

Update on joint venture in Saudi Arabia

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LAMPRELL PLC

("Lamprell" and with its subsidiaries the "Group")

UPDATE ON JOINT VENTURE IN SAUDI ARABIA

Lamprell provides an update on its participation in the joint venture (JV) with its partners, Saudi Aramco Oil Company, the National Shipping Company of Saudi Arabia, and Hyundai Heavy Industries Co. Ltd., for the establishment of the major maritime yard at the Ras Al Khair site in eastern Saudi Arabia.

In relation to the shareholders' agreement, we are pleased to advise that all conditions precedent have been completed, meaning that the JV company "International Maritime Industries Company" (IMI) can formally commence business. An important condition was the entry by IMI into the loan agreement with the proposed Government lender, the Saudi Industrial Development Fund. In addition to the previously mentioned offtake agreements and significant investment made by the Saudi government in the facility's infrastructure, the loan agreement is expected to be a cornerstone for the success of the IMI yard.

The construction process at the site is under way with dredging and associated activities in progress. The partners have made significant progress in creating the business infrastructure, including the management organisation, the internal governance structure and the detailed business plan. This follows the first capital contribution by each partner in accordance with their pro rata share and in line with the original drawdown schedule. Lamprell's first tranche amounted to US\$20 million which was invested in 2017, and will be used to pay for initial start-up costs of the business including staff hire and long lead item procurement. Lamprell's anticipated total equity contribution over the construction period is up to US\$140 million.

It is planned that, pursuant to one of the offtake agreements, ARO Drilling will order 20 jackup rigs from the IMI yard over the next ten years. Prior to the jackup rig construction zone of the maritime yard becoming operational, significant component parts of the first two rigs are expected to be subcontracted to Lamprell's UAE facilities. ARO Drilling and the IMI have recently selected the LJ43 rig design collaboratively developed by Lamprell and GustoMSC, a leading design & engineering company of mobile offshore units and associated equipment.

Following successful registration of the IMI joint venture company, the first IMI board meeting was held in late December, at which the JV partners agreed to the following key appointments: Abdallah I. Al Sadaan (Saudi Aramco's Senior VP Finance, Strategy and Development) has been appointed as Chairman of the IMI board with Lamprell's Christopher McDonald as Vice Chairman. Tony Wright is Lamprell's second IMI board member and Fathi K. Al-Saleem has been appointed as the CEO for IMI.

Christopher McDonald, CEO, Lamprell, said:

"Lamprell has been working closely with its partners on the establishment of the IMI business over the past few months and we are very pleased to see such tangible progress towards the operational phase, now that the conditions under the shareholders' agreement have been completed. We are proud to be part of this major project as IMI has the capability of becoming a leading regional and global service provider to the rig and vessel markets. A very welcome progress is also the selection of our new LJ43 jackup rig designed with GustoMSC for the rigs under the offtake agreement, this will further strengthen Lamprell's position in our

traditional market."

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Notes to editors

Lamprell PLC, based in the United Arab Emirates ("UAE") and with over 40 years' experience, is a leading provider of fabrication, engineering and contracting services to the offshore and onshore oil & gas and renewable energy industries. The Group has established leading market positions in the fabrication of shallow-water drilling jackup rigs, liftboats, land rigs, and rig refurbishment projects, and it has an international reputation for building complex offshore and onshore process modules and fixed platforms.

Lamprell employs more than 5,000 people across multiple facilities, with its primary facilities located in Hamriyah, Sharjah and Jebel Ali, all of which are in the UAE. In addition, the Group has facilities in Saudi Arabia (through a joint venture agreement). Combined, the Group's facilities cover approximately 828,000 m2 with 1.6 km of quayside.

Lamprell is listed on the London Stock Exchange (symbol "LAM").

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