

Delivery of jackup rig delayed

Released : 26.07.2016 07:00

RNS Number : 1890F
Lamprell plc
26 July 2016

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LAMPRELL PLC

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

DELIVERY OF JACKUP RIG DELAYED

Lamprell (ticker: LAM), a leading provider of diversified fabrication, engineering and contracting services to the energy industry, announces that delivery of the jackup drilling rig which had been scheduled for delivery in Q2 2016 has been delayed. The rig is in its final stages of commissioning and has undergone a series of equipment proving tests in anticipation of delivery to the client. During this final testing, a technical issue has arisen with equipment supplied by an original equipment manufacturer ("OEM") and this has resulted in a delay to the delivery of the rig. In all other respects, Lamprell has completed its workscope in making the rig ready for delivery. Lamprell has worked with the client and the OEM's technical experts, and has a forward work programme to deliver the rig to both Lamprell's and the client's high standards of quality.

The revised date for delivery of the rig is now expected to be mid-August. The resultant delay in the delivery means that the Group could be exposed to contractual remedies on the project including liquidated damages. However, the Board anticipates that the majority of the remedial costs and potential damages exposure as a result of this delay will be recoverable from the OEM. The Board is fully committed to recover such costs and damages legally, if so required. Apart from the delivery of this rig, all other six rigs that Lamprell are currently constructing remain on schedule.

More broadly, the market environment remains very challenging and this will impact our revenues in 2017. We will be providing guidance on this with our interim results on 22 September. Despite the difficult environment, our balance sheet and cash position remain strong and we have significant flexibility to further reduce our overhead costs if necessary.

John Kennedy, Executive Chairman for Lamprell, said:

"We are disappointed to experience this delay in the delivery of a rig project to one of our key clients. This has been caused by technical issues with critical equipment from an OEM and our project team is working closely, with both the OEM's technical experts and the client's project team, to resolve these issues and we believe we have a good recovery plan in place. We are committed to delivering the rig as soon as possible to our high standards of quality and reliability and to successfully completing all of our other rig projects."

The Group's 2016 interim financial results are expected to be announced on 22 September 2016.

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

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The company news service from the London Stock Exchange

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