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Skanska to build steam pipeline in Brazil for USD 113 M, about SEK 780 M

Skanska has secured the contract to build a steam pipeline in northeast Brazil. The total contract value amounts to USD 113 M, or about SEK 780 M, and will be included in order bookings for the third quarter.

The customer is Petrobras, the state-owned Brazilian oil company that is one of Skanska's repeat customers in the Latin American energy sector.

The contract pertains to the construction of an 84-kilometer steam pipeline between the Vale do Açu thermoelectric power plant and the Alto do Rodrigues oil and gas production wells, where the steam will be injected, in the state of Rio Grande do Norte, in northeast Brazil. The surface pipeline will have a diameter varying between 3 and 20 inches with thermal insulation.

The project will commence immediately and is scheduled for completion in 18 months. The scope of the contract comprises the construction, assembly and thermal insulation of the entire pipeline, testing and start-up assistance.

Skanska has wide experience in pipeline construction and is presently building a gas pipeline for the same customer in northern 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 2006, the company had some 11,000 employees and sales of about SEK 3.8 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 56,000 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 2006 totaled USD 17 billion.