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Kvaerner ASA :Kvaerner conducts R&D for Arctic solutions for RDC and Statoil in Canada

11 June 2014 - The Research & Development Corporation of Newfoundland and Labrador (RDC) and Statoil Canada Ltd. are making a collaborative investment in a Kvaerner-led research and development project for subsea separation and storage facilities. The objective of the project is to provide a method and a system to secure subsea oil separation and storage in waters where weather and ice conditions make traditional surface storage facilities unsuitable.

The project has been awarded after Kvaerner last year submitted a proposal as part of Statoil's initiative "Arctic R&D Step Up"; and RDC's *ArcticTECH* program; a private sector-led research and development (R&D) initiative in Newfoundland and Labrador to address global technological gaps in arctic and harsh environment oil and gas development. Kvaerner will apply its expertise gained through decades of delivering international oil and gas offshore projects in deep waters, sub-Arctic and Arctic environments.

The purpose of the R&D project is to research the concepts of subsea tanks made in concrete. The tanks installed on the seabed will enable separation of gas and water from oil produced from an offshore field, and subsequent storage of oil during the production process.

"We are very pleased that our R&D proposal was selected by RDC and Statoil. It shows the continued relevance of concrete as a building material for the oil and gas industry, and is an opportunity to research the application of concrete in subsea developments. Concrete is particularly attractive now that the industry moves further north in harsh, ice infested and inhospitable environments," says Bjørn Gundersen, executive vice president of Kvaerner's Concrete Solutions business area.

The work will be carried out by Kvaerner's organization in St. John's, Newfoundland, supported by Kvaerner's subject matter experts in Oslo, Norway. The project will commence immediately and be completed within first quarter 2015. The contract party is Kvaerner's subsidiary Kvaerner Canada Limited.

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About Kvaerner:

Kvaerner is a leading provider of engineering, procurement and construction (EPC) services, and delivers offshore installations and onshore plants for upstream oil and gas production 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 2 800 HSSE-focused and experienced employees are recognized for delivering some of the world's most amazing and demanding projects.

In 2013, the Kvaerner group reported consolidated annual revenues of close to NOK 13 billion and the company reported an order backlog at 30 March of almost NOK 20 billion. Kvaerner is publicly listed with the ticker "KVAER" at the Oslo Stock Exchange. For further information, please visit www.kvaerner.com.

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