

November, 2008

INVESTOR RELATIONS

# Contract Awarded KRW 750 Billion

- GS Caltex No.3 HOU Project -



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## Project Overview

With the successful experience in No.2 HOU, GS E&C was awarded 750 billion won of No.3 HOU by strengthening competitiveness in the huge heavy oil upgrade plant project.

Project Overview	
<b>Project Name</b>	No.3 HOU Project
<b>Client</b>	GS Caltex
<b>Location</b>	Yeosu National Industrial Park, Yeosu, Cheonnam Block 3 #1 (West of No.2 HOU site)
<b>Contract Type</b>	1) Purchase / Outsourcing Construction: Cost+Fee 2) Engineering / Construction Management: Fixed Lump sum
<b>Contract Period</b>	Oct. 2008 ~ Aug. 2010 (23 months)
<b>Financing</b>	Self-financing of client
<b>Contract Amount</b>	750 billion won
<b>Payment Condition</b>	Cash (KRW)

Project Scope		
<b>Facility</b>	<b>Description</b>	<b>Scope</b>
<b>VR HCR</b>	Vacuum Residue Hydrocracker	60,000 BPSD
<b>VGO FCC</b>	Vacuum Gas Oil Fluid Catalytic Cracking	53,000 BPSD
<b>HMP</b>	Hydrogen Unit	110 MMSCFD
<b>SRU</b>	Sulfur Recovery Unit	450 Ton/Day
<b>Utility</b>	Boiler, Water Treatment Facility, and etc.	
<b>Off-Site</b>	Tankage, Dock and etc.	



## Risk Analysis and Experience

Based on the various know-how from No.2 HOU and RFCC (GS-Caltex), CPC RFCC (Taiwanese company), and BCC (S-Oil), we expect to enable efficient construction of the project. The payment and raw-material price cost risk and design cost increase will be hedged through the Cost+Fee contract.

Project Risk Analysis	
<b>Performance</b>	<ul style="list-style-type: none"> <li>Many experiences in HOU projects including No.2 HOU and RFCC facility from GS Caltex and Taiwan company, and BCC from S-Oil.</li> <li>By utilizing the advantage of carrying out many GS Caltex related project, GS E&amp;C will execute this project without problems.</li> </ul>
<b>Payment</b>	<ul style="list-style-type: none"> <li>No risk due to payment in cash</li> </ul>
<b>Material Cost and Foreign Exchange Risk</b>	<ul style="list-style-type: none"> <li>The impact of material cost increase will be hedged by Cost + Fee contract.</li> <li>No foreign exchange exposure risk</li> </ul>
<b>Etc.</b>	<ul style="list-style-type: none"> <li>Set contingency in client's project budget in order to cover unexpected risks.</li> </ul>

GS Caltex Project Experience			
Project	Amount	Period	Scope
GS Caltex BTX	KRW 5.6 bn.	'88 ~ '90	E,Ps,Cs
GS Caltex PP	KRW 56.7 bn.	'90 ~ '92	E,P,C
GS Caltex BTX	KRW 42.8 bn.	'94 ~ '96	E,Ps,C
GS Caltex BTX	KRW 69.9 bn.	'01 ~ '03	E,Ps,C
Alkylation	KRW 59.0 bn.	'03 ~ '05	E,C
No.3 Reformate Splitter	KRW 24.3 bn.	'04 ~ now	E,Ps,C
HOU Project Experience			
GS Caltex RFCC	KRW 440.0 bn.	'92 ~ '95	E,P,C
S-Oil BCC	KRW 500.0 bn.	'92 ~ '96	E,Ps,Cm
RFCC, Taiwan	USD 170 mil.	'99 ~ '01	E,P,C
GS Caltex No.2 HOU	KRW 777 bn	'05 ~ '08	E,P,C



## Prospects

**GS E&C was awarded 750 billion won No.3 HOU, and the project is scheduled to be completed by Aug. 2010. The company will execute engineering, procurement, and construction.**

**HOU (Heavy Oil Upgrade) plant, when completed, will enable the refinery to turn lower value-added oil such as bunker C and heavy oil into higher value-added product such as gasoline, kerosene, and naphtha. In addition, the new HOU will maximize its efficiency by using cheap crude oil from high sulfur crude.**

**Since GS E&C completed No. 2 HOU successfully this year, the company is expected to execute the new HOU project without any serious problems.**

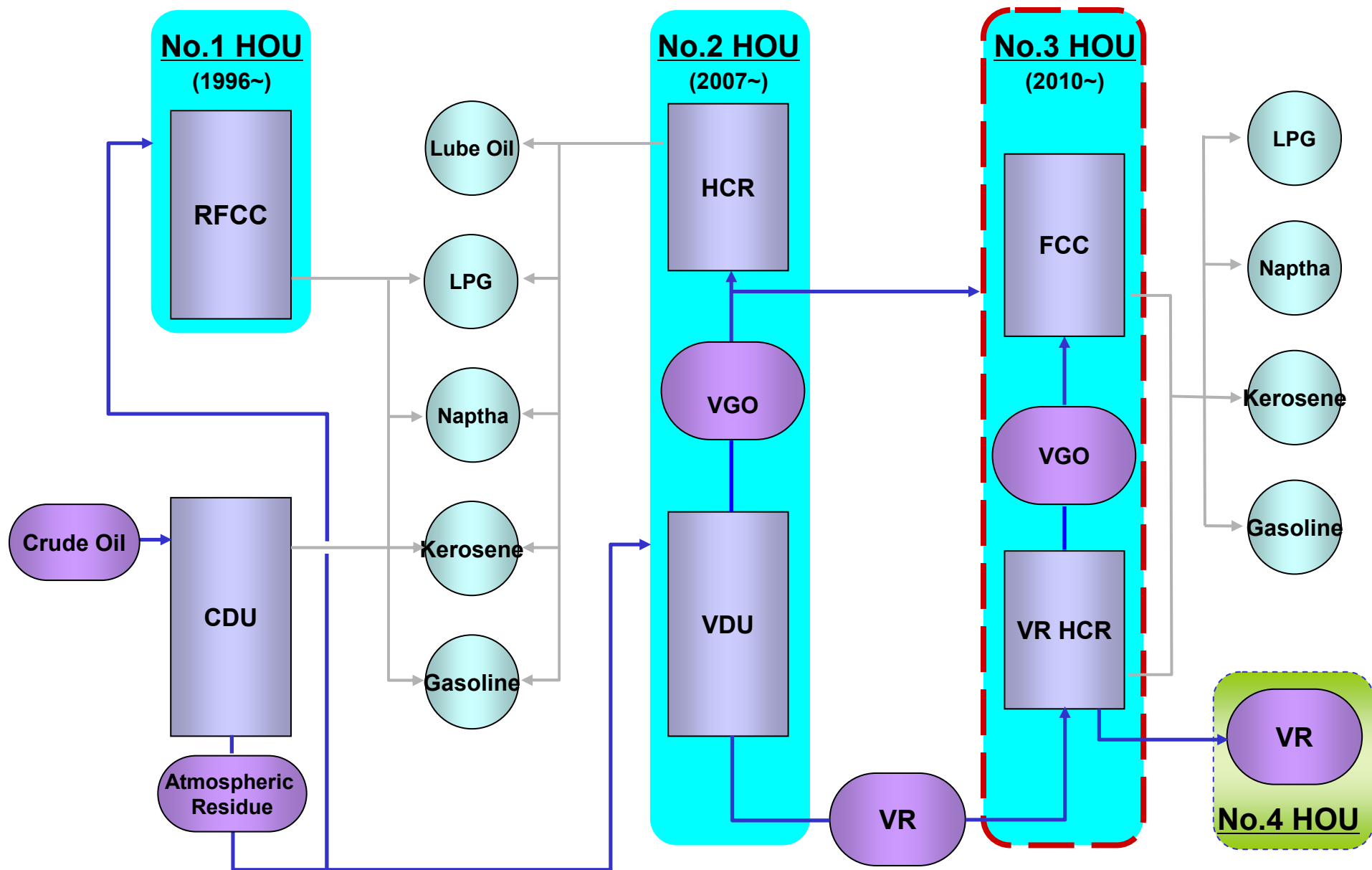
**In addition, since GS E&C has various working experiences in HOU projects besides No.2 HOU, it will help the company carry out the new project successfully using the valuable project know-how.**

**GS E&C has displayed remarkable new order records not only in overseas but also in domestic market. Through such performance, the company is expected to accomplish Vision 2015.**



GS Caltex No.2 HOU, Yeosu, Korea

## Process Summary







# Overseas Plant Project

	Description	Project	Client	Project Type	Contract Amount	Project Period
<b>Awarded in 2008</b>	Kuwait	KNPC NRP	KNPC	Refinery	2 bn	2008 – 2012
	UAE	Green Diesel	Takreer	Refinery (Hydrocracker)	1.14 bn	2008 – 2011
	Thailand	PTT LNG	PTT LNG Co., Ltd.	Gas (LNG Terminal)	390 mil	2008 – 2011
	Tatarstan	NHR Refinery	TANECO	Refinery (Aromatics)	500 mil	2008 – 2011
	Saudi Arabia	Manifa	Aramco	Gas	500 ml	2008 – 2011
<b>Under Construction</b>	Egypt	ERC Hydrocraker	ERC	Refinery (Hydrocracker)	2 bn	2007 – 2011
	Armenia	Yerevan Power Plant	YTPP	Power Plant	218 mil	2007 – 2010
	Oman	Salalah Methanol	SMC	Petrochemical (Methanol)	720 mil	2007 – 2010
	Thailand	HMC PP	HMC Polymers Co. Ltd.	Petrochemical (Poly Propylene)	185 mil	2007 – 2009
	Oman	Aromatics	AOL	Petrochemical (Aromatics)	1.21 bn	2006 – 2009
	Qatar	Laffan Refinery	QP 80%+ExxonMobil 10%+TotalFinaElf 10% J/V	Refinery (Condensate)	370 mil	2005 – 2008
	Turkey	Tupras Kirikkale	TUPRAS	Refinery (DHP)	108 mil	2005 – 2008
	Iran	SP 9&10	NIOC	Gas	660 mil	2003 – 2008