

Source: Kvaerner ASA

July 02, 2014 02:00 ET

Kvaerner ASA: Kvaerner and COOEC establish Engineering Joint Venture in China for projects globally

2 July 2014 - Kvaerner and China Offshore Oil Engineering Co. Ltd (COOEC) have established an Engineering Joint Venture, Kvaerner COOEC Engineering & Technology Ltd (KCET), located in Qingdao, Shandong, China. KCET is established to carry out and further develop joint engineering capability for international EPC projects.

In April 2013, Kvaerner and COOEC signed a ten year Strategic Cooperation Agreement with respect to global business development. Currently, COOEC is executing a part of the expansion of the Nyhamna onshore processing plant in Norway for Kvaerner. The partners are currently positioning for other international projects.

The new engineering company will be a part of the Kvaerner's and COOEC's delivery model for international EPC projects. Already, more than 70 experienced engineering personnel from both COOEC and Kvaerner are working to execute basic engineering for KCET's first topside module project in China, Enping Phase II.

"COOEC recognizes Kvaerner as the ideal partner within international deep water and harsh environment projects to support COOEC's ambition domestically and internationally. Kvaerner will bring international management, tools and working methods while COOEC is providing a team of experienced offshore engineers. This is a great foundation and we are confident that this will be a successful company that will add value for our clients. We have built strong confidence and mutual trust between the companies. Together with Kvaerner we can provide full EPCI solutions to international clients in a competitive manner", ZHOU Xuezhong, President & CEO of COOEC said.

"This company will benefit from the combination of Kvaerner's international experience, proven project execution model and COOEC's cost-effective engineering and fabrication methodology. The company will provide a close interaction between engineering and fabrication to ensure control of quality, HSSE, schedule and cost underpinned by safety in design. It will further accelerate the promotion of our joint delivery model to customers. The COOEC partnership is important for Kvaerner's future international growth as well as further development of cost efficient delivery models," Jan Arve Haugan, President & CEO of Kvaerner said.

The new company, which received its business license this spring is headed by General Manager Arnstein Ansnes from Kvaerner and his deputy is Zhang Yanfang from COOEC. The Chairman of the Board is COOEC EVP Mr Yang Yun.

The official opening on 2 July 2014 was witnessed by Mr ZHOU Xuezhong, President & CEO of COOEC and Mr Jan Arve Haugan, President & CEO of Kvaerner.

About COOEC

Offshore Oil Engineering Co., Ltd (stock name: COOEC; stock code: 600582) is renowned as the largest offshore engineering construction enterprise and the only large-scale general contracting company in China integrating offshore oil and gas exploration & production design, onshore production and offshore installation, commissioning and maintenance.

COOEC boasts domestic first-class qualification of offshore engineering. It also possesses over ten qualifications and certificates granted by related international and national authorities, such as Grade-I Construction Enterprise Qualification, Grade-A Engineering Design Qualification, Certificate of ISO9001 Quality Control System and SMS. Besides, it has established an all-around, multi-level and wide-range personnel structure adapting to the EPCI projects for offshore engineering construction.

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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