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## Aramco invites bids for construction packages on Yanbu

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MEED reported that State oil company Saudi Aramco is inviting contractors to bid for the main construction packages on its second USD 10 billion plus export refinery project this year, following the award of a raft of contracts on its Jubail refinery in the third week of June.

Sources close to the project tell reporters that the JV of Aramco and US oil major Conoco-Phillips has invited 29 pre-qualified international contractors to bid for the 6 largest engineering, procurement and construction packages on the Yanbu refinery, worth nearly USD 6 billion in total.

Aramco has notified pre-qualified companies that it will hold a meeting to discuss the project in Bahrain on July 14th and 15th with a tour of the prospective site to take place on July 18th. However, the construction bids are not due to be filed until January 31st 2010, delaying the original bidding schedule.

Recently, Aramco said that it expected the bidding process would be completed by the end of this year.

The 400,000 barrel per day export refinery at Yanbu is one of the largest downstream energy projects to be tendered in the Middle East this year.

The 6 packages are a USD 1.2 billion coker unit, a USD 970 million crude facility, a USD 2.3 billion gasoline unit, a USD 1.2 billion hydrocracker, a USD 900 million tank farm and a USD 450 million solids handling facility. Seven further packages worth more than USD 4 billion in total are to be tendered in early July.

Pre-qualified bidders for the main packages include a consortium of South Korea's Samsung Engineering with Japan's Chiyoda Corporation, which have teamed up to bid for the USD 1.2 billion coker unit. The consortium is also widely tipped to win the coker award on the Jubail refinery.

Other notable tie-ups include Italian contracting giant Saipem with China's state-run Sinopec for both the coker and gasoline units. France's Technip, which won two major contracts on the Jubail refinery, has also pre-qualified for 3 of the largest Yanbu packages: the coker, gasoline and hydrocracker packages.

Despite the delay to the bidding process, the launch of the main packages still represents significant progress following a series of delays last year. In November 2008, bidding on the planned Yanbu refinery was frozen because of uncertainties in the financial and contracting markets, despite the joint venture approving funding for the project in May 2008.

The cost of building the refinery had already doubled to USD 12 billion in late 2008 from the initial estimate of USD 6 billion when the memorandum of understanding for the project was signed by ConocoPhillips and Aramco in 2006.

(Sourced from MEED)

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