Investor Relations

Global Power EPC Company

CONTENTS

KEPCO ENGINEERING & CONSTRUCTION COMPANY, INC.

Disclaimer

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Company Overview

Korea's Leading Power Plant Engineering Company

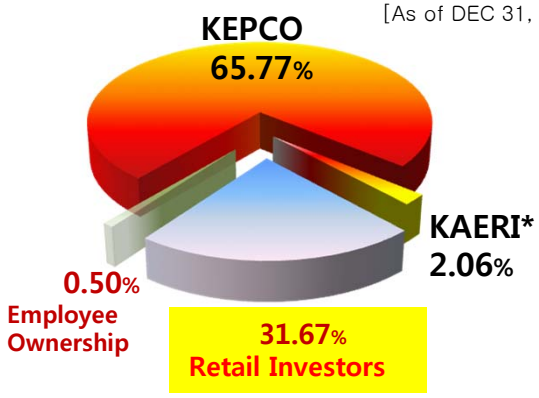
- Korea's leading provider of design and engineering for nuclear, thermal and hydro-electric plants with over 40 years of experience
- Current 100% market share in nuclear power plant design in Korea
- The world's most competitive engineering company specialized in the two sectors: A/E and NSSS
- Expanding its business to Thermal EPC, energy-related business, environment-friendly business, etc.

Corporate Information

CEO & President	Park, Koo Woun • Former nuclear power advisor, POSCO E&C • Former Senior Vice President, KEPCO E&C
Foundation Date	October 1, 1975
Employees	2,242 (As of June. 30, 2017)
Business Area	Power plant design & engineering, etc.

Ownership

[As of DEC 31, 2016]



* KAERI - Korea Atomic Energy Research Institute

IPO Information

Shares Outstanding *Common shares 100%	38,220,000
Listing Date	December 14, 2009
Offered Securities	7,644,000

Dividends

[Unit : KRW]

FY	2013	2014	2015	2016
Dividend Propensity*	45%	40%	25%	24%
Amount (per a share)	406	575	200	110

* Dividend Propensity – Dividend/Net Income *100

Business Overview

Business Area

• Design & Engineering

- Nuclear Power Plant
- Thermal Power Plant
- Combined Cycle Power Plant
- Cogeneration Power Plant

• O&M (Operations & Maintenance)

- Technology & Engineering Support for Operating Power Plants

• Energy Solution Package

- Funding
- Consulting
- Procurement
- Post-management

• Environmentally-friendly Biz.

- FGD System / DeNOx System
- ESCO, Renewable Energy
- Water Pollution Control
- Wastewater Treatment Facilities

• National Defense Project.

- Government's task

Business Area – Design & Engineering

- All of the local nuclear power plants have been independently designed by KEPCO E&C since 1993
- Experiences of Coal fired/ CFBC Coal fired/ Combined Cycle/ Cogeneration Design

Major Project Experience

• Nuclear power

Reactor	Project	Project Period	Client
APR 1400	Shin-Hanul #3,4	Mar '16 ~ Dec `23	KHNP
	Shin-Kori #5,6	Apr '14 ~ Mar '22	KHNP
	UAE #1,2,3,4	Mar '10 ~ May '20	KEPCO
	Shin-Hanul #1,2	Dec '07 ~ Dec `16	KHNP
SMART	Shin-Kori #3,4	Aug '06 ~ May '16	KHNP
	PPE BOP	Jun '16 ~ Nov '18	KAERI

• Others

Reactor	Project	Project Period	Client
Other	APR1400 US NRC DC design/licensing support - Stage 2	Aug '14 ~ Oct `17	KHNP

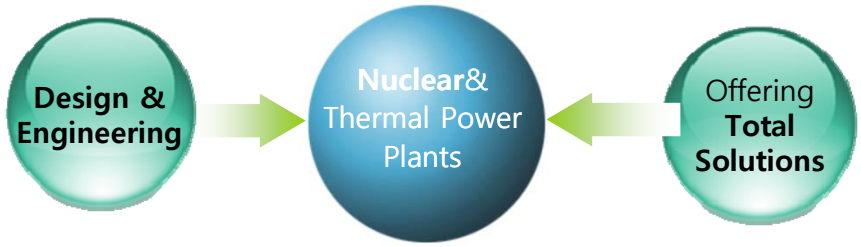
• Thermal power

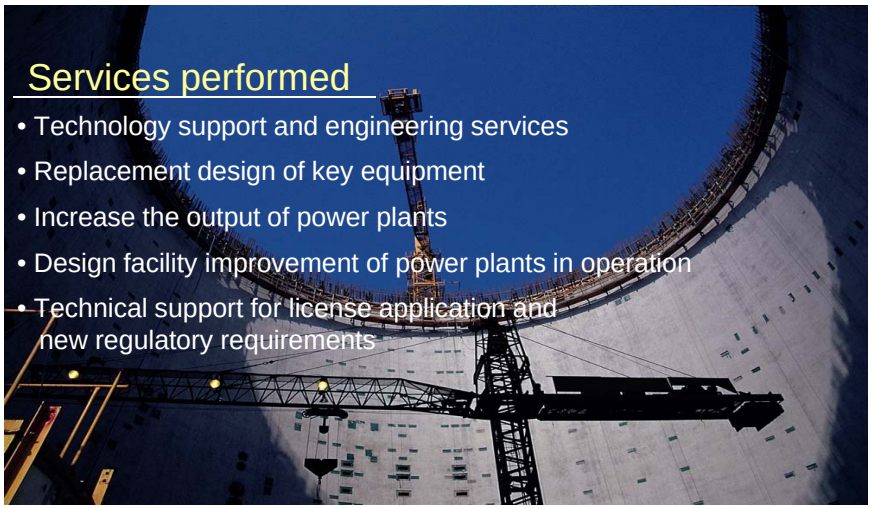
Capacity (MW)	Project	Project Period	Client
1000x2	Gosung Greenpower	May '14 ~ Jul '21	SK E&C
1000x2	Gangneung Anin	Feb '14 ~ Sep '20	Samsung C&T
1000	Shin-seocheon	Jun '14 ~ Dec '19	Korea Midland Power
1000x2	Taean #9,10	Jun '11 ~ Mar '17	Korea Western Power
1000x2	Shin-Boryeong #1,2	Jan '11 ~ Sep '17	Korea Midland Power
1000x2	Samchok #1,2	Sep '09 ~ Sep '17	Korea Southern Power

Business Area – O&M

Contribution to the Improvement of the Operating Power Plants' Operability, Efficiency and Safety

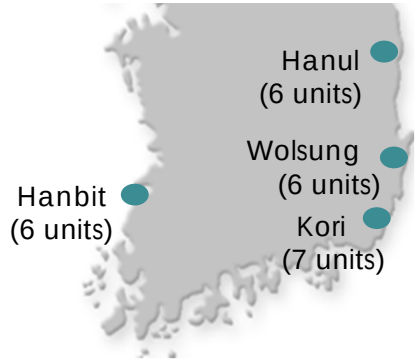
• O&M (Operations & Maintenance)





• Nuclear Power Plants in Operation in Korea

Reactor	Project	First Power	Design
APR 1400	Shin-Kori #3	2016	KEPCOE&C
OPR 1000+	Shin-Wolsung #1,2	2012 / 2015	KEPCOE&C
	Shin-Kori #1,2	2011 / 2012	KEPCOE&C
OPR 1000	Hanul #5,6	2004 / 2005	KEPCOE&C
	Hanbit #5,6	2002 / 2002	KEPCOE&C
	Hanul #3,4	1998 / 1999	KEPCOE&C
	Hanbit #3,4	1995 / 1996	KEPCOE&C-WEC
CANDU PHWR	Wolsung #3,4	1998 / 1999	AECL-KEPCOE&C
	Wolsung #2	1997	AECL-KEPCOE&C
	Wolsung #1	1983	AECL-CANATOM
PWR	Hanul #1,2	1988 / 1989	Framatome
	Hanbit #1,2	1986 / 1987	Bechtel-KEPCOE&C
	Kori #3,4	1985 / 1985	Bechtel-KEPCOE&C
	Kori #1,2	1978 / 1983	WEC-Gilbert



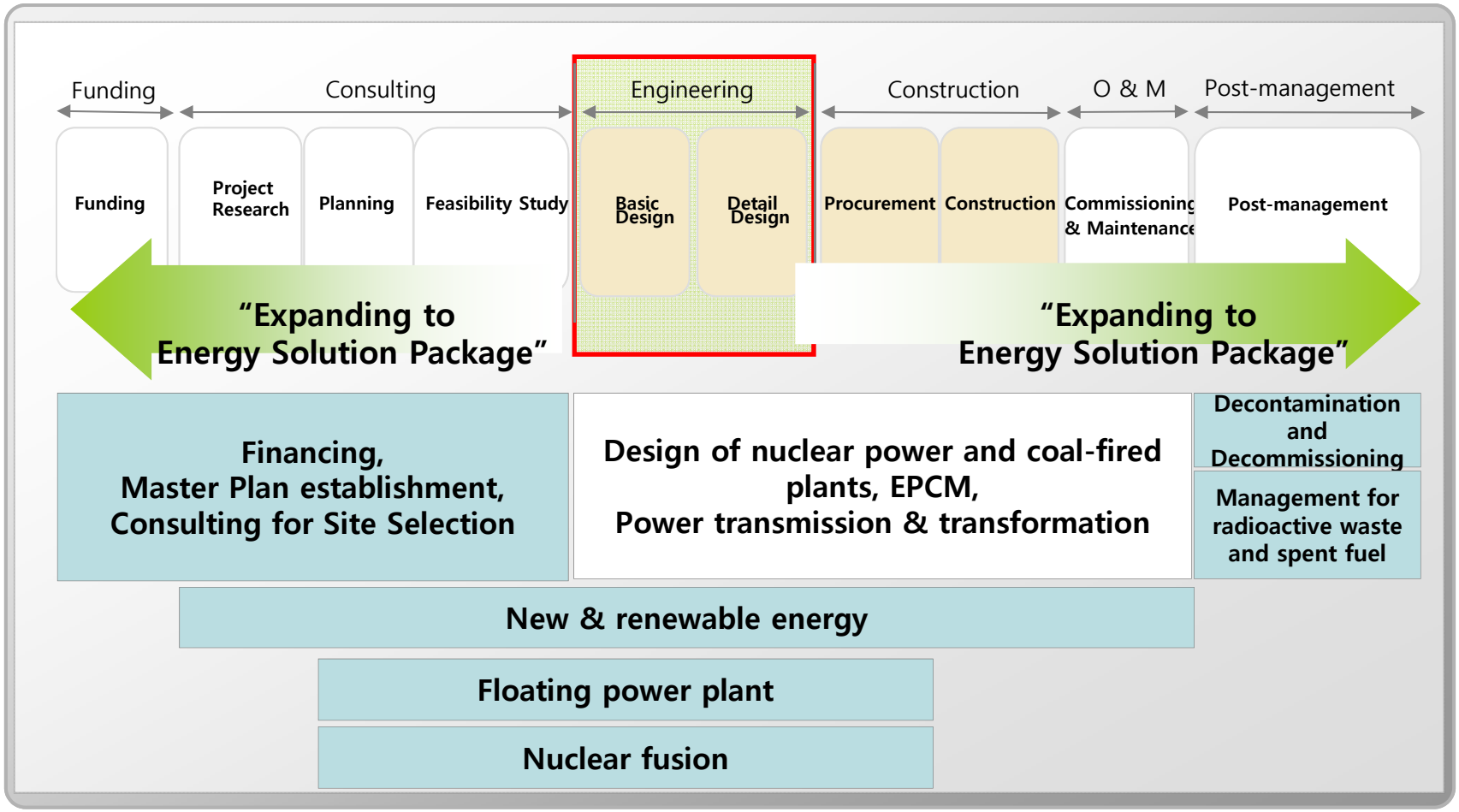
*The Uljin was renamed Hanul

*WEC – WestingHouse Electric.

*AECL – Atomic Energy of Canada Limited

Business Area – Energy Solution Package

Expanding its business areas to the overall value chain, including pre- and post-management of power plants



Technology – Nuclear Power Plant

Korean Nuclear Power Plant Design Development

1990s - GEN. Ⅲ

OPR 1000
Optimized Power Reactor

- Improved Safety
- Improved Operability, Maintainability and Accessibility
- Hanbit Units 5,6
  Hanul Units 3~6

2010s - GEN. Ⅲ+

OPR+
Improved OPR

- Optimization of plant arrangement
- Optimization of system design and Equipment capacity
- Shin-Wolsong Units 1,2
  Shin-Kori Units 1,2

APR 1400
Advanced Power Reactor

- 1,400MW Class large capacity
- A Korean nuclear power reactor improved economic factor
- Shin-Kori Units 3,4
  Shin-Hanul Units 1,2
  BNPP(UAE) Units 1~4

SMART
System-integrated Modular Advanced Reactor

- 90MW
- Reactor, steam generator, pressurizer & coolant pumps integrated in one vessel

2020s - GEN. IV

- **Under Development**

APR+
Improved APR

- 1,500MW
- New light water nuclear reactor

APR 1400
(For Europe)

APR 1400
(US NRC DC*)

VHTR
Very High Temperature Reactor

SFR
Sodium Cooled Fast Reactor

- **The Competing Reactors**

France	USA	Japan	Russia
AREVA	WH-Toshiba	Mitsubishi	ASE
EPR1600	AP1000	APWR+	VVER-1500

※ All of the reactors in this box are PWR type reactors.

* US NRC DC: United States Nuclear Regulatory Commission Design Certification

Technology – Thermal Power Plant

Coal-Fired Power Plant Design Development

Standard Coal Fire Power Plant (1000MW)
- Ultra-supercritical, highly efficient
- 1,000MW class large capacity

→ Dangjin 9,10; Shin-Boryeong 1,2; Taean 9,10

Standard Coal Fire Power Plant (800MW)
- Improved heat efficiency through the increase of steam temperature
- 3D CAD model design

→ Yeonghung 1~4

Standard Coal Fire Power Plant (500MW)
- Use of supercritical pressure steam, highly efficient operation
- Environment-friendly design

→ Boryeong 3~8; Taean 1~8; Dangjin 1~8

Standard Coal Fire Power Plant (200MW)
- Circulating fluidized bed boiler
- High compatibility of fuels

→ Tonghae 1,2; Yongwol 3

• **Dangjin #1~4- World Best Project Awarded**
<US, Power Engineering, 2001>

• **Boryeong #3,4 – World Best Project Awarded**
<US, Electric Power International,1996>

Focus on 10 core businesses in 5 areas

Nuclear power plans – Small Units & Others

• SMART export plan

▫ **SMART - Integral type reactor**
- steam generator, pressurizer, and coolant pump are all integrated into one vessel.

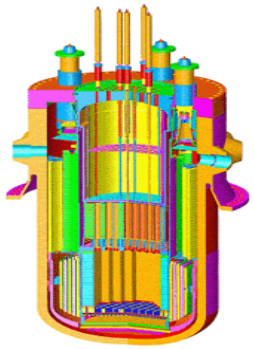
▫ 90MW of electricity output, 40,000ton/day of desalination capacity
- can supply a city with a population of 100,000

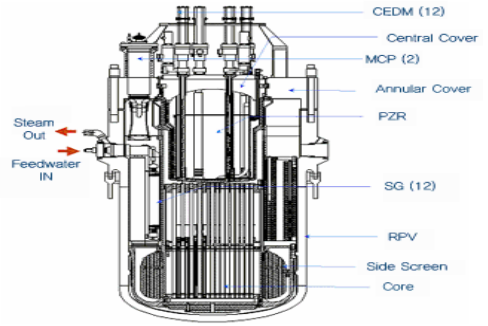
▫ Year 2012 : Acquired SDA(standard design approval) in Korea. (the first SDA as integral type reactor in the world)

▫ Year 2013 : Cooperation agreement with Saudi Arabia on the introduction of SMART in Saudi Arabia

▫ Year 2015 : Signed a deal to jointly invest in studying the prospect of building at least two SMART in Saudi Arabia

▫ Year 2017 : Performing PPE(Pre-Project Engineeing) to build two SMARTs in Saudi Arabia





• Participation in the international project – ITER

▫ International Thermonuclear Experimental Reactor(ITER) Project

▫ 7 countries that run the project – EU, U.S., Russia, China, Japan, India and South Korea

▫ Total amount of orders KEPCO E&C has received : 57.3 KRW bn. (expecting more orders)

Nuclear power plans – Decommissioning

• Decommissioning

▫ The oldest reactors in Korea

Plant	Commercial operation	Planned close	
KORI #1	1978	2017	license extended 2007 → 2017
Wolsung #1	1983	2012	license extended 2012 → 2022
KORI #2	1983	2023	
KORI #3	1985	2024	
KORI #4	1986	2025	

- Kori-1, the first nuclear power plant in Korea, is scheduled to become the first reactor to go dormant.
  - it had 30-year lifespan expired in 2007, but gained approval of additional 10-year operation.
- The Korean government announced in June, 2015 that the development of the 17 decommissioning techniques that have yet to be finished would be completed by 2021.

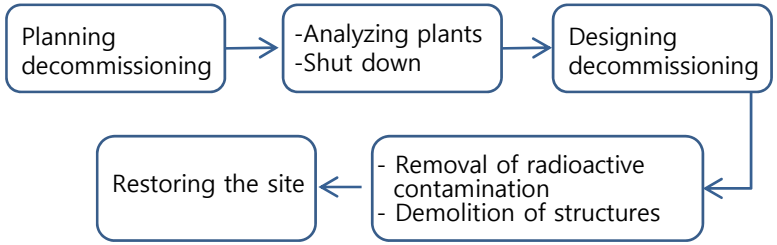
• Decommissioning?

- series of various follow-up processes upon the completion of operation regarding nuclear power plant facilitates.

• Minimization of radioactive contamination from facilities after decontamination and decommissioning.

• Republic of Korea and UK have strengthen cooperation in the research on nuclear decommissioning.

• Decommissioning Flow



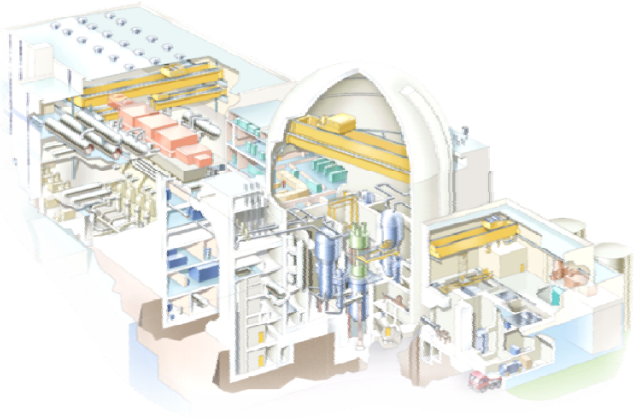
Finding for new growth engine

Launch of NPP Decommissioning Business Department and Energy Division

- To respond to new energy policy of the government
  - The phase-out of nuclear power plants, decommissioning the Kori-1 reactor and the suspension of building new coal-fired plants.
  - Established Energy Division and NPP Decommissioning Business Department to create new sustainable growth engine.

- To establish NPP Decommissioning Business Department
  - Focusing on post-management of nuclear power plant such as decommissioning and managing radioactive waste and spent fuel.
  - Acquired decommissioning-related technology by "decommissioning technology transfer agreement" with PreussenElektra Gmbh Concluded in 2016.
  - Accumulating technical know-how by participating in Kori-1 decommissioning and advancing into overseas market

- To organize Energy Division
  - Leading the energy market by meeting the demand to lower fine dust level and to respond to "Paris Agreement(2015)"




200MW CFBC Power Plant Cutaway
Site plan key