



**Third Renewal of General Engineering Service with KJO,
More than 20 years**

July 2, 2018
Toyo Engineering Corporation

Toyo Engineering Corporation (TOYO: President and CEO Haruo Nagamatsu) agreed the third renewal of General Engineering Services Agreement (GESA) original contract valid in 2002 with Al-Khafji Joint Operations (KJO) *1 who operates Khafji and Hout Oil Fields located in ex-Saudi-Kuwait divided zone*2. By this renewal, TOYO is scheduled to support KJO till 2023 on project planning feasibility study, FEED and technical support from owner's view point for Oil Field Operation.

15 years consistent value-up contribution to the client made up a strong relationship with KJO and gradually the scope of work of TOYO has been enlarged. Upon this renewal, the service enlarging is "Oil Field Life Support, covering the technologies by Subsurface and Surface Integration". It is recognized that TOYO is an able Integrator for surface and subsurface technologies by the Client.

TOYO is now in operation with a variety of technical and execution support contract not only with oil field operators, but also with non-operators. Most of GESAs are lasting in long term even after several renewals. We would expand the business area where TOYO performs as the total solution provider to the oil field operators.

(*1) Al-Khafji Joint Operation (KJO) is joint operation organization by Saudi Arabian Gulf Operations Company (AGOC) representing by Saudi Aramco, and Kuwait Gulf Oil Company (KGOC) representing by Kuwait Petroleum Company.

(*2) Khafji and Hout Oil Fields were discovered and developed by Japanese Arabian Oil Company Ltd. (AOC) in 1960, and from 1980, KJO has been established among AOC, Saudi-ARAMCO and Kuwait Petroleum Company. Since 2002, the operation has been continued by KJO owned only by AGOC and KGOC. Maximum oil production rate of the fields is 350,000 barrels per day. Due to lower crude oil prices, the production of the oil fields was suspended at 2014. Because of Oil Price Recovery, KJO starts the preparation work to re-produce the oil from the fields from 2019.

Contract Summary

- Client: Al-Khafji Joint Operations (KJO)
- Contractor: Toyo Engineering Corporation
- Oil Fields: Khafji and Hout Oil Fields located in ex-Saudi-Kuwait divided zone
- Scope: Oil field life support, covering the technologies by subsurface and surface integration
- Contract Period: from 2018 to 2023

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