	-264.6
<b>NET CASH POSITION</b>	<b>231.3</b>	<b>487.8</b>
<b>NET CASH + COMMERCIAL WORKING CAPITAL</b>	<b>213.2</b>	<b>172.2</b>

- At the end of December 2017, equity of the company was € 463.3 million, € 21.5 million higher than in December 2016. This increase was favoured by the improvement in hedging reserves as a result of dollar depreciation.
- Total dividends paid in 2017 had € 75 million, equal to the dividends paid in 2016. The interim dividend of € 0.667 per share (€ 35.8 million), was paid on 19<sup>th</sup> of January 2017. The complementary dividend of € 0.7289 per share (€ 39.2 million), was paid on 10<sup>th</sup> July 2017. In December 2017, the Board of Directors already approved an interim dividend of € 0.667 per share out of 2017 results, which was paid on the 18<sup>th</sup> of January, 2018.
- The company closed 2017 with a € 231.3 million net cash balance. The cash position was affected by greater needs of working capital for major projects in the Middle East, due to a greater exposure to this region and the delay of the launch of projects, and therefore the lack of relevant downpayments during 2017.

**ANNEX**  
**FILINGS WITH CNMV, RELEVANT EVENTS AND OTHER COMMUNICATIONS**

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In the fourth quarter of 2017, the company filed with the Spanish “Comisión Nacional del Mercado de Valores” (CNMV) the following communications:

- **16<sup>th</sup> of October 2017**

Regarding the liquidity agreement signed with Santander Investment Bolsa, Sociedad de Valores, SAU, the company reported information of the operations made during the first quarter:

SUMMARY			
	Shares	Net Value (€)	Average price
Opening account	74,500	2,537,098	
Purchases	1,751,903	-50,859,424	29.03
Sales	-1,723,486	49,934,125	28.97
Final account	102,917	1,611,800	

- **1<sup>st</sup> of December 2017**

Técnicas Reunidas, jointly with its JV partners, Technip and Samsung, was awarded a USD 4.2 billion contract from Bahrain Petroleum Company (Bapco) for the Bapco Modernization Program (BMP). The project is located on Bahrain’s Eastern coast and entails the expansion of the capacity of the existing Sitra oil refinery from 267,000 up to 360,000 barrels per day, improve energy efficiency, monetization of the bottom of the barrel, enhancing products slate and meeting environmental compliance.

The project will be executed on engineering, procurement, construction and commissioning (EPCC) lump sum turnkey basis and is slated for completion in 2022. It includes the following main units: Residue Hydrocracking Unit, Hydrocracker Unit, Hydro Desulfurization Unit, Crude Distillation Unit, Vacuum Distillation Unit, Saturated Gas Plant, Hydrogen Production Unit, Hydrogen Recovery Unit, Sulphur Recovery Unit, Tail Gas Treatment Unit, Sour Water Stripper Unit, Amine Recovery Unit, Bulk Acid Gas Removal Unit, Sulphur Solidification Unit and Sulphur Handling Facilities. Utilities and offsites are also part of the scope.

The BMP project draws from the experience of the joint venture partners who built expertise steadily over years in Bahrain as well as in the Region.

The scope of the Project for Técnicas Reunidas, whose share on the total contract value is USD 1.35 billion, will be the detail engineering of some of the most complex units, as the Crude Unit, Vacuum Unit, Hydrocracker, Saturated Gas Plants 1&2, and of other Auxiliary Facilities, and will also directly participate in the Directorate of the JV in the Procurement and Construction activities for the whole project.

The investment in refineries upgrade is an ongoing trend in the refining industry, as enhancing profitability is key for maintaining the competitiveness of existing facilities.

Técnicas Reunidas' strong execution capabilities in this type of strategic investments, like the one of BMP, are crucial for the development of the oil and gas industry and adds this project to its extended track-record on refining.

The Middle East is a key area for Técnicas Reunidas where the company has executed more than 25 projects, with an aggregate value of around 20 billion € in the last ten years. Técnicas Reunidas is present in this Region in countries like Saudi Arabia, Kuwait, Oman, United Arab Emirates and now also Bahrein.

BAPCO: wholly owned by the Government of Bahrain, Bapco is engaged in the oil industry including refining, distribution of petroleum products and natural gas, sales and exports of crude oil and refined products. The company owns a 264,000 barrel-a-day refinery, storage facilities for more than 14 million barrels, a marketing terminal and a marine terminal for its petroleum products.

- **20<sup>th</sup> of December 2017**

Técnicas Reunidas, TR, has been selected by State Oil Company of Azerbaijan Republic (SOCAR) for the execution of the Modernisation and Reconstruction of Heydar Aliyev Refinery in Baku, Azerbaijan.

This Project is part of the development plan that SOCAR is currently undergoing in the Heydar Aliyev Oil Refinery with the final aim to upgrade the refinery facilities to be capable of processing 7.5 Mtpa of crude oil, whilst meeting quantity and quality requirements of products to feed Azerikimya revamped petrochemical plant and producing Euro V quality automotive transportation fuels.

The contract awarded to TR involves the revamping of major process units within the Diesel Block (Crude and Vacuum, FCC, Kero Treatment and Amines) and Gasoline Block (CCR, Naphtha Hydrotreater, and VGO Hydrotreater), the modifications and expansion to the associated Utilities and Offsites, and the coordination of the execution activities with the existing refinery and contractors for other packages of the overall project.

The contract has been awarded as EPCm with conversion to Lump Sum Turn Key, contract and will be completed in 38 months. This is the second large SOCAR Project awarded to TR, following the SOCAR Turkey Aegean Refinery (STAR) in Aliaga, Turkey.

SOCAR - The State Oil Company of Azerbaijan Republic (SOCAR) is an integrated international energy company, operating across the value chain. SOCAR's activities comprise exploring and producing oil and natural gas, operating transnational pipelines, logistics projects, refining and petrochemical facilities, while being also a well-known trader of natural gas, oil and petrochemicals.

- **29<sup>th</sup> of December 2017**

The company reported to the CNMV that the Board of Directors approved on the 29<sup>th</sup> of December 2017, the distribution of € 0.667 per share, € 35.8 million in total, as an advanced payment of the dividend out of 2017 results, to be approved in the next Shareholders General Meeting. The interim dividend was paid on the 18<sup>th</sup> of January of 2018.

Also, in 2018, the company filed the following communication:

- **22<sup>nd</sup> of January 2018**

Regarding the liquidity agreement signed with Santander Investment Bolsa, Sociedad de Valores, SAU, the company reported information of the operations made during the second quarter and an updating of the first quarter:

UPDATED SUMMARY 1Q			
	Shares	Net Value (€)	Average price
Initial amount of the contract	74,500	2,537,098	
Initial amount of the quarter	74,500	2,537,098	
Purchases	1,751,903	-50,963,555	29.09
Sales	-1,723,486	50,038,877	29.03
Final account	102,917	1,612,420	

SUMMARY 2Q			
	Shares	Net Value (€)	Average price
Initial amount of the contract	74,500	2,537,098	
Initial amount of the quarter	102,917	1,612,420	
Purchases	1,904,223	-48,942,875	25.70
Sales	-1,956,975	50,365,635	25.74
Final account	50,165	3,035,180	

- **19<sup>th</sup> of February 2018**

Técnicas Reunidas signed the contract for the execution of the Process units for the new refinery of Duqm in Oman. As the company already announced, TR received the letter of intent for the EPC contract award in August 2017.

This project is part of the Omani government plan for the industrial development of the Special Economic Zone of Duqm, which includes the new grassroot refinery, with an overall investment of USD 15,000 million in the coming 15 year and already includes a dry dockyard, harbour and related infrastructure such as roads and utilities. The refinery is the key project of the area.

The contract has been awarded on a LSTK basis to the international Joint Venture led by Técnicas Reunidas (Spain) and Daewoo Engineering and Construction (South Korea) for an approximate value of USD 2,750 million and 47 months of duration.

This is the largest of the three packages awarded for the Refinery and includes all the process units.

The project will be developed at TR's offices in Madrid, being TR the majority partner of the Joint Venture with a participation of 65%. This project will enlarge the experience and activity of TR in the Middle East, following the recent awards of another important oil and gas projects in the region.

Duqm Refinery and Petrochemical Industries Company (DRPIC) is a Joint Venture between the state-owned Oman Oil Company (OOC) and Kuwait Petroleum International (KPI), the international subsidiary of Kuwait Petroleum Corporation (KPC).

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