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Kvaerner contract for Hywind Tampen is a vital strategic break through

31 October 2019 – Kvaerner today signs a contract with Equinor to deliver 11 floating concrete hulls for offshore wind power turbines and in addition execute marine operations services for the Hywind Tampen project. This will be the world's largest floating offshore wind farm and is vital for industrialising solutions and reducing costs for future offshore wind power projects. Kvaerner's contract is worth about NOK 1.5 billion.

The Hywind Tampen project will be installed offshore Norway, west of the city Bergen and will supply electrical power to the nearby oil and gas platforms Gullfaks A, B, C and Snorre A and B. The combined effect from the 11 turbines will be 88 megawatts and will replace about 35 percent of the five platforms' energy demand. Today, the energy required to run these platforms is supplied by gas turbines.

The project will reduce Norwegian CO_2 emissions with more than 200 000 tonnes per year, which is equivalent to the emissions from 100 000 cars. In addition, analysis confirm that the hulls made of concrete have a favourable CO_2 footprint compared to several other solutions. Kvaerner will also leverage Hywind Tampen to further reduce the CO_2 footprint in concrete construction for future projects.

"Kvaerner aims to contribute to sustainable and value creating solutions for the environment and society. It is vital that Norway does what is possible to reduce emissions, also within oil and gas production. When such improvements are combined with reducing the emissions from oil and gas consumption in each country around the globe, we progress towards the globally agreed climate objectives. The Hywind Tampen project paves the way for more wind power farms both in Norway and internationally. Today's new contract is a very important step in Kvaerner's strategy to grow within renewable business, in addition to our existing business within oil and gas", says Karl-Petter Løken, Kvaerner's President & CEO.

Kvaerner's scope comprises engineering, procurement, and construction of the floating concrete hulls which will carry the wind turbines. In addition, Kvaerner's contract includes delivery of the marine operations phase. This includes the full project management, engineering, assembly site management, mooring system installation, units tow-to-field and installation of the floating wind turbine units at the Tampen area. Marine operations will be performed as an integrated subcontract to the main contract, executed in a 50/50 joint venture between Kvaerner and DOF Subsea.

Kvaerner is recognised as the world's undisputed leader for solutions and execution of advanced concrete structures for marine projects. The company have delivered concrete structures worldwide which many deem among world wonders, such as Troll A or Hebron, and the corporation has some of the world's best experts on concrete technology.

"It was an important milestone for us when we in spring of 2019 were asked to participate in early phase engineering for Hywind Tampen, and thus contribute to develop the solution which we will now start to construct. This year, we have also started to recruit new concrete specialists, because we see more opportunities for Kvaerner to participate in important projects globally", says Løken.

The initial phase of constructing the 11 concrete hulls will start in the drydock at Kvaerner's specialised facility at Stord in Norway. The bottom sections will thereafter be floated to the site at Dommersnes in the Vindafjord where the construction will be completed. Finally, the wind turbines will be installed on top of the concrete hulls in Gulen, a bit further north. The project will start immediately and be completed during the autumn 2022. The project will involve about 250 man-years for Kvaerner employees. Including additional ripple effects for among others suppliers and public sector, the project will in total involve about 800 man-years.

"When Kvaerner is a main contractor to a project, we have many subcontractors and local society's that benefit from our activities. When we are now growing our business into renewable markets, we aim to build new industries and new value creation around us", says Løken.

The contract signing will take place today at 10:00 am CET at Equinor's offices at Fornebu outside Oslo. There will simultaneously be a press briefing, and Kvaerner's Karl-Petter Løken will be available for comments.

A film illustrating the project execution is available for downloading from Kvaerner's web page.

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About Kvaerner:

Kvaerner is a project execution specialist and a trusted advisor for our clients. We provide engineering, procurement and construction (EPC) services and deliver advanced offshore and onshore installations around the world.

We have offices in seven countries and approximately 2 800 employees. Health, Safety, Security and Environment (HSSE) has the highest priority in our work, and we aim to deliver technology and solutions in a safe and sustainable way. Our passion, experience and expertise realise values for clients and societies. Kværner ASA, through its subsidiaries and affiliates ("Kværner"), is an international contractor and preferred partner for operators and contractors within oil and gas, renewable energy and in the field of engineering and fabrication.

In 2018, Kvaerner's Field Development segment had consolidated annual revenues of NOK 7.3 billion and the company reported an order backlog at 30 September 2019 of NOK 8.3 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).

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