



NEWS RELEASE

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McDermott Delivers Gas Field for Largest Subsea Project in Asia Pacific

First ever pipe-in-pipe flowline for production in India as part of ONGC's KG-DWN 98/2 project

HOUSTON, March 23, 2022 /PRNewswire/ -- Deploying more than 2,000 crew members, McDermott successfully navigated both the challenges of COVID-19 and an active monsoon season to deliver a gas field, known as the U-Field, for ONGC's KG-DWN 98/2 Block project.

"Completing this season of the Bay of Bengal campaign to deliver the gas field for ONGC, combined with our previous achievement of early first gas in 14 months, demonstrates McDermott's ability to deliver complex subsea projects in challenging circumstances," said Samik Mukherjee, McDermott's Executive Vice President and Chief Operating Officer.

ONGC's KG-DWN 98/2 Block project, located in the Bay of Bengal off the east coast of India, is the largest and one of the most complex subsea projects in Asia Pacific, involving major subsea infrastructure installation in ultra-deepwater. McDermott is delivering two gas systems for ONGC's gas fields—U-Field and R-Field. The project is being executed in a consortium, with Larsen & Toubro Hydrocarbon Engineering (L&T HE) manufacturing the structures in India.

Upon completion, the gas field is expected to significantly increase domestic production, helping meet India's increasing energy demands while lowering reliance on imports. The project was delivered by a large, India-based project team, embracing the Indian government's Make in India initiative.

"The opening of the U1-B (GX-06) well in the DWN-98/2 block is a major milestone that we can all be immensely proud of," said Subramanian Sarma, Whole-time Director and Senior Executive Vice President (Energy), L&T, CEO and MD, L&T HE. "That we managed to achieve this despite extremely difficult project terrain and weather conditions even as a global pandemic raged on, speaks volumes of the resolve of the project teams. A testament to the combined synergies of all the consortium partners, this achievement will go a long way in ensuring project success and realizing ONGC's vision of harnessing India's rich energy reserves."

The U-Field is now connected to ONGC's Vashishtha subsea infrastructure, a project McDermott was recognized for in 2019 as EPC Contractor of the Year by the Federation of Indian Petroleum Industry.

McDermott's vessels, including Derrick Barge 30, Derrick Lay Vessel 2000, the North Ocean 102 and Lay Vessel 105 (LV105) installed hundreds of miles of pipeline, 37 miles (60 kilometers) of umbilicals and nearly miles (16 kilometers) of flexible pipes.

"This is the fourth gas production milestone McDermott has delivered on the east coast of India in the last 18 months," said Mahesh Swaminathan, McDermott's Senior Vice President, Asia Pacific. "The company's diverse fleet brought significant efficiencies and achieved notable firsts during the offshore campaign. This campaign marked the first use of pipe-in-pipe insulation technology in an offshore India project. The LV105 also installed the first pipe-in-pipe production flowline in India as part of this campaign."

McDermott has achieved five million work hours without a lost-time injury on the project to date. The next phase of the

project is scheduled to be executed in 2022.

L&T Hydrocarbon Engineering's Scope

All the structures for the KG-DWN 98/2 Cluster II development are being manufactured at L&T Hydrocarbon Engineering's Modular Fabrication Facility at Kattupalli (LTHE-MFFK) in Tamil Nadu. The U-Field gas manifold, installed in water depth of 4,593 feet (1,400 metres) and the associated subsea distribution unit are the first subsea production system structures manufactured in India and reflect the Consortium's commitment to the nation's "Aatmanirbhar Bharat" initiative for self-reliance.

In addition to these two key components of the U-Field completion, LTHE-MFFK also delivered SURF structures and served as a spoolbase facility for stalk fabrication and reeling of rigid pipelines, which have been installed to facilitate gas flow from the U-Field wells to the onshore terminal at Odalarevu.

About McDermott

McDermott is a premier, fully-integrated provider of engineering and construction solutions to the energy industry. Our customers trust our technology-driven approach engineered to responsibly harness and transform global energy resources into the products the world needs. From concept to commissioning, McDermott's innovative expertise and capabilities advance the next generation of global energy infrastructure—empowering a brighter, more sustainable future for us all. Operating in over 54 countries, McDermott's locally-focused and globally-integrated resources include more than 30,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit www.mcdermott.com.

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McDermott cautions that statements in this communication which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties. These forward-looking statements include, among other things, statements the expected scope, timing of execution and value 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 or capital 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; actions by lenders, other creditors, customers and other business counterparties of McDermott 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. You should not place undue reliance on forward-looking statements. This communication reflects the views of McDermott's management 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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