



**sembcorp  
marine**

Company Registration Number: 196300098Z

## **SEMBCORP MARINE SIGNS AGREEMENT WITH TEEKAY OFFSHORE FOR MODIFICATION, REPAIR AND LIFE EXTENSION OF PETROJARL VARG FPSO**

**Singapore, October 22, 2018:** Sembcorp Marine Ltd is pleased to announce that its wholly-owned subsidiary Sembcorp Marine Rigs & Floaters Pte. Ltd. has signed an agreement with Varg L.L.C., a wholly-owned subsidiary of Teekay Offshore Partners L.P., for engineering, procurement and construction works related to the modification, repair and life extension of the Petrojarl Varg FPSO.

Scheduled for completion in July 2020, the work scope includes detailed engineering, fabrication, installation and integration of the topside process skid; overhauling of existing internal turret and power generation; and repair and life extension of the vessel's hull, tanks and various systems onboard. Once finalised, the contract is estimated to be worth US\$166 million.

The Petrojarl Varg FPSO will be operated by Alpha Petroleum Resources Limited for deployment at the Cheviot field development and the Peel satellite accumulation, both of which are located within the UK Continental Shelf Blocks 2/10B, 2/15A and 3/11B in the North Sea.

The effectiveness of the agreement remains subject to Alpha Petroleum Resources satisfying certain conditions precedent, including (i) Alpha Petroleum Resources finalising their debt facilities with a consortium of lenders and (ii) the approval by relevant authorities of Alpha Petroleum Resources' final field development plan for the Cheviot Field.

Sembcorp Marine expects a positive contribution to its earnings from the contract. However, the contract is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the year ending December 31, 2018.

### **For further information, please contact:**

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### **About Sembcorp Marine**

Sembcorp Marine provides innovative engineering solutions to the global offshore, marine and energy industries, drawing upon more than 50 years of track record. We focus on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding.

Our customers include major oil companies, drilling contractors, shipping companies as well as owners and operators of floating production units.

We operate shipyards and other facilities strategically located in Singapore, Indonesia, the United Kingdom, Norway, USA and Brazil.

Discover more at [www.sembmarine.com](http://www.sembmarine.com).