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## GLOBAL: GENOIL SIGNS \$50 BILLION RUSSIAN LOI

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Signed by the President of the Board of Directors of Grozneft, the Letter of Intent (LOI) will develop oil fields and construct clean technology upgraders, refineries and pipelines in Russia and Chechnya.

The scope of the project, which will incorporate Genoil's clean technology hydroconversion (GHU) process, is to produce 3.5 million barrels of desulphurised fuel per day.

'The negotiation of this LOI marks an important milestone from Genoil, demonstrating that we can act as a service provider as well as a technology provider,' said Thomas F. Bugg, vice president of Genoil Canada.

In addition to the development of the oilfields and construction of the technology, the parties involved will also explore linking this new project to existing pipeline networks in the region. The finance will be provided in full from Chinese banks to the Russian companies involved. Genoil will be responsible for the design and construction of six million tonnes per year of new refinery capacity in Chechnya.

The project, which will be listed in a trade agreement, pact or cooperation agreement between Russia and China, will have 'full support' from the Russian Government and the Ministry of Fuel and Energy of the Russian Federation, as well as other required ministries and departments, says Genoil.

As *Bunkerspot* previously reported, in April, Genoil announced it had secured a [\\$5 billion LOI for a desulphurisation programme in the Middle East](#). The funding will be used to develop a Middle East-based facility which can produce 500,000 barrels a day of 0.5% sulphur crude oil.

'Building on our previous Letter of Intent from a Chinese bank in April of this year, this latest agreement further supports our commitment to develop sustainable energy sources, helping to solve the supply challenges we face now and in the future,' Bugg added.

Genoil will be the master contractor in charge and in control of the Russian project. Fuel produced from the projects will be exported to China through secured long-term contracts of up to 30 years.

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