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Skanska to expand refinery in Brazil for USD 50 M, about SEK 310 M

Skanska has secured a contract to build a Sulfur Recovery Unit (SRU) and a Tail Gas Treatment Unit (TGTU) at Capuava refinery (RECAP) in São Paulo, Brazil. The total contract value is USD 125 M. Skanska's share is 40 percent, USD 50 M, about SEK 310 M, which is included in order bookings for the third quarter.

The customer is RECAP, an oil refinery owned by the Brazilian oil company Petrobras, that is one of Skanska's repeat customers in Latin America.

The SRU facility will have a capacity to recover 20 ton/day of sulfur and the TGTU will clean 40 ton/day of Tail Gas. The scope of the contract includes detail engineering, purchasing, construction, electromechanical installations and assistance with commissioning and start-up of the plant.

The project is part of a nationwide environmental program to reduce sulfur contaminants in petroleum by-products.

Work begins in October 2008 and is scheduled for completion within 24 months. The partner in the consortium is the Brazilian engineering company Promon.

Skanska Latin America has extensive experience in refinery works and, in the last three years, has carried out several major projects for the same client in Brazil.

Skanska Latin America is one of the continent's leading construction companies and one of Skanska's most profitable units. Operations focus primarily on construction, operations and services for the international energy industry. In 2007, the company had some 12,000 employees and sales of about SEK 4.3 billion.

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Skanska is one of the world's leading construction groups with expertise in construction, development of commercial and residential projects and public-private partnerships. The Group currently has 60,000 employees in selected home markets in Europe, in the US and Latin America. Headquartered in Stockholm, Sweden and listed on the Stockholm Stock Exchange, Skanska's sales in 2007 totaled SEK 139 billion.