



AUSTRIAN ENERGY
& ENVIRONMENT

a company of A-TEC INDUSTRIES AG

PRESS RELEASE

Austrian Energy & Environment Group: Over EUR 100 million in orders for Spanish subsidiary Babcock Power España

Raaba/Graz, 19 May 2006. Austrian Energy & Environment, the international systems provider for energy and environmental technology with headquarters in Raaba near Graz, is continuing its success course from the record year of 2005 with full order books at all locations in 2006.

The Spanish subsidiary has shown particularly sound development by winning three major contracts with a total value of more than EUR 100 million within a brief period of time. *“Babcock Power España, which is headquartered in the Basque city of Bilbao, joined the Austrian Energy & Environment in 2004 – and has now become a major player in the plant construction group with these contracts in the growth markets of China and Brazil,”* explained Christian Schmidt, member of the Managing Board of the parent company, A-TEC Industries.

Two major contracts from the booming market in China

In China, Babcock Power España won a contract from Tianjin Bohai Chemical Industries to supply two complete coal gasification lines with a total value of EUR 40 million. This plant will be installed in Tianjin during the expansion and relocation of production facilities by Bohai Chemicals. The high prices for crude oil and natural gas make the synthetic gases that are won from coal gasification a significant factor in reducing production costs.

Babcock Power España was also awarded a EUR 25 million contract for the construction of a technically demanding coal gasification plant in the Chinese province of Guizhou in the south of the country. This reference project represents the first of its kind in the region, and was commissioned by the Chinese company Tianfu. It is designed to extract ammoniac and dimethyl from 200,000 tonnes of methanol per year and realise cost savings through the use of coal gasification. This contract also includes the project management, production of core components and monitoring of the local company that will produce the pressure boiler as well as assembly and start-up on site.

Jürgen Wild, CEO of Austrian Energy & Environment, commented on the successful conclusion of this contract by stating, *“This order represents a milestone for the Austrian Energy & Environment Group, but above all for our Spanish subsidiary, which has demonstrated its high technological expertise and the quality of its products on the competitive international market. An excellent reputation for meeting schedules – this plant is expected to start operations in September 2007 – as well as*

the security and experience provided by a strong international plant construction group were further important criteria for winning this contract.“ This order from China underscores the high technological expertise of Austrian Energy & Environment in the field of coal gasification equipment, and reflects the start of a long-term cooperation with state-owned companies in China.

Fluidised bed boiler plant for paper factory in Brazil

Babcock Power España also won a major contract in Latin America and will construct a CFB boiler for KLABIN, one of the world's largest producers of paper and folding cartons, which will be installed during the expansion of the Monte Alegre paper plant in Brazil.

This contract, which has a volume of roughly EUR 43 million, was awarded to Austrian Energy & Environment above all because of its specially developed Powerfluid fluidised bed boiler technology system. This technology increases the flexibility of the fluidised bed boiler, which is designed for thermal performance of 210 MW. In addition to biomass (eucalyptus and pine wood) as the primary fuel, this equipment will also allow for the environmentally compatible use of solid fuels with high thermal value such as old tires and sludge from production processes. The particular challenge for Austrian Energy & Environment on this assignment is the tight schedule of only 22 months as well as the required logistical integration in the planning for the entire project by KLABIN. The transfer of the equipment is planned for March 2008.

Austrian Energy & Environment

Austrian Energy & Environment AG (AE&E), with its head office in Raaba near Graz (Austria), is one of the leading international system providers in the area of thermal power generation and environmental technology. The product portfolio includes fluidised bed boiler technology, industrial boilers, liquor recovery boilers, heat recovery steam generators, grate-fired boilers for waste, biomass and coal combustion, gas cleaning and flue gas desulphurisation, boiler manufacturing, coal gasifiers, valves and services. AE&E offers turnkey solutions ranging from the development, production and assembly of components and facilities up to the start-up and modernisation of plants. The Group, which also includes the Swiss Von Roll Inova and the Spanish Babcock Power España, employs a workforce of 2,150 in Graz and Vienna (Austria), Zurich (Switzerland), Paris (France), Norcross (USA), Bilbao and Madrid (Spain), Shanghai (China), Chennai (India), Sydney (Australia) and Slavonski Brod (Croatia) and is owned by A-TEC Industries AG.

A-TEC Industries

A-TEC INDUSTRIES AG is a private, international industrial group that is headquartered in Vienna, and is successfully active in the areas of electrical motors, plant and machine tool construction and metals. The Group currently has a total of 10,000 employees in Austria, Germany, Switzerland, France, Spain, Italy, Croatia, the Czech Republic, Slovakia, Great Britain, Serbia and Montenegro, Poland as well as the USA, Australia, India and China.

More information is available in the internet under www.aee.co.at and www.a-tecindustries.at

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