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Chiyoda Wins Oil Refinery Expansion Project in Venezuela

Yokohama, Japan— Chiyoda Corporation together with JGC Corporation and Inelectra SACA (Venezuelan engineering company) has been awarded a contract for the detail engineering, procurement support and construction management services associated with constructing heavy crude oil upgrading facilities in the Puerto La Cruz oil refinery by PDVSA Petroleo, S.A. (PDVSA), Venezuela's state-run oil company.

The Puerto La Cruz oil refinery is located about 300 km east of Caracas, the Venezuelan capital. The cost-reimbursable contract calls for the construction of heavy crude oil upgrading facilities with a capacity of 210,000 barrels/day. The facilities will be first in the world to commercially employ the HDH Plus[®] heavy crude oil cracking process technology, which was developed independently by PDVSA. The Puerto La Cruz refinery currently specializes in light crude oil products, and addition of heavy crude oil facilities is expected to bring a large increase in revenue as well as enabling more efficient use of non-renewable petroleum resources, making this project a significant asset to the Venezuelan economy.

Chiyoda's highly advanced engineering technology and decades of experience with oil refinery projects were favorably evaluated by the client. Furthermore, Chiyoda has a strong record of project success in Venezuela for modernization work on the Puerto La Cruz refinery for PDVSA in 2001 jointly awarded with JGC. For these reasons, PDVSA selected Chiyoda and JGC together with Inelectra to work with this HDH Plus[®] project.

According to a July 2011 report from the Organization of Petroleum Exporting Countries (OPEC), estimates of the extent of Venezuela's reserves of heavy and extra-heavy crude oil in the Orinoco basin were confirmed in 2010 as being 40% larger than originally thought, making Venezuela the country with the largest crude oil reserves in the world, surpassing even Saudi Arabia. As the country with the largest crude oil reserves, Venezuela has been a vital market for Chiyoda for many years, and Chiyoda expects to actively expand its business activities through many more heavy and extra-heavy crude oil development projects in the country.

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