



Sinopec selects UFR technology from Chevron Lummus Global for its Qingdao Refinery

Richmond, CA, March, 2005 – Sinopec Qingdao Refining & Chemical Co., Ltd. signed a license agreement with Chevron Lummus Global LLC (CLG) for applying UpFlow Reactor (UFR) technology to the new resid hydrotreating plant. The 2.6 million ton per year (TPA) resid hydrotreating plant is part of a 10 million TPA grassroots refinery to be located in Qingdao, China. Sinopec plans to start the unit up by the second quarter of 2008.

Sinopec's Senior Vice President, Mr. Cao Xianghong, commented at the signing ceremony in Beijing that "The signing for introducing UFR technology shows both parties have gone ahead another step for the existing good relationship between Sinopec and CLG."

CLG's Joint Managing Director, Dr. Mal Maddock, stated that "In resid hydroprocessing, this is the second unit adopting CLG's UFR technology by Sinopec, after the successful application of CLG's VRDS and UFR technologies in Sinopec Qilu. We view this as a very strategic award and hope to use it as a springboard for future broader cooperation with Sinopec on resid hydroprocessing and other technology areas, such as lube hydroprocessing and hydrocracking."

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CLG will provide a reactor design package, follow-up technical support during the detailed engineering design, training prior to start-up, and start-up support during the commissioning of UFR and the guarantee test run.

CLG's state-of-the-art UFR technology has a lower initial pressure drop than a typical downflow guard reactor. UFR also reduces the tendency for pressure drop build up over the whole run length do to the unique design. This provides added reliability and flexibility to the resid hydrotreating plant.

CLG licenses refining hydroprocessing technologies and catalyst systems worldwide, and is a 50-50 joint venture between Chevron U.S.A. Inc., a wholly owned subsidiary of ChevronTexaco Corporation, and ABB Lummus Global.

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Chevron Lummus Global LLC

M. B. Principe

Postal Address:
1515 Broad Street
Bloomfield, NJ 07003

Telephone:
973-893-2953

Telefax:
973-893-2412