

HMS KEY PROJECTS

Projects on track

In 2013, HMS Group continued to participate in another stage of one of the landmark projects in the Russian oil sector — construction of the East Siberia — Pacific Ocean (ESPO) pipeline. As part of the ESPO-1 Expansion contract we delivered 12 trunk pumps and auxiliary equipment for 3 pump stations to the customer's site. In 2014 the scope of work under contract includes the installation and supervision of the equipment.

HMS Group made good progress in the execution of its key project in the water utility sector comprising delivery of three customized water pump stations for irrigation to Turkmenistan. We completed the design stage and delivered the largest portion of the contracted equipment which will be followed by the installation stage.

In the power generation sector, we completed the implementation of approximately 50% of the contracts for design and delivery of equipment for reactor blocks of Leningradskaya NPP and Novovoronezhskaya NPP.

In 2013, we produced and delivered a compressor station for the project for the Usinsky gas refinery modernisation project. The compressor station, with a capacity of 270 million m³ pa, was designed by NIITurbocompressor (NIITK) and produced by Kazankompressormash (KKM) and was tailored to specific requirements of the customer.

New projects

In July 2013, HMS signed a contract for the production and delivery of 8 trunk pipeline pump units for the Zapolarye — Purpe Oil Pipeline totaling Rub 1.5 billion in value. The project is designed to bring crude oil produced in the northern areas of the Yamalo-Nenetsk and Krasnoyarsk regions to markets through the ESPO pipeline. The designed capacity of the 500 km pipeline of up to 45 million tonnes pa, is expected to be reached by the end of 2016. Under this contract with Transneft, in the reporting period HMS Group manufactured equipment for testing, which is scheduled for 2014. Equipment delivery will start upon the completion of testing.

In August 2013, HMS Group signed a contract for the manufacturing and delivery of a compressor station worth Rub 943 million. Under the contract, we will deliver the booster compressor station to a customer's site. The unit, based on a gas-turbine engine and manufactured by Kazankompressormash (KKM), will be installed at a petrochemical complex in the South of Russia, as a part of the client's modernisation programme of the existing production facilities in order to ensure the maximisation of gas processing at the plant. During the second part of 2013, we developed the project documentation and signed contracts with suppliers of key components.

In December 2013, HMS Group signed a Rub 5.7 billion contract to supply an integrated solution for a major Siberian gas field. During next 2 years, we will design, manufacture, deliver, supervise and test complex technological facility, including compressors, pumps, tanks, vessels, filters, coolers and other components.