

---

## **JGC wins PetroRabigh expansion study deal from Aramco and Sumitomo**

*Wednesday, 24 Jun, 2009*

Saudi Aramco and Sumitomo have awarded Japan's JGC Corporation a contract for a feasibility study on the expansion of Rabigh Refining and Petrochemical Co.

Aramco in a statement said that the study is expected to be completed by the third quarter of 2010. It said that "Once the project is proven viable, PetroRabigh will be invited to decide on the implementation of the Rabigh II project."

Turmoil in world credit markets and lower oil prices have prompted energy companies globally to review more expensive projects or cut back on spending to preserve liquidity.

PetroRabigh, an export oriented joint venture between state oil giant Aramco and Japan's Sumitomo Chemical, started partial operation of its facilities in the fourth quarter of 2008.

In April, Sumitomo said the two firms planned to expand operations at the integrated oil and petrochemical facility by the third quarter of 2014. As part of the expansion, the firms will consider increasing the capacity of the existing ethane cracker to take in an additional 30 million cubic feet per day of feedstock ethane.

The venture will also consider building a new aromatics complex using around 3 million tonnes per year of naphtha as feedstock, and will also look at constructing various petrochemical units, the company said in April.

Investment costs could total USD 3.1 billion to USD 5.1 billion with funds to come from the ventures two parents and borrowings from a group of banks.

(Sourced from Reuters)

For more news visit at [www.steelguru.com](http://www.steelguru.com)