industrial-newsroom

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Shaanxi Yanchang Petroleum (Group) Co., Ltd. and KBR Announce Intent to create a Joint-Venture Company

Shaanxi Yanchang Petroleum (Group) Co., Ltd (Yanchang Petroleum Group) and KBR, Inc. announced they have signed an agreement to create a Joint-Venture company in the People s Republic of China. The purpose of the Joint-Venture will be to market, sell, deliver and support Veba Combi Cracker (VCC) technology, under KBR s collaboration agreement for the technology with BP.

The Joint-Venture will be operated by the Yanchang Petroleum Group s subsidiary company Beijing Petrochemical Engineering Co., Ltd (BPEC) and by KBR s Technology Business Unit.

VCC technology is a hydrogen addition technology suitable for processing refinery residuum, coal tar and coal oil mixtures into high-quality distillates or synthetic crude oil in the refining, upstream field upgrading and coal-to-liquids (CTL).

"The option to convert unconventional feedstocks such as heavy oil, coal-tar and coal-oil mixtures will be key in meeting China s transport fuel demand for the next 25 years," said Mr Liu Chunquan President of BPEC. "VCC is a highly competitive process for maximising transport fuel yield from heavy oil and coal. We are very pleased to be collaborating with KBR on the use of VCC in China to maximize liquid fuel yields, whilst minimising environmental impacts of heavy and unconventional feedstocks."

The formation of a Joint-Venture with the Yanchang Group is consistent with KBR Technology s growth strategy for our bottom of the barrel refining technologies. The strength of this Joint-Venture lies in the synergies between KBR s technology, the Yanchang Petroleum Group s resources and BPEC s engineering expertise. We look forward to jointly pursuing commercial opportunities for VCC Technology throughout China said John Derbyshire, President, KBR Technology.

The Yanchang Petroleum Group is one of the four qualified enterprises granted rights for oil and gas exploration in China. The Yanchang Group has rich resources of coal and coal tar with current coal tar production of 3 million tons / year which will exceed 6 million tons / year within 5 years. The Yanchang Group s refining and processing capacity exceeds 15,000,000 tons / year producing gasoline, diesel and about 3 million tons/year of heavy oil (residue).

BPEC is a 51% owned subsidiary of the Yanchang Petroleum Group and has a class A engineering design, engineering consulting license for chemical and petrochemical industry as well as the EPC General Contractor, Project Management Consulting (PMC) certificate issued by the Chinese central government.