KVÆRNER

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Kværner ASA: First Kvaerner contract in new onshore market

27 February 2019: Kvaerner has been awarded a contract for installation of new equipment for the production line B at Hydro's aluminium plant in Husnes, Norway. The assignment from Hydro marks a key step in Kvaerner's strategy to grow in markets also outside the oil industry. The new contract is worth approximately NOK 200 million and the work will be completed in 2020.

The plant at Husnes in Western Norway is currently producing in one out of two production line, since the closing of production line B was closed during the global financial downturn in 2009. This part of the facility will now get back in operation, following a replacement of electrolyte cells and other equipment.

In the new project, Kvaerner will first contribute in the dismantling of parts of the existing facilities, Next step will be maintenance of some of the systems. Finally, Kvaerner will install new equipment, including electrolyte cells for the potline, and realign the electric busbars.

At peak, Kvaerner will have approximately 60 people involved in the project. The work starts immediately, with a compact project management and a multidiscipline organisation to perform the mechanical work and the installation of new facilities.

In the Husnes scope, Kvaerner will install around 1.5 million separate parts. With a potline of 200 electrolyte cells, several of the components to be installed are relatively similar. For the execution of the contract, Kvaerner plans to leverage its expertise from oil and gas developments regarding industrialisation of work processes, thereby achieving a high degree of productivity in the performance of the aluminium project.

«Kvaerner has a solid position for delivery of oil and gas projects both offshore and onshore to oil companies. We have a strategy to expand our business to markets outside the oil industry, including support to customers owning onshore process plants. We see several opportunities to leverage our expertise within HSSE, project management, multidiscipline capabilities, budget control, and not the least quality for the completed facility. It is vital for us to get a first contract like this from Hydro, as a leading operator" says Karl-Petter Løken, Kvaerner's president and CEO.

In 2018, approximately 10 percent of Kvaerner's revenues were from business in targeted growth segments. The ambition is to increase this share during the next years.

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About Kvaerner:
Kvaerner is a leading provider of engineering, procurement and construction (EPC) services, and delivers offshore installations and onshore around the world. Kværner ASA, through its subsidiaries and affiliates ("Kvaerner"), is an international contractor and preferred partner for oil and gas operators and other engineering and fabrication contractors. Kvaerner and its approximately 2 700 HSSE-focused and experienced employees are recognised for delivering some of the world's most amazing and demanding projects.

In 2018, Kvaerner's Field Development segment had consolidated annual revenues of NOK 7.2 billion and the company reported an order backlog at 31 December 2018 of NOK 10.6 billion. Kvaerner is publicly listed with the ticker "KVAER" at the Oslo Stock Exchange. For further information, please visit www.kvaerner.com.

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