



## NEWS RELEASE

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### McDermott Awarded FEED Contract by Meridian Energy Group for North Dakota Grassroots Refinery

- Project is a 49,500 barrel per day grassroots refinery that will produce ultra-low sulfur diesel and premium gasoline
- Project will capitalize on prolific crude oil feedstocks from the Bakken Shale Basin and will utilize technologies to maximize operational efficiencies and minimize environmental impacts
- Scope demonstrates Company's world-class engineering capabilities and has ability to lead to a comprehensive engineering, procurement and construction (EPC) contract

HOUSTON, Dec. 6, 2018 /PRNewswire/ -- McDermott International, Inc. (NYSE: MDR) announced today a sizeable\* contract award for front-end engineering design (FEED) services of the Davis Refinery Project in Billings County, North Dakota, a grassroots refinery that is being developed by Meridian Energy Group Inc.

The new Davis Refinery will leverage the prolific crude oil feedstocks generated from the recent Bakken shale revolution – specifically from the Williston Basin in North Dakota. Touted as one of the most environmentally-friendly refineries in the U.S., the new refinery will utilize modern technology and improve operational efficiency while maintaining strict environmental stewardship.

"This partnership with Meridian is a key and strategic opportunity to design one of the most advanced and environmentally-compliant refineries in the world," said Richard Heo, Senior Vice President for North, Central and South America. "Early engagement during the FEED phase is a strategy that is proving beneficial to McDermott customers. McDermott intends to develop the FEED within the context of an expected modular execution and construction approach for this project. We are excited to be part of this ground-floor opportunity on the Davis Refinery Project and look forward to the opportunity to partner with Meridian from FEED to EPC."

Capacity of the new refinery is expected to be 49,500 barrels per day and will include the production of ultra-low sulfur diesel and premium gasoline. After conclusion of the FEED study, both parties will endeavor to enter into an EPC agreement to build the refinery.

The contract award will be reflected in McDermott's fourth quarter 2018 backlog.

\*McDermott defines a sizeable contract between USD \$1 million and \$50 million.

### About McDermott

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54 countries, McDermott's locally focused and

globally-integrated resources include approximately 40,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. As used in this press release, McDermott includes McDermott International, Inc. and its subsidiaries and affiliates. To learn more, visit [www.mcdermott.com](http://www.mcdermott.com).

## **Forward-Looking Statements**

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, McDermott cautions that statements in this press release which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact McDermott's actual results of operations. These forward-looking statements include, among other things, statements about backlog, to the extent backlog may be viewed as an indicator of future revenues or profitability, and statements about the expected value and scope of the FEED contract and expectations for the follow-on EPC contract discussed in this press release. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: adverse changes in the markets in which we operate or credit markets, our inability to successfully execute on contracts in backlog, changes in project design or schedules, the availability of qualified personnel, changes in the terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by our customers and other business counterparties, changes in industry norms and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. For a more complete discussion of these and other risk factors, please see McDermott's annual and quarterly filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2017 and subsequent quarterly reports on Form 10-Q. This press release reflects management's views as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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