



19 January 2020

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

NEW CONTRACT AWARD

Further to the Letter of Intent ("LOI") received from the International Maritime Industries ("IMI") on 27 December 2018, Lamprell is pleased to announce the formal award for the fabrication and delivery of two jackup drilling units. The two rigs will be built collaboratively between IMI and Lamprell, with Lamprell's share of project value amounting to circa USD 350 million. The rig design will be based on the Super 116E, and it is expected that the vast majority of the work will be performed at Lamprell's UAE facilities with final commissioning works performed in Saudi Arabia. The work is to be completed in just over two years for the first rig with the second rig being delivered three months later.

The project is expected to commence with immediate effect including a 25% downpayment to Lamprell amounting to USD 87.9 million which we expect to receive in late January. The downpayment puts the group in a stronger net cash position as we begin 2020 even when taking into consideration the USD 25.8 million equity contribution to our IMI investment which we anticipate to be made in Q1 2020. This will bring Lamprell's total equity investment in IMI to USD 84.8 million of our total commitment of USD 140 million.

This award is against a backdrop of a continued difficult newbuild jackup market and therefore gross margin contribution will be minimal. However, Lamprell will be utilising the jacking kits for the project which have already been paid for and are currently held in inventory, which is expected to result in the conversion of approximately USD 70 million of inventory into cash over the project's execution.

Christopher McDonald, CEO, Lamprell, said:

"We are delighted to have secured the formal award for the first two jackup rigs as part of our partnership with IMI and expect to host a substantial number of Saudi nationals during the course of the project in our facilities as part of building IMI's capabilities. The maritime yard in Saudi Arabia is a significant part of the country's economic ambition and we are honoured to play a role in its realisation."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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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 also has an international reputation for building complex offshore and onshore process modules and fixed platforms.

Lamprell employs around 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").