McDermott Awarded Record EPCI Mega-Project by Saudi Aramco for Marjan Package 1

- Award represents the single largest EPCI offshore contract awarded by Saudi Aramco
- Project includes EPCI of a gas-oil separation platform, compression and accommodation facilities
- McDermott leads consortium with China Offshore Oil Engineering Company

HOUSTON, July 10, 2019 /PRNewswire/ -- McDermott International, Inc. (NYSE: MDR) announced it has been awarded a contract in excess of $3 billion for Package 1 of Saudi Aramco's Marjan Increment Development Mega-Project to provide engineering, procurement, construction and installation (EPCI) of the Gas-Oil Separation Plant (GOSP), in a consortium with China Offshore Oil Engineering Company (COOEC).

McDermott will lead the consortium with COOEC in an integrated execution model utilizing McDermott's extensive global assets and facilities. The consortium will leverage McDermott's extensive project management, engineering, global procurement, fabrication, In-Kingdom field-operations and marine knowledge of the Marjan field with COOEC's fabrication capability and marine vessels. The Package 1 GOSP separation platform is located offshore in the eastern flank of the Arabian Gulf. This is the operational center of the Marjan increment development mega-project and will draw upon McDermott's extensive interface and logistics management capabilities.

The award represents the single largest EPCI offshore contract awarded by Aramco. The Marjan Increment Project will increase production from 500,000 to 800,000 barrels of oil per day, with Package 1 GOSP facilities at the core of the development.

"This award signifies Aramco's confidence in McDermott's project management expertise and ability to meet the interface, logistics and coordination challenges that an EPCI project of this vast scale represents," said Linh Austin, Senior Vice President, Middle East and North Africa. "The award is validation of the One McDermott Way, our locally focused and globally-integrated approach to deliver certainty to the most complex projects."

The contract includes the fabrication of over 165,000 tons (150,000 metric tons) consisting of six major topside platforms and jackets, 12 bridges and six bridge support platforms and jackets, as well as over 40 miles (70 kilometers) of 36-inch oil export trunk lines and more than 55 miles (90 kilometers) of 230kV composite subsea cables.

The project management and engineering teams will be centrally located in McDermott's Asia-Pacific Headquarters in Kuala Lumpur, Malaysia, in close proximity to our Batam Island fabrication facility in Indonesia and the COOEC facility in China. The engineering phase is scheduled to begin in the third quarter of 2019 and fabrication is scheduled to begin in the first quarter of 2020, with overall completion planned for the fourth quarter of 2022. The contract award will be reflected in McDermott's second quarter 2019 backlog.

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 32,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit 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 about the expected value, scope, execution and timing of the project 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, 2018 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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