Qingdao McDermott Wuchuan Awarded Module Fabrication Contract for Arctic LNG Project

- Includes fabrication engineering, procurement, construction and pre-commissioning scope for three modules
- Builds on past work for Yamal LNG in fabricating large process modules
- Work takes place at McDermott's QMW joint venture in China

HOUSTON, Sept. 17, 2019 /PRNewswire/ -- McDermott International, Inc. (NYSE: MDR) today announced that its joint venture Qingdao McDermott Wuchuan Offshore Engineering Co. Ltd (QMW) in Qingdao, China, has been awarded a large* contract to provide three complex modules for the Arctic LNG 2 Project in the Yamal-Nenets Autonomous Region in Russia.

"This award recognizes QMW's experience and excellent performance in the Arctic on an earlier Yamal LNG project. It is further evidence that QMW is a tier one module fabricator in the LNG market. Fabrication will be completed in QMW's mega module workshop which provides increased certainty for safety, schedule and successful project delivery," said McDermott's Senior Vice President Asia Pacific, Ian Prescott.

The scope includes the fabrication of three Pre-Assembled Unit Complex Process Modules. QMW will undertake fabrication engineering, partial procurement, construction and pre-commissioning scope. Fabrication for the modules is scheduled to commence at the end of 2019 and be completed in mid-2022.

* - McDermott defines a large contract as between USD $50 million and USD $250 million. The designation refers to McDermott's share of the award via its joint venture. Because QMW is accounted for as an equity method joint venture, its associated backlog is not included in McDermott's publicly reported RPO backlog (Remaining Performance Obligation backlog).

About Qingdao McDermott Wuchuan

QMW is a joint venture between a McDermott and state-owned CSIC and offers integrated Engineering, Procurement, construction and Commissioning solutions for the Floating Production Storage and Offloading ("FPSO"), onshore and offshore modules market and fabrication capabilities through an 111-acre fabrication yard located in the Huangdao District in Qingdao (Shandong Province), China. Adjacent to two large shipbuilding and repair yards operated by CSIC, QMW focuses on high quality, cost-competitive FPSO topsides construction and integration, onshore and offshore module fabrication and large integrated deck fabrication.

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 the expected 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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