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NEWFOUNDLAND AND LABRADOR REFINING CORPORATION SIGNS AGREEMENTS WITH SNC-LAVALIN AND JAPAN'S IJK FOR PLACENTIA BAY REFINERY DEVELOPMENT

St. John's - Newfoundland and Labrador Refining Corporation (NLRC) is pleased to report that it has entered into two new agreements relating to the development of its proposed 300,000 barrel per day grassroots oil refinery in Placentia Bay (the Project). These include a Memorandum of Understanding (MOU) with SNC-Lavalin Inc. (SNC-Lavalin) concerning the provision of engineering, procurement and construction management services (EPCM) for the Project and an agreement with Japan's IJK consortium for the provision of heavy-walled steel reactor vessels.

SNC-Lavalin MOU

NLRC and SNC-Lavalin have entered into an MOU that envisions the parties entering into an EPCM contract by January 31, 2008. This contract would retain SNC-Lavalin to provide EPCM services to NLRC related to the Project. The scope of activities defined by the agreement includes basic engineering, front-end engineering and design, detailed engineering, procurement, project management services, and construction management for the Project.

SNC-Lavalin has worked with NLRC on its project since early 2006 and to date has participated in the completion of the refinery project feasibility study, preparation of the design basis memorandum, environmental assessment and various activities related to overall project management and third-party licensor coordination.

IJK Consortium Heavy Walled Vessels Procurement

NLRC and IJK Consortium (IJK) have entered into an agreement whereby IJK will fabricate and deliver several heavy-walled vessels related to the new refinery's process units. These vessels, which have been identified by NLRC as "long-lead time" items, involve specialty forged steel and fabrication infrastructure that is only available at a few locations worldwide.

The IJK Consortium is a partnership of three leading companies: Japan Steel Works Ltd., Kobe Steel Ltd. and I.P.S. Services Inc. Together, this consortium has the world's longest fabrication history and is the leading fabricator of heavy wall reactors.

For further information please visit the company website at www.nlrefining.com or contact our corporate office.



**NEWFOUNDLAND & LABRADOR
REFINING CORPORATION**

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