McDermott Comments on Cost Position of Cameron Project

HOUSTON, May 7, 2019 /PRNewswire/ -- McDermott International, Inc. (NYSE: MDR) today reiterated the position it had announced on April 29, 2019, that its Cameron LNG project did not experience any material change in its cost position in the first quarter of 2019.

The company’s statement comes in response to an announcement yesterday by Chiyoda Corporation, McDermott’s joint venture partner in executing the contract, that Chiyoda had recorded an unquantified change in estimate on the Cameron project in the first quarter of 2019, along with charges on other projects, pending arbitration cases and other matters.

McDermott is not involved in Chiyoda’s new Strategy & Risk Integration Division, which was mentioned in its news release.

Over the past year, through the company’s active management of the project, McDermott has strengthened leadership, oversight, execution, forecasting and reporting. And more recently, McDermott has taken an expanded role in the commissioning activities. This expanded oversight has given the company additional leverage to drive the project forward through the commissioning process.

McDermott and Chiyoda are executing the project under a 50-50 joint venture arrangement. The Cameron LNG project, currently under construction in Hackberry, Louisiana, is a world-scale facility incorporating proven technology designed to produce nearly 14 million tons per year of liquefied natural gas. In April 2019, Train 1 of the Cameron LNG project reached the final commissioning stage. This included the introduction of pipeline feed gas into Train 1 of the liquefaction export facility, the precursor for the production of liquefied natural gas (LNG), which is expected by mid May. As of the end of the first quarter of 2019, the Cameron project was approximately 90 percent complete.

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. As used in this press release, McDermott includes McDermott International, Inc. and its subsidiaries and affiliates. 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 the expected timing of initial production of LNG on the Cameron project, McDermott's ability to drive the project through the commissioning phase and the expected scope of the project. 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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