

Source: Kvaerner ASA

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Kvaerner ASA: Kvaerner and Aker Solutions letter of intent for Johan Sverdrup phase 2

5 April 2018 - Kvaerner has in a 50/50 joint venture with Aker Solutions been awarded a letter of intent with Statoil for modifications of the riser platform and the field center for the Johan Sverdrup development. The project will provide extensive positive ripple effects for a wide range of Kvaerner's and Aker Solutions' subcontractors. At peak, the work will involve about 2 000 employees in the two companies as well as subcontractor personnel. The total value of the agreement is around NOK 3.4 billion.

Kvaerner and Aker Solutions will, through a 50/50 owned joint venture, undertake engineering, procurement and construction of a new utility module of around 5 000 tonnes for the riser platform. In addition, the agreement includes modification work at the field center, and installation and integration work offshore in connection with phase 2 of the field development. The work will start in the second quarter of 2018 and will be completed in 2022.

The module will be constructed at Kvaerner's specialised facilities at Stord, Norway. For Kvaerner, the peak manning on the project will be around 550 people. The project will have positive effects for a wide range of subcontractors. Including spin-off effects for subcontractors, service companies, etc., the contract is expected to create work for around 2 000 people.

"We are looking forward to working with Aker Solutions in a focused joint venture with a common project management team. We will execute the new project based on all the improvements we have made in recent years for increased productivity and cost reductions", says Elly Bjerknes, executive vice president and responsible for topside projects in Kvaerner.

Kvaerner is already one of the suppliers with most deliveries to phase 1 of the Johan Sverdrup development. The contracts previously signed include the utility and living quarters topside, the three largest and most complex steel jacket substructures, as well as offshore hook-up of the riser platform together with Aker Solutions. Aker Solutions earlier this year completed front-end engineering and design (FEED) for phase 2 of the development, including for the module and work to integrate this with the riser platform.

"For us in the supplier industry, it is gratifying to see that our comprehensive improvement measures provide such results as we see today. Kvaerner's strategy is to grow within the market for upgrading and modification, typically by building new modules such as in this project. Our strength is that we over time have built expertise to deliver some of the most demanding projects in the world. Based on this, Kvaerner has been recognised throughout the industry to deliver safely, predictably and at the agreed schedule", says Idar Eikrem, interim President & CEO of Kvaerner.

ENDS

Note to media

The media is invited to a press conference at Statoil's offices at Fornebu at 10.00 am. Please meet in Statoil's reception by 09.40 at the latest. From Kvaerner, Idar Eikrem, Interim President & CEO and Elly Bjerknes, executive vice president Process Solutions will participate with representatives from Aker Solutions and Statoil.

For further information, please contact:

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About Kvaerner:

Kvaerner is a leading provider of engineering, procurement and construction (EPC) services, and delivers

offshore installations and onshore around the world. Kvaerner ASA, through its subsidiaries and affiliates ("Kvaerner"), is an international contractor and preferred partner for oil and gas operators and other engineering and fabrication contractors. Kvaerner and its approximately 2 700 HSSE-focused and experienced employees are recognised for delivering some of the world's most amazing and demanding projects.

In 2017, Kvaerner's Field Development segment had consolidated annual revenues of NOK 7.6 billion and the company reported an order backlog at 31 December 2017 of NOK 8.1 billion. Kvaerner is publicly listed with the ticker "KVAER" at the Oslo Stock Exchange. For further information, please visit www.kvaerner.com.

This information is subject to the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.