

CB&I Awarded LNG Liquefaction Project in Peru

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Will Provide EPFC for South America's First Baseload LNG Export Facility

THE WOODLANDS, Texas -- Jan. 23, 2007 -- CB&I (NYSE: CBI) has been awarded a contract by Peru LNG S.R.L. for the engineering, procurement, fabrication, construction, and commissioning of a liquefied natural gas (LNG) liquefaction plant in Pampa Malchorita, Peru, located about 170 kilometers south of Lima. CB&I's commercial scope of work is valued in excess of US\$1.5 billion. Peru LNG S.R.L. is a consortium comprised of Hunt Oil Company of the United States, SK Corporation of Korea and Repsol YPF S.A. of Spain.

CB&I's work includes the entire liquefaction plant, with a designed production capacity of 4.45 million tons per year of LNG. The project encompasses treatment of the inlet gas, liquefaction, two LNG tanks, ship loading facilities, power generation, plant utilities, and related ancillary buildings and systems.

CB&I's experience in the LNG industry includes the design/build responsibility for dozens of regasification terminals worldwide, as well as the mechanical erection of LNG liquefaction plants in Malaysia, Nigeria and Australia. Overall, CB&I has built more than 40 LNG terminals and peak shaving facilities on a turnkey EPC basis.

"We appreciate the confidence shown by Peru LNG in selecting CB&I for this significant project," said Philip K. Asherman, CB&I's President and CEO. "This award builds on our decades of proven worldwide experience in the LNG industry and capitalizes on CB&I's extensive history in Peru and throughout Latin America."

CB&I has worked in Peru for more than 40 years, and plans to draw upon the excellent Peruvian labor force for the execution of this project. Among its experience in the country, CB&I has been involved in the Camisea natural gas project since its inception, providing cryogenic gas processing facilities and storage for gas liquids. The Peru LNG project provides organic growth for CB&I in this market and capitalizes on the company's comprehensive gas processing capabilities.

CB&I executes on average more than 700 projects each year and is one of the world's leading engineering, procurement and construction (EPC) companies, specializing in projects for customers that produce, process, store and distribute the world's natural resources. With more than 60 locations and approximately 12,000 employees throughout the world, CB&I capitalizes on its global expertise and local knowledge to safely and reliably deliver projects virtually anywhere. Information about CB&I is available at www.CBI.com.

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