

## **POSCO DAEWOO Corp. Selects McDermott and BHGE for SURF and Subsea Contract for Myanmar Gas Field Development**

June 27, 2018

- *McDermott and consortium partner Baker Hughes, a GE company (BHGE), awarded phase two of the Shwe gas field development, offshore Western Myanmar*
- *Project scope includes subsea umbilicals, risers and flowlines (SURF), subsea production systems (SPS) for an eight-well development and modifications to tie-back the new facilities to an existing platform*
- *The award follows the completion of a front-end engineering and design (FEED) competition and tender for the engineering, procurement, construction, installation and commissioning (EPCIC) scope by the consortium*

HOUSTON, June 27, 2018 /PRNewswire/ -- McDermott International, Inc. (NYSE: MDR) and Baker Hughes, a GE company (NYSE: BHGE), today announced the award of a contract by POSCO DAEWOO Corp. for phase two of the Shwe gas field development offshore Western Myanmar.

The McDermott-led consortium took part in a FEED competition in 2017. The successful execution of the FEED followed by the EPCIC tender led to the award of this project.

The EPCIC scope covers SURF and SPS for an eight-subsea-well development at a water depth of between 279 feet (85 meters) and 466 feet (142 meters). It also covers brownfield modifications to tie-back the new subsea facilities to the existing Shwe platform.

"McDermott's strategic alliance with BHGE is a combination of two leaders in subsea development," said Ian Prescott, McDermott Senior Vice President for Asia Pacific. "Together, we offer comprehensive, cost-efficient and advanced technical solutions for our customers. McDermott's expertise in executing large and complex EPCIC projects in Asia will help us deliver certainty during the next phase of this important gas field development."

Graham Gillies, Vice President-Subsea Production Systems & Services at BHGE, said, "Cost efficiency and productivity are top priorities for our customers and are fundamentally changing the way we work and partner across the industry to deliver the solutions they need. Through early engagement and close collaboration with POSCO DAEWOO, the consortium was able to offer the optimum solution. This win demonstrates the value the consortium can create through early engagement with customers, adoption of standardized technology solutions and efficiency of project execution."

McDermott will undertake the EPCIC of SURF and brownfield modification scopes, using its regional center of excellence for project management and engineering in Kuala Lumpur, Malaysia. The SURF structures and production manifolds will be fabricated in the Asia Pacific region. McDermott also will execute the installation and commissioning phase, with Field Service Engineering expertise and tooling support from BHGE's base in Singapore. Installation of SURF and SPS components will be carried out using McDermott's state of the art pipelay assets, including the Derrick Lay Vessel 2000.

BHGE will supply the SPS scope, including eight Medium-water Horizontal Xmas Trees (MHXT), eight subsea production control systems and distribution equipment, and topside controls.

McDermott's portion of this award is classified as a large \*contract, which will be reflected in its second quarter 2018 backlog. The contract's final delivery is scheduled for 2022.

The Shwe field development consists of the Shwe, Shwe Phyu and Mya offshore gas fields, located in blocks A-1 and A-3 of the Bay of Bengal, Myanmar. The project is operated by POSCO DAEWOO Corp. and is being developed by a consortium of five companies, including POSCO DAEWOO Corp., Myanma Oil and Gas Enterprise, Oil and Natural Gas Corp. Videsh Limited, Gas Authority of India and Korea Gas Corporation.

\* - *McDermott defines a large contract as between USD \$50 million and USD \$250 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—from the wellhead to the storage tank—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 and engineers, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit [www.mcdermott.com](http://www.mcdermott.com).

### **About BHGE**

Baker Hughes, a GE company (NYSE: BHGE) is the world's first and only fullstream provider of integrated oilfield products, services and digital solutions. We deploy minds and machines to enhance customer productivity, safety and environmental stewardship, while minimizing costs and risks at every step of the energy value chain. With operations in over 120 countries, we infuse over a century of experience with the spirit of a startup – inventing smarter ways to bring energy to the world. Visit us at [BHGE.com](http://BHGE.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, 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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