

August, 2007

INVESTOR RELATIONS

## **Awarded Contract of USD 1.8 billion for Overseas Plant Project – Egypt ERC Hydrocracker Project –**



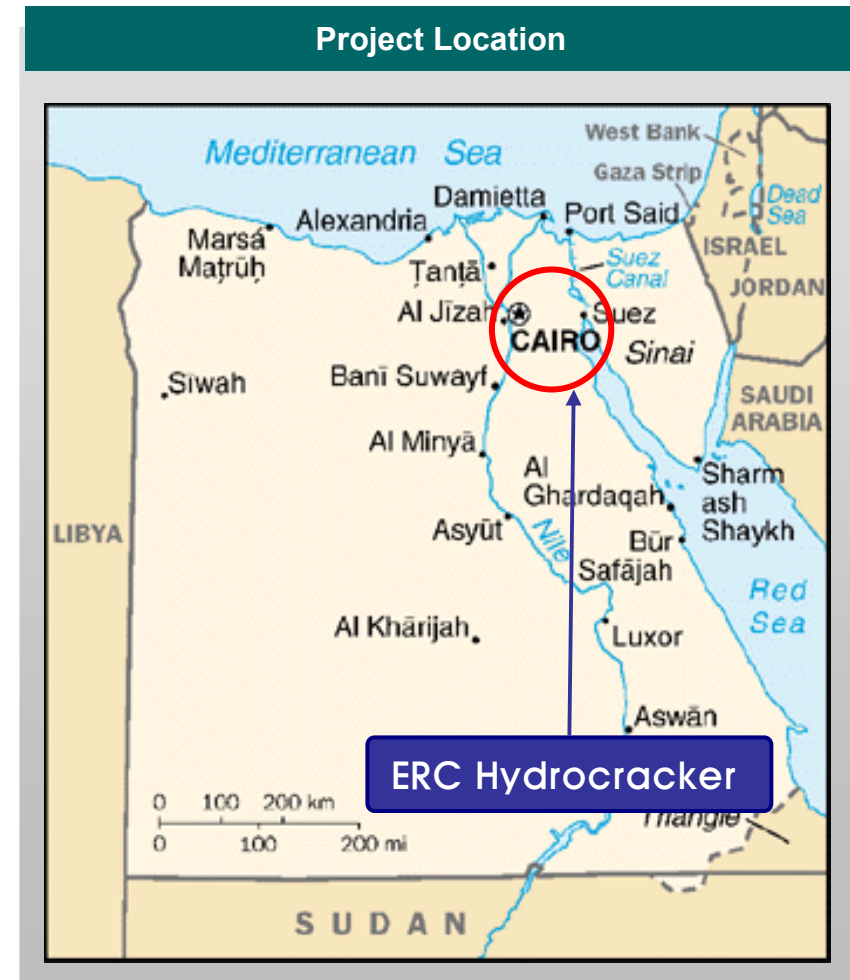
## Contents

<b>Project Summary</b>	<b>1</b>
<b>Risk management &amp; Experiences</b>	<b>2</b>
<b>Significance &amp; Prospect</b>	<b>3</b>
<b>Process Diagram</b>	<b>4</b>
<b>Overseas Plant Project</b>	<b>5</b>

## Project Summary

GS E&C will execute a hydrocracker plant in Cairo, Egypt. It is the largest single contract among any other overseas refinery or petrochemical projects awarded by Korean companies. GS E&C confirmed its competitiveness in Egypt and African plant market through the huge scale of plant execution.

Project Summary	
<b>Project</b>	Egypt ERC Hydrocracker Project
<b>Client</b>	Egyptian Refining Co.(ERC) - Citadel Egypt private investment company 85% - Egypt General Petroleum Corporation 15%
<b>Project Description</b>	<b>Major New Facilities</b> - Vacuum Distillation Unit (81,500 barrel/day) - Hydrocracker (39,600 barrel/day) - Catalyst Reforming Unit (13,000 barrel/day) - Delayed Coker (16,700 barrel/day) <b>Other Facilities</b>
<b>Location</b>	Mostorod, Egypt (North 20km from Cairo)
<b>Financial Resource</b>	Project Financing - ECA export credit or private bank loan
<b>Contract Amount</b>	USD 1.806 bn (USD 141mil expected to be increased. Total Amount USD 1.947bn) * Total Increasing amount : USD 141 mil. -Bitumen Facility : USD 82 mil -Increase in SRU Capacity : USD 13 mil -Foundation Field Bus : USD 15 mil -TGTU : USD 31 mil
<b>Contract Type</b>	Lump Sum Turn Key
<b>Period</b>	49 Months





## Risk Management & Experiences

**GS E&C will hedge all project risks before execution. With accumulated know-how from many HOU projects experiences, GS E&C will complete Egypt ERC project successfully.**

Project Risk Analysis	
<b>Performance</b>	<ul style="list-style-type: none"> <li>GS E&amp;C is executing Egypt LAB project currently, and have many experiences of refinery project in other regions.</li> </ul>
<b>Payment</b>	<ul style="list-style-type: none"> <li>Low payment risk because of EGPC's equity stake.</li> <li>Ensured at KEIC (Korea Export Insurance Corp.) through overseas construction works insurance against payment risk.</li> </ul>
<b>Material Cost/ Foreign Exchange Risk</b>	<ul style="list-style-type: none"> <li>Reflect recent raw material price increase and exchange rate in advance</li> <li>Ensured Foreign Exchange Risk Insurance and forward exchange</li> </ul>
<b>Etc.</b>	<ul style="list-style-type: none"> <li>Apply derivative and reflect the reserve fund</li> </ul>

Egypt Project			
Project	Location	Period	Contract
LAB Project	Alexandria	06 ~ 08	LSTK
Refinery Project			
Project	Location	Period	Contract
LAFFAN REFINERY (Qatar)	Condensate	05 ~ 08	LSTK
KIRIKKALE (Turkey)	CCR DHP	05 ~ 07	E,P,CM
IZMIT DHRP (Turkey)	Desulfuration Facility	03 ~ 07	E, P
HOU #2 (Korea)	Hydrocracker	05 ~ 07	E,PS,C
IZMIR DHP (Turkey)	Desulfuration Facility	02 ~ 04	LSTK
OCR REVAMP (Kuwait)	ARDS	02 ~ 04	LSTK
QP CONDENSATE (Qatar)	FCC CDU	99 ~ 02	LSTK





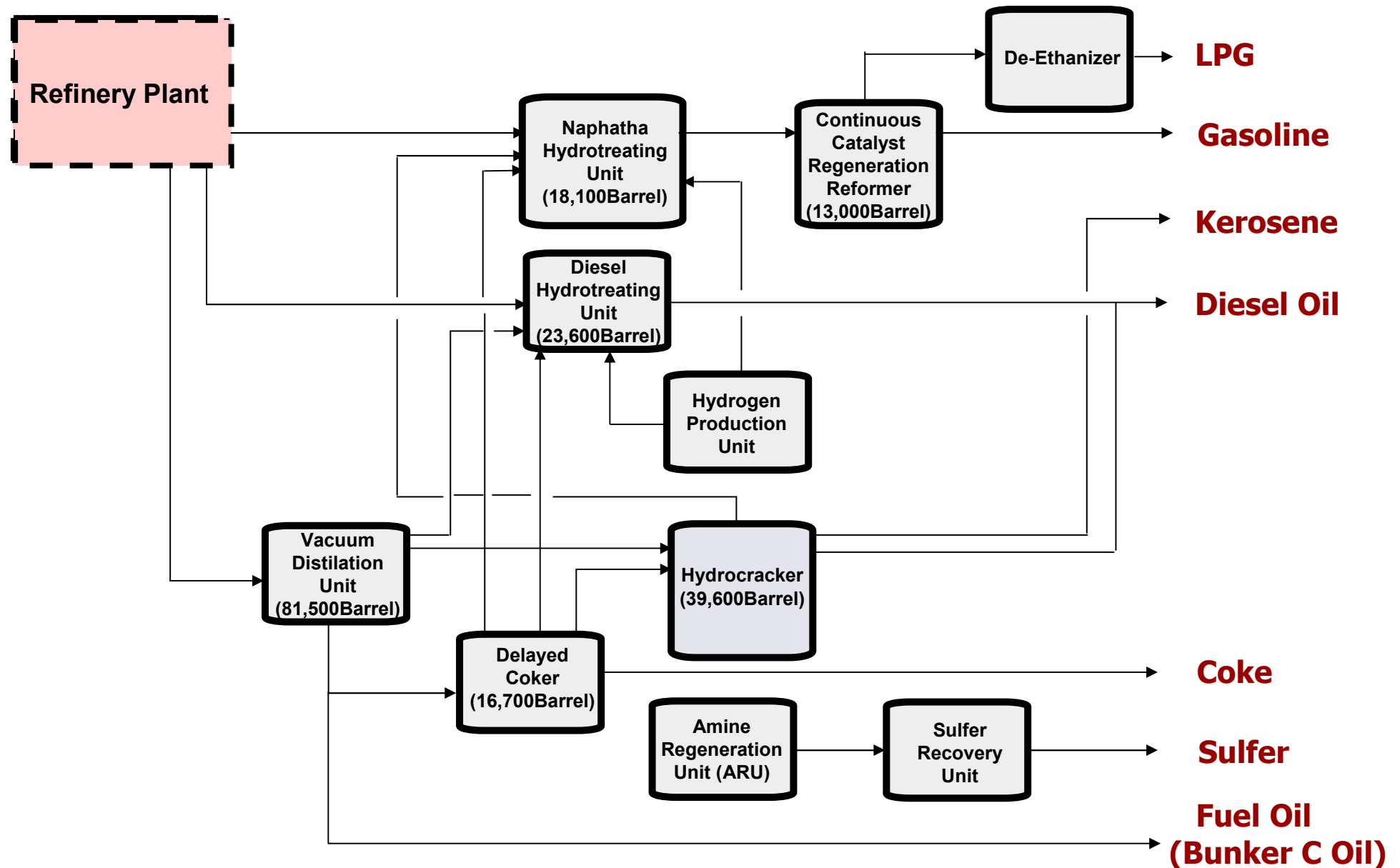
## Significance& Prospect

- GS E&C already experienced many other refinery projects, and Egypt ERC Hydrocracker award proved GS E&C's HOU refinery competitiveness. Also, award of the largest scale plant as a single project amount of USD 1.947 billion (Including additional USD 141 million according to conclusion of the contract within two months) will confirm GS E&C's technology and project management ability. Egypt ERC project will result in sales of KRW 450 billion/year, and it will be more profitable compare to other projects because of the contract type is based on negotiation base.
- In succession of Egypt LAB project award, ERC Hydrocracker Project award will be an opportunity to confirm GS E&C's status in Egypt market.
- GS E&C is continuously expanding its business field not only in Middle-East area but also South-East Asia and Africa, and it will contribute to be a global EPC contractor.



<Completed Turkey IZMIR Refinery Plant in 2004>

## Process Diagram





# Overseas Plant Project

(Unit : KRW)

	Description	Project	Client	Project Type	Contract Amount	Project Period
<b>New Order in 2007</b>	Oman	Salalah Methanol	SMC	Methanol	678bn	2007 – 2010
	Thailand	HMC PP	HMC Polymers Co. Ltd.	Poly Propylene	185bn	2007 – 2009
<b>Progressing Projects</b>	Oman	Aromatics	AOL	Aromatics	1,110bn	2006 – 2009
	Qatar	Laffan Refinery	QP 80%+ExxonMobil 10%+TotalFinaElf 10% J/V	LAB	387bn	2005 – 2008
	Egypt	LAB	E-LAB	LAB	211bn	2005 – 2008
	Thailand	ATC Aromatics	The Aromatics (Thailand) Public Co. Ltd	Aromatics	159bn	2005 – 2008
	Turkey	Tupras Kirikkale	TUPRAS	DHP	103bn	2005 – 2007
	Iran	SP 9&10	NIOC	Gas	663bn	2003 – 2008
	Turkey	Tupras Izmit	TUPRAS	Desulfuration Facility	82bn	2003 – 2007