

*Source: Kvaerner ASA*

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## **Kvaerner ASA: Edvard Grieg topside completed on time**

14 April 2015 - the 22 000 tonnes topside for the new offshore platform for the Edvard Grieg field is ready for delivery, in line with the contract awarded three years ago. Hence, the project is in an exceptional case with respect to avoiding costly delays or quality challenges. Lundin Norway is the operator of the field and ordered the topside as a complete EPC delivery from Kvaerner in 2012. In addition to delivering the topside as agreed, the project also had a high share of work performed in Norway. The Norwegian value creation from both Kvaerner and subcontractors totals around 70 percent of the delivery.

The next phase for the topside is preparations for tow-out and thereafter hook-up of all systems before production starts offshore. The construction phase now being completed started 3 May 2012 when Lundin Norway signed a letter of intent of around NOK 8 billion with Kvaerner for the complete EPC delivery of the Edvard Grieg platform topside. In addition, Kvaerner was awarded the contract to assist Lundin in preparing the platform for production when both the steel substructure, as well as all parts of the topside has been installed at the field.

Kvaerner has under a separate EPC contract also delivered the steel jacket substructure for the Edvard Grieg platform. The 14 500 tonnes structure was delivered as agreed in the spring of 2014 from Kvaerner's specialised facilities for steel jackets in Verdal, Norway.

For the construction of the Edvard Grieg topside, Lundin selected an execution model which leveraged the Norwegian supplier industry's core competence of delivering complex platforms according to schedule, specifications and contracts, despite high complexity. Kvaerner has as the main contractor utilised Norwegian companies like Aker Solutions and Apply Leirvik as important subcontractors for engineering; and construction of the process module and living quarter respectively. Partners in Norway and Europe have in addition delivered pre-fabrication of steel sections and equipment packages.

The project has contributed to considerable ripple effects for the Norwegian supplier industry as well as for the suppliers' local communities. More than 150 large and small businesses have been involved. At peak, the project employed approximately 7 500 people directly and indirectly. The contract party, Kvaerner Stord AS delivers revenues of several billion NOK annually, and around 85 percent of the business' revenues are contracted with Norwegian registered companies during an average year.

- This has been a demanding project but we have kept the milestones all the way, and we are proud of completing Edvard Grieg at the exact time agreed with Lundin Norway three years ago. The topside is not only delivered on time but also to agreed quality and exceptionally little outstanding work. This is another demonstration of Kvaerner's and the Norwegian supplier industry's ability to execute large, complex projects without expensive quality errors and delays, says Jan Arve Haugan, President & CEO of Kvaerner.

The topside consists of a main deck module, a combined utility module and living quarters, a process module and a flare tower. The main deck module and the combined utility module and living quarters have both been moved to barges at Stord, ready for tow-out to the field. The process module is also ready on a barge at Aker Solutions in Egersund, Norway, and the flare tower is completed and ready for delivery directly offshore from the subcontractor in Poland.

The modules for the topside will be towed to field and lifted in place on top of the steel jacket in three separate lifts. Kvaerner will assist Lundin with offshore hook up and completion during the summer and into the fall. The production is expected to reach a peak of 100 000 barrels a day. The oil will be processed and transported through a new pipeline to the Grane field and further via Grane's piping to the Sture terminal.

Lundin Norway AS is operator and owns 50 percent of the license. The other partners are Wintershall Norway with 15 percent, OMV Norway with 20 percent and Statoil with 15 percent.

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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 3 000 HSSE-focused and experienced employees are recognized for delivering some of the world's most amazing and demanding projects.

In 2014, the Kvaerner group had consolidated annual revenues of close to NOK 14 billion and the company reported an order backlog at 31 December of NOK 16.5 billion. Kvaerner is publicly listed with the ticker "KVAER" at the Oslo Stock Exchange. For further information, please visit [www.kvaerner.com](http://www.kvaerner.com).