

ABB contract in Russia's Far East worth more than US\$ 30 million

Major share of Sakhalin II telecommunications project

Zurich, Switzerland, October 1, 2003 – ABB, the leading power and automation technology group, said today it has won a major share of the contract to create a telecommunications system for the giant Sakhalin II oil and gas development on Sakhalin Island, in eastern Russia.

ABB's participation in the project is worth more than US\$ 30 million.

“This award represents a breakthrough for our telecommunications business in the oil and gas markets, especially in the Commonwealth of Independent States,” said Dinesh Paliwal, head of ABB's Automation Technologies division. “The Sakhalin development is attracting the largest direct foreign investment in Russia to date, and ABB will play a major role in its completion.”

Under the contract, ABB is one of two principal subcontractors to Summit Kriljon-Service Telecom, a joint venture company established by the Japanese Sumitomo Corporation and the Russian telecommunications engineering company Kriljon-Service for the Sakhalin II telecommunications project. Summit Kriljon-Service Telecom is the project leader responsible for project services and contract maintenance.

ABB is responsible for project management, engineering, quality assurance, health, safety and environment, as well as supply, installation and commissioning of all telecommunication equipment for Sakhalin II. In July 2002, ABB signed a US\$ 987 million contract with Exxon Neftegas Limited to develop onshore oil and gas processing and well-site support facilities for Sakhalin 1.

For Sakhalin II, ABB will develop 18 different telecommunications systems for three offshore platforms; an onshore processing facility, LNG plant and oil export terminal; 800 kilometers of pipeline and about 110 valve stations; two ports; temporary telecom systems for six construction camps; and infrastructure upgrades.

The main project office will be in Bergen, Norway, for the engineering phase, and move to Sakhalin Island for installation and commissioning. Russian engineers from Kriljon-Service will work alongside their Norwegian counterparts to maximize knowledge transfer and information exchange.



ABB (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 about 133,000 people.

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