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Kvaerner ASA: Kvaerner invests in new quay at Stord

13 February 2018 - Kvaerner plans to invest NOK 370 million in a new quay at the company's facility at Stord. "The objective for this upgrade will be to make the facility more flexible. We invest now to strengthen our competitiveness, and this extension will position Kvaerner for deliveries of new solutions to both oil and gas projects and other market segments," says President & CEO Jan Arve Haugan.

The investment is subject to approval by Kvaerner's Board of Directors within a short period of time. The background for the investment is a changing oil and gas market. More projects are expected in deep waters, which mean an increased demand for floating installations.

"A flexible facility is crucial, with large capacity that supports flawless project execution and on-time delivery. An extended quay provides greater opportunities for both crane lifts and outfitting. It will not only improve our productivity for assembly and completion of projects such as Johan Castberg, but also for future projects where integration or upgrading of floating platforms can be performed more efficiently at a deep sea quay," says Haugan.

The extension will increase the facility's quayside with 266 metres, and extend its construction area with 17 000 square metres. The water depth at the new quay will be 16 metres, which is sufficient for the majority of floating offshore installations. Additionally, the crane lane will be extended by approximately 100 metres, which means that installations at the new "Vestkaien" will have increased crane coverage from the 1 050 tonnes gantry crane "Storen".

"The investment in "Storen" in 2012 has practically revolutionised the way we assemble platforms, and improved safety, quality and productivity. It has proven to be an excellent investment for Kvaerner and our customers. The crane coverage will become even better with the new quay, which in turn will allow us to capitalise further on the crane investment made in 2012," says Steinar Røgenes, Kvaerner's executive vice president for EPCI.

"Other advantages with the new quay are that it will provide us with an alternative loading area for modules from subcontractors, and for structures bound for our demolition facility at Eldøyane. This will enable us to execute a larger amount of large and small projects in parallel. In addition, it will provide us with added flexibility and opportunities to target potential new markets," says Røgenes.

The main project planning of the quayside extension is already underway, and the detail planning will start immediately after the Board of Directors' approval. Construction work will start in March, with planned completion during the first half of 2020.

The first project to utilise the quay is the floating production storage and offloading vessel (FPSO) destined for the Johan Castberg field development. Kvaerner is responsible for constructing the topsides for the FPSO. The hull and living quarter are being built in Singapore, but will be transported to Kvaerner's facility at Stord for integration and completion.

"Since Kvaerner was listed in 2011, we have invested more than NOK 1 billion in the company's two facilities at Stord and Verdal. With this investment, the total amount reaches more than NOK 1.3 billion, of which nearly 75 percent can be categorised as development investments to improve our own productivity and strengthen our competitiveness," says Haugan.

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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.