

## **ABB wins \$490-million oil and gas order**

*Overall markets remain challenging despite third major order in first quarter*

Zurich, Switzerland, April 2, 2009 – ABB, the leading power and automation technology group, has won a contract for about \$490 million as part of the El Merk oil and gas project in Algeria.

It's the third major infrastructure project awarded to ABB within the last two weeks. However, ABB said that most of its markets remain challenging.

The contract from Groupement Berkine, an Algeria entity that is co-managed by Sonatrach and Anadarko, is part of a plan to develop hydrocarbon deposits in the El Merk basin in the Algerian Sahara Desert. ABB is leading a consortium on the project with a total value of \$650 million. Significant production from the development is scheduled to begin in 2012.

“The new installations will help our customer improve output and achieve their production targets,” said Veli-Matti Reinikkala, head of ABB’s Process Automation division. “This contract underscores ABB’s ability to execute complex projects for the oil and gas industry.”

The project consists primarily of design and installation of pipelines, field gathering stations, gas distribution manifolds and flowlines/trunklines, as well as water and gas re-injection facilities. The pipeline network will connect oil and gas wells to the processing plant via 10 gathering stations. Facilities to inject gas and water into the wells will help increase their output.

The project award follows power transmission orders valued at \$400 million in Kuwait and \$550 million in Ireland announced in the past two weeks. Despite the significant boost to orders resulting from these awards – all of them booked in the first quarter of 2009 – market conditions for the company as a whole remain challenging. Base orders are deteriorating, especially compared to the record levels of a year ago. The volatility of major commodity prices and exchange rates in the current quarter is also expected to have a negative impact when comparing quarterly EBIT performance.

ABB ([www.abb.com](http://www.abb.com)) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs more than 120,000 people.

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