

Lukoil VGO Deep Conversion Complex Commissioning works started/Volgograd, Russia

### PROJECT COMPLETION

#### 01. **Lukoil VGO Deep Conversion Complex**



Volgograd LUKOIL VGO site mechanical activities were completed by RHI and Commissioning works started



### AWARD NEWS

#### 02. **MOA signed with Petro Farhang for Maku Free Zone APIC Petrochemical Complex Development**



### AREA NEWS

#### 03. **RHI participated in the Session with Kazakhstan Prime-Minister Karim Massimov in Atyrau**



Ministry of Energy of Kazakhstan has invited "RHI" to discuss the Future Growth Project of TCO at a meeting held in Atyrau.



### QHSE-NO COMPROMISE

#### 04. **5 Million Man-Hours Without A Lost Time Injury (LTI)**



### NEWS FROM SITE

#### 05.1 **Sibur ZapSib-2 Ethylene Cracker Unit (ECU) (Tobolsk, Russia)**



#### 05.2 **ExxonMobil Advanced Hydrocracker Project (Rotterdam, Netherlands)**



#### 05.3 **Gas-To-Gasoline Plant (Akhhal Velayat, Turkmenistan)**



#### 05.4 **Stoilensky GOK (Stary Oskol, Belgorod Region, Russia)**



#### 05.5 **Phosagro Ammonia Plant (Cherepovets, Russia)**



#### 05.6 **TACE HDPE/PP Plant (Kiyarly, Turkmenistan)**



### OUR PEOPLE ARE OUR BIGGEST ASSET

#### 06. **Interview with Mr. Mustafa Kemal Ozakay, Senior Vice President and CEO - Russia**

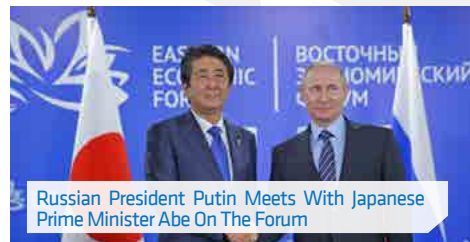


### EVENTS

#### 07.1 **RHI Russia Headquarters Moved Into the "City of Capitals" Tower**



#### 07.2 **Eastern Economic Forum, Russia**



Russian President Putin Meets With Japanese Prime Minister Abe On The Forum

#### 07.3 **Delegation From Japan visited the GTG Site**



### SOCIAL LIFE

#### 08.1 **RHI Celebrated its 5<sup>th</sup> Year**



#### 08.2 **RHI Motivation Breakfasts 2016**



#### 08.3 **RHI New Social Project: Sitcom!**



### RÖNESANS HOLDING NEWS

#### 09.1 **IFC Becomes A Shareholder**



#### 09.2 **RDIF Expands Cooperation With Rönnesans Holding**





## 01. PROJECT COMPLETION

# Lukoil VGO Deep Conversion Complex Commissioning Works Started

LUKOIL has initiated a start-up of the Vacuum Gasoil (VGO) Deep Conversion Complex project at the site in the Volgograd region.

The engineering and construction of the project was awarded to the Spanish engineering company Tecnicas Reunidas. The total sum of the contract exceeds USD 1.4 bn.

With the initiation of the Complex Start-up at the Volgograd Refinery, the output of Euro-5 diesel fuel will increase by 1.8 m tons per year, motor gasoline components production can be increased by 0.6 m tons per year, and liquefied gas production can be increased by 0.1 m tons per year. The complex consists of one of the largest VGO light hydrocracker units with a capacity of 3.5 m tons per year and up to a 75% conversion ratio, and a combined sulfur production unit that has a capacity of 117 tons of sulfur per day, and a hydrogen facility that has a production capacity of 120,000 m<sup>3</sup> pure hydrogen per hour. The Complex is on a surface area of 82,000 m<sup>2</sup>.

RHI has been awarded to construct a Sulphur and Hydrogen Unit, partial engineering and partial material provision, precommissioning activities with an assisting in commissioning works. The start-up of complex has already been initiated in Hydrogen unit which has commenced in month of June 2016.

LUKOIL VGO site mechanical activities were already completed by Renaissance Heavy Industries, and the CONTRACTOR (Tecnicas Reunidas) has awarded the site performances by issuing mechanical completion certificate to RHI on 01<sup>st</sup> June 2016.



## 02. AWARD NEWS

## MOA Signed With Petro Farhang For Maku Free Zone APIC Petrochemical Complex Development

At the beginning of September 2016, our delegation that was led by Member of the Board & General Director Celal Toroğlu, visited Petro Farhang Company in Tehran, Iran and signed an MoU for Maku Free Zone APIC Petrochemical Complex Development.

Petro Farhang is an oil & gas-investment subsidiary of “Teachers Investment Fund (TIF)”, an economic institution founded initially in association with 750,000 teachers. Petro Farhang has several large-scale petrochemical complexes under operation and is developing a few new ones such as the Azerbaijani Petrochemical Industries Complex in Maku Free Zone where RHI will take part in the development of the project as a minor shareholder.



## 03. AREA NEWS

## RHI Participated In The Session With Kazakhstan Prime-Minister Karim Massimov In Atyrau

Ministry of Energy has invited “RHI” to discuss the Future Growth Project of TCO at a meeting held in Atyrau, Kazakhstan.

A meeting on the Future Growth Project of the “Tengiz” field has been held on August 8, 2016 in Atyrau. The meeting was headed by Mr. Karim Massimov, the Prime Minister of Kazakhstan. The meeting was attended by the representatives of Government Agencies, the National Chamber of Entrepreneurs of Kazakhstan, members of the Service Companies Union, Investors, and major contractors.

RHI, headed by the Vice-President of the Company Ahmed Abdullayev, took part in the meeting upon the invitation of the Ministry of Energy of Kazakhstan.

RHI is interested in participating in the implementation of the industrial projects of Kazakhstan. To this end, in May 2016, our company entered into a consortium with the Kazakh Company “ATK”.

RHI-ATK Consortium Office Address: 060000, 33 Atambaev Street, Atyrau city, Kazakhstan.

RHI Office in Astana: 010000 Residential Complex “Alatau”, Turkestan Street Apt. 2, Block 1, office # 15 Astana, Kazakhstan.

Contact Address: [bd.rhi@ronesans.com](mailto:bd.rhi@ronesans.com)

### About Tengiz Field

Tengiz field is an oil field located in northwestern Kazakhstan, 350 km from Atyrau.

Kazakhstan finalized the consortium agreement with Chevron in 1993 to develop the field.

Tengiz is the sixth largest oil field in the world and the second in Kazakhstan. The hydrocarbon reservoir is located at a depth of 3.8-5.4 km. The estimated geological reserves are 3 billion 133 million tons of oil. Associated gas reserves are estimated at 1.8 trillion m<sup>3</sup>.





04. QHSE - NO COMPROMISE

# 5 Million Man-Hours Without A Lost Rime Injury (LTI)

We are proud that, in the summer of 2016, two of our ongoing projects have surpassed the milestone of 5 million man-hours without an LTI:

Sibur ZapSib-2 Ethylene Cracker Unit (ECU) Plant project site in Tobolsk, Russia



Gas-to-Gasoline Plant project site in Akhal Velayat, Turkmenistan



Renaissance Heavy Industries is fully committed to effectively managing our employees' occupational health, safety, and environment in all activities by providing safe work systems and a healthy working environment, to prevent occupational

incidents, injuries, illnesses, and harm to people and to protect the environment. Creating and maintaining safe and healthy working environments are a critical part of the way we do business.



## 05.1 NEWS FROM SITES

## Sibur ZapSib-2 Ethylene Cracker Unit (ECU) Project (Tobolsk, Russia)



On August, 26, 2016, “Water column wash”, the first element of advanced oil and polymers refining equipment has been brought to the ongoing Plant construction site of the Sibur ZapSib-2 Ethylene Cracker Unit Plant site.

Equipment code: 21-C-2810 “Water column wash”

Gross weight: 676 tons

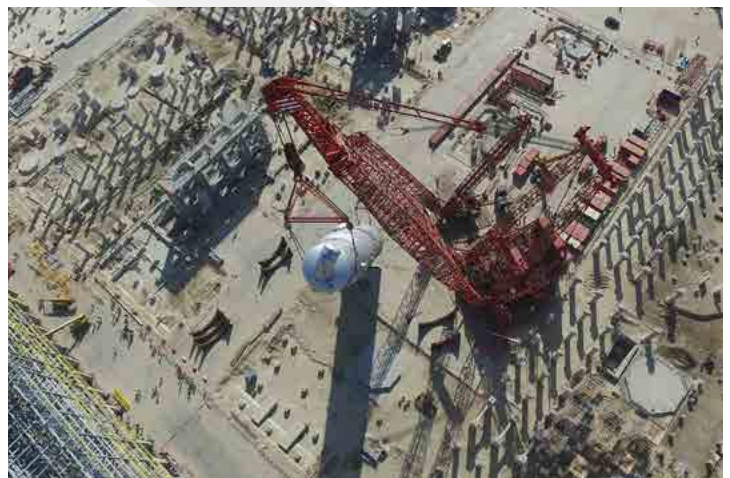
Net weight: 563 tons

Length: 61.8 m

Diameter: 9.3 m

Part of the route (5 km) from the River port where the equipment has been brought by means of water-born transportation, passed through “R-404 Tyumen-Tobolsk-Khanty-Mansiysk” public highways. Transportation was carried out on specialized platforms with running speed of 5 km/h.

34 pieces of heavy equipment are scheduled to be installed this year. The heaviest equipment installation will be carried out in October 2016.



## 05.2 NEWS FROM SITES

## Ballast Nedam Industriebouw Installs 2,000 Piles for ExxonMobil's \$1 Billion Advanced Hydrocracker Project, Rotterdam

Renaissance Group completed the 100% acquisition of the Netherlands-based company Ballast Nedam.

With Ballast Nedam's international experience, Renaissance is planning to strengthen its position in the European market.

In this context, the reorganization of Ballast Nedam has been started.

Ballast Nedam Industriebouw BV company operating in industrial projects within the Holding, also began to work directly with Renaissance Heavy Industries and aims to increase the market rate in the industrial market.

Below you can find the success story of an ongoing Project of BNIB.

**Project Name:** Exxon Mobil's Advanced Hydrocracker Project

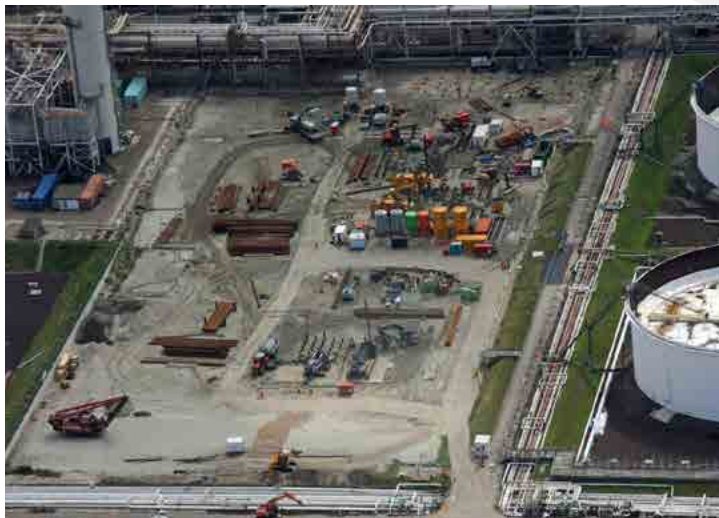
**Owner:** Esso Netherland B.V., Breda, Netherlands.

**Main Contractor:** Fluor B.V., Hoofddorp, Netherlands.

Ballast Nedam were awarded the contract for pile installation in January 2016. Commencement on site was planned for April 1, 2016 with an installation period of 2½ months.

The original scope consisted 1,710 piles with an average length of 27 m and diameters between 270 mm and 510 mm:

- 1,450 DPA (Drilled Push Aside) Piles.



- 260 Lost steel casing drilled piles with grout injection (type tubex)

The pile types were chosen to minimize potentially polluted sub-grade rising to the surface.

Due to the unavailability of sufficient numbers of DPA piling rigs to achieve both the planned commencement date and installation period, Ballast-Nedam worked closely with the Main Contractor to optimize the pile types and the availability of piling rigs in what was a buoyant construction market.

The result was a reduction in the number of DPA piles to 769 and the introduction of 924 lost steel casing drilled piles with grout injection (type LEKA). The number of Tubex piles was also increased to 305.

In April 2016, Ballast Nedam was awarded the contract for the construction of foundations and infrastructure with commencement in early June. This facilitated the coordination of the piling installation and foundation construction. This, together with the optimization of the pile types and rig availability, has resulted in no lost project time.

There are currently six LEKA, two Tubex and two DPA piling rigs installing piles on site.





## 05.3 NEWS FROM SITES

### Gas-To-Gasoline Plant (Akhal Velayat, Turkmenistan)

Within Gas-to-Gasoline Plant Project (Akhal Velayat, Turkmenistan) the pipe installation process at the main Pipe rack, which is 230 meters in length and 15 meters in width, has been started. The pipe installation of

the main pipe rack which is 1,526 tons in total is planned to be completed in approximately 18 months.

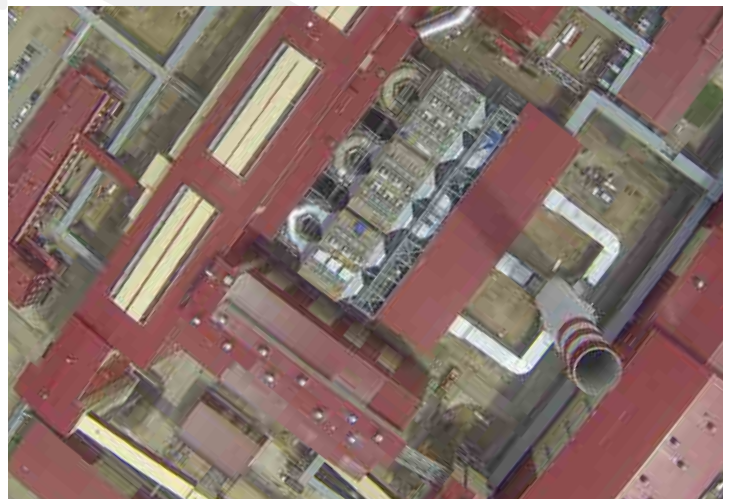


## 05.4

### Stoilensky GOK (Stary Oskol, Belgorod Region, Russia)

Stoilensky GOK is Europe's largest Pelletizing Plant Project where RHI has erected over 30 various facilities on an area of 20 hectares. Over the construction period, more than 23,000 tons of steel structures, 17,500 tons of non-standard equipment, 161,000 square meters of wall sandwich panels were installed and 1,750 kilometers of various cables were laid.

As of now, RHI is successfully carrying out the commissioning and testing of various pieces of equipment that are interconnected between the buildings and galleries.



05.5 NEWS FROM SITES

**Phosagro Ammonia Plant (Cherepovets, Russia)**

In August 2016, the Cooling Tower Unit, which is designed, procured, and constructed by Renaissance Heavy Industries, is completed. Water intake

to the Cooling Tower Unit is started and leakage tests are being continued.

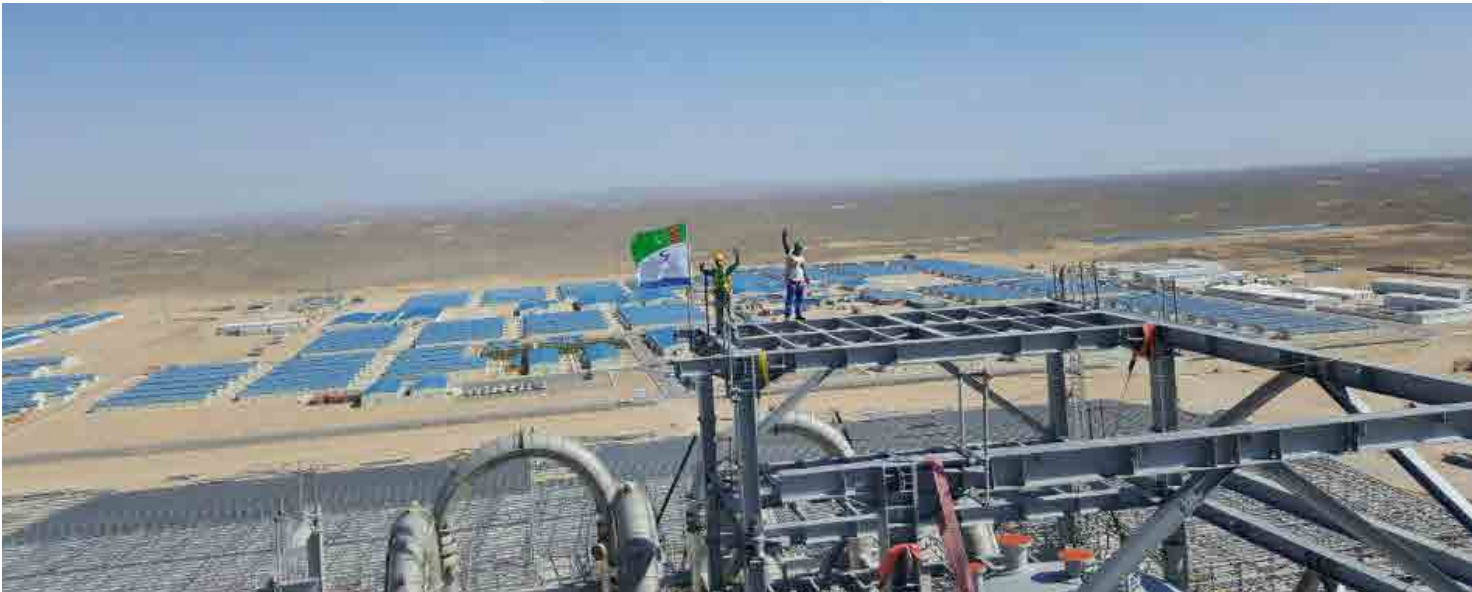


05.6 NEWS FROM SITES

**TACE HDPE/PP Plant (Kiyanly, Turkmenistan)**

RHI is responsible for the industrial installation of steel structures at the TACE HDPE/PP Plant. Without any accidents, we have reached their

highest point of 71 meters. Now we are proceeding for another Installation Works.





## 06. OUR PEOPLE ARE OUR BIGGEST ASSET

### Interview With Mr. Mustafa Kemal OZAKAY



We asked our Senior Vice President, Russia, Mr. Mustafa Kemal Ozakay, to provide us with some insight into his world. Mr. Ozakay is the one of the most experienced employees in our company with +20 years of experience working with Renaissance.

• **How do you describe what you do in RHI?**

I am currently managing the RHI Russia operations. To be more precise: I am sharing with the RHI team my 25 years of experience that I gained during my professional life in Russia.

• **How would you answer the question: RHI? What do they do?**

RHI is an international engineering and contracting group that undertakes projects under the following sectors: Hydrocarbons, Metallurgy and Mining, Power, and Process Plants.

• **Now, after the normalization of relations between Russia and Turkey, what is your view of RHI's prospects in Russia?**

Thanks to the Russian Government's macroeconomic decisions, foreign investors were encouraged to invest more in industrial projects and Russia remains maiden market for Industrial Projects. I think that in the following five years RHI will have more work opportunities in Russia and we are planning to tighten up our leadership in the industrial sector by using our Technical Capacity and Project Management capacity along with our rich experience in construction.

• **Apart from your present location, where would you most like to work and why?**

I would be a shepherd in my village.

• **What have been the key challenges that RHI has faced in Russia, and how did you overcome them?**

Would say to turn our construction profile from Civil to Industrial profile, and to persuade our Clients that we are now capable of building industrial projects?

• **What was your first professional job?**

Construction field engineer for a road project (the road construction between Kinali - Sakarya in Turkey).

• **What would you highlight as milestones that have been achieved so far? And what are your future goals?**

The following I consider as milestones in my life:

- Obtained a university degree as an engineer.
- Started a family .
- Being a part of such a wonderful construction company as Renaissance.
- And I am very proud of putting my share into the company's development. I have been working for 25 years at Renaissance and it has achieved such high success and become a contractor ranking #44 on the ENR international contractors list. My future goal or milestone is to share my experience with the new engineers and workers of our company.

• **What do you most admire in a person?**

Honesty.

• **What is your idea of happiness?**

If my family and friends are always with me, that is the happiness for me.

• **What do your colleagues not know about you?**

There is no such thing that my colleagues do not know (smiling).

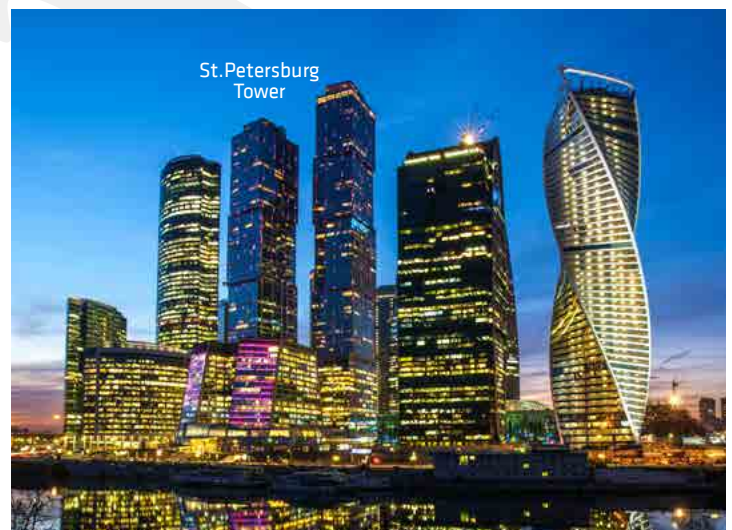
## 07.1

### RHI Russia Headquarters Moved Into The "City of Capitals" Tower

RHI Russia Headquarters moved into "St. Petersburg Tower" located in the "City of Capitals" of Moscow International Business Center.

Please find our new address:

123317 Moscow, 8/1 Presnenskaya emb. Moscow-City,  
St. Petersburg Tower. Floor 10  
Tel.: +7 495 933 95 61  
Fax: +7 495 933 95 61  
E-mail: bd.rhi@ronesans.com



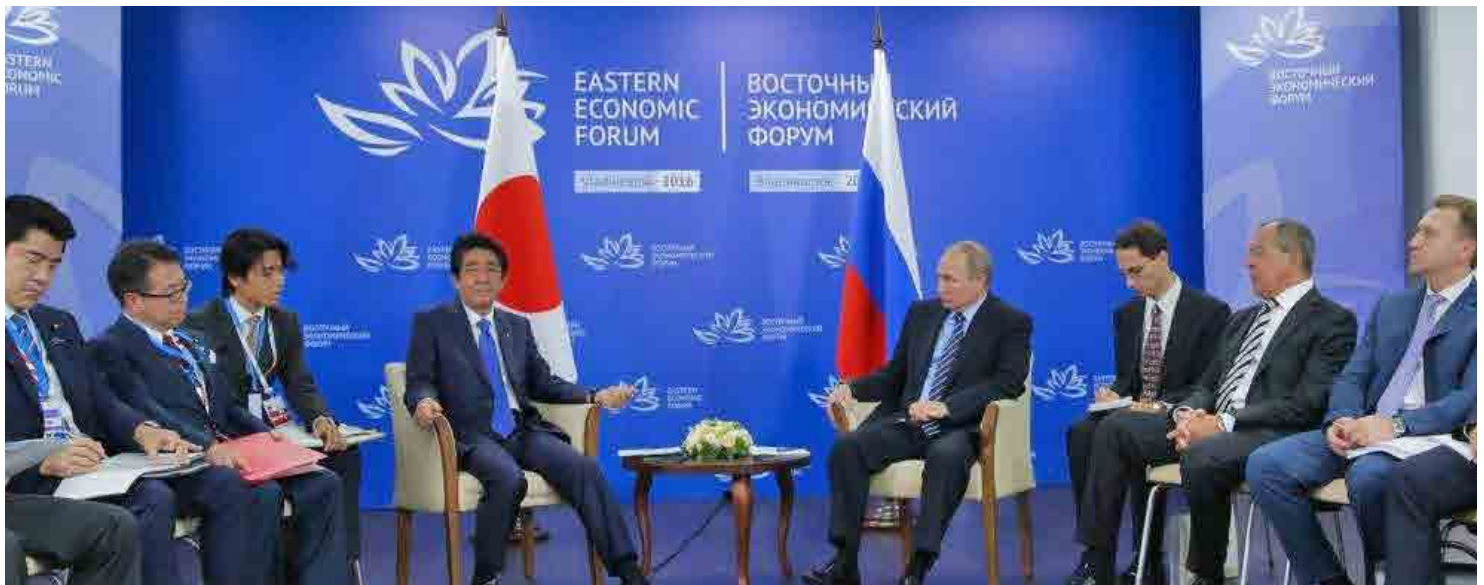
07.2 EVENTS

# Eastern Economic Forum

RHI delegation, led by President Alptekin Tizer and Vice President Ahmed Abdullayev, participated in the 2nd Eastern Economic Forum that was held in Vladivostok, Russia on September 2-3, 2016. EEF was held in accordance with Decree No. 250 of the Russian President Vladimir Putin, who appealed to the attendees with the following: "The Forum's packed program aims to give investors a better idea of our Far East's rich potential and of the favorable conditions for investment in the regional economy.

Business people from different countries will have the opportunity to establish direct dialogue with Russian companies, as well as with representatives of the federal, regional and local authorities, to make specific proposals for further improving the business climate and to outline targets for a more productive cooperation".

This event was a great opportunity for meeting a high level delegates from 56 countries.



07.3

# Delegation from Japan visited GTG site

We hosted the Chairman of Turkmen-Japanese Business Council Shimpei Matsushita and the Ambassador of Japan, in Ashgabat Takahiko Katsumata, and his delegation at our GTG Project after their meetings in Ashgabat.

Takahiko Katsumata, the newly appointed Ambassador of Japan in Turkmenistan, who has worked in Turkey for many years, made a speech in fluent Turkish; "Turkey is like my second home, for many years I have lived in Ankara on Portakal Çiçeği Street close to the Renaissance Head Office, and I am familiar with Mr. Erman (Dr. Erman Ilıcak - Founder of Rönensans Holding) and Renaissance since those days".

Stressing the importance of Gas to the Gasoline Project, the first Project of this kind in the World that has been realized as a result of Japanese-Turkish partnership, the Ambassador expressed his satisfaction with the Project organization and order.





## 08.1 SOCIAL LIFE

**In 2016, RHI Celebrated its 5<sup>th</sup> Year**

Established April 1, 2011, Renaissance Heavy Industries reached its fifth year of operation.

At the official ceremony, Alptekin Tizer, RHI President and Mustafa Kemal Ozakay, Senior Vice President and CEO in Russia, who have more than 20 years of experience with Röneseans and Celal Toroğlu, Director General presented their colleagues working in the company for five and ten years with corporate Röneseans pins and gratitude letters.



## 08.3 SOCIAL LIFE

**RHI New Social Project: Sitcom!**

“RHI” has started the Project of shooting the series, the plot of which is the funny situations from everyday office life. The Project is a kind of a social activity for the employees that aims not only to entertain but also to create opportunities for good and friendly relationship.

Cem Akturan, a structural design supervisor of the “RHI” Engineering Department, was responsible for the entire process; that is, the concept creation, script writing, shooting, editing and dubbing. It is planned to involve one by one all the members of the Head Office staff into the series shooting. The first part of the series titled “Elevator” has been completed in September 2016.



## 08.2 SOCIAL LIFE

**RHI Motivation Breakfast 2016**

Within the motivation activities carried out by the Renaissance Heavy Industries Human Resources Department, the motivation breakfasts guided by RHI General Manager Nuri Celal Toroğlu were organized in August and September.

We have spent a very pleasant time together with all of the RHI Head Office staff members during the breakfasts held in 5 different groups.



## 09.1 RÖNESANS HOLDING NEWS

# IFC Becomes A Shareholder In Turkey's Rönesans Holding As The Group Eyes International Expansion And IPO

IFC, a member of the World Bank Group, is making a \$215 million equity investment in Rönesans Holding, to improve the company's competitiveness, help its global expansion, and assist in preparing for a future initial public offering (IPO).

IFC's investment in Rönesans Holding will support the Group's cross-border investments in Africa, the Middle East, and the Caucasus and strengthen its sectoral presence in industrial and infrastructure projects. In Turkey, IFC continues to promote South-South investments and has supported many companies to become regional pioneers through better governance, sustainable business practices, and increased competitiveness.

IFC has previously cooperated with Rönesans Holding providing financing to its construction subsidiary (RCI) to expand in the region and supported one of its Healthcare PPP (Public Private Partnership) projects in Adana. By becoming a shareholder, IFC will work with Rönesans to apply international best practice corporate governance and standards at the corporate level in order to enhance the company's access to international capital markets.

IFC's work in Turkey is based on a joint Country Partnership Strategy (CPS) for the period 2012-2016 with the key objectives

of enhanced competitiveness and employment, improved equity and public services, and deepened sustainable development. Turkey is the second largest country of operations for IFC globally and the host to its largest office outside of Washington, D.C. IFC had three consecutive record years in Turkey investing \$1.8 billion in projects in the last fiscal year.



## 09.2

# RDIF Expands Cooperation With Rönesans Holding

The Russian Direct Investment Fund (RDIF) and Rönesans Holding have reached an agreement to expand the scope of their joint investment activities. The parties are focused on attractive investment opportunities within the Russian Federation; and have identified healthcare, construction, infrastructure, energy, and commercial real estate as priority sectors. The agreement was signed as part of President of the Republic of Turkey Recep Tayyip Erdogan's official visit to

the Russian Federation. Under the agreement, both RDIF and Rönesans Holding could invest up to \$200 million into the partnership.



### About RDIF

Russian Direct Investment Fund (RDIF) was established in 2011 to make equity co-investments, primarily in Russia, alongside reputable international financial and strategic investors. RDIF acts as a catalyst for direct investment in the Russian economy. RDIF's management company is based in Moscow. Further information can be found at [www.rdif.ru](http://www.rdif.ru)