



## *Varadero Combined Cycle History*

<i>Description</i>	<i>Approx. Time Frame</i>
Varadero Combined Cycle conceived as part of the original scope of work for the Varadero facility	1996-1998
Engineering for Combined Cycle awarded to Kvaerner Energy Limited (“Kvaerner”) in the UK, Kvaerner is responsible for all Engineering, design, equipment specifications, and procurement	1998
Kvaerner continued with Engineering and design activities. Contracts for the supply of mechanical components were awarded to various suppliers in Europe. The contracts for the supply of boilers and related pipework for the project were awarded to a Spanish contractor, Mecanica de la Peña S.A. (Mechanica)	1998-1999
In May, 1999 Mecanica applied for and was granted protection from creditors under Spanish bankruptcy law. Sherritt was unaware fo the financial problems being experienced by this sub-contractor of Kvaerner. Numerous sub-contractors of Mecanica that had supplied services and materials in relation to the boilers that were designed for the Energas Varadero facility were negatively impacted by the application by Mecanica. All work on the boilers was halted. Following extended negotiations and settlements with each of the unpaid suppliers, the boilers were eventually released to Sherritt. Other possible equipment supply alternatives were considered but, ultimately rejected during the period.	1999-2001
Kvaerner was bought by the General Electric group (“GE”)	2001
In the resulting purchase GE made it clear that they were not interested in dealing with Sherritt to complete the project due to the problems around Cuba and the US embargo. At this time Sherritt elected to complete the engineering that was outstanding on their own.	2001-2002
Sherritt Starts Varadero Combined Cycle construction	2002
The Combined Cycle facility at Varadero is commissioned and started up.	2003