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Tideway awarded Nord Stream Post-lay Rock Protection Project and Sevmash Prirazlomnoya Scour Protection Project

Zwijndrecht – 3rd May 2010. Tideway Marine & Offshore Contractors, a member of the Belgian DEME-Group, has been awarded two Lol (Letter of Intent): the first to install rock on the 1,220-kilometer "Nord Stream" gas pipelines running through the Baltic Sea, connecting Russia to Northern Germany; the second for rock placement to protect a Gasprom Nevtshelf platform against scouring in the Kara Sea southwest of Nova Zembla. The accumulated contract value for both contracts will amount to approximately €115 million, with the share of Tideway amounting to approximately €65 million.

Nord Stream Post-lay Rock Protection Project (Russia to Northern Germany)

Earlier, in January 2009 Tideway already acquired the contract for seabed preparation prior to the installation of the two 48" gas pipelines. This subsequent contract requires DEME-company Tideway to install rock berms at critical sections of the installed pipelines after the pipeline is laid. This single contract will represent one of the largest pipeline rock protection contracts ever awarded. The rock - coarse gravel with a diameter of typically less than 10 cm - will be sourced from countries on the Baltic Sea coast. The rock material has to meet certain engineering and environmental criteria. Material has to be free from clay, silt, chalk, vegetation, or other deleterious substances. It will behave as any existing inert material on the seabed and will be re-colonized within a few years. In shallow waters, algae will soon populate exposed surfaces and in deeper water where oxygen and light are scarce, the surface of the rocks will be colonized by micro-organisms.

Tideway worked closely with the main contractor Saipem in the preliminary project phase. The project will be executed in a 50/50 partnership and at least two, potentially three fall pipe vessels will be deployed, depending on the pipeline installation sequence chosen. The project is scheduled to start in 2011 and will be completed in 2012.

The contract value amounts to appr. € 100 million, with the share of Tideway amounting to appr. € 50 million.

Sevmash Prirazlomnoye Scour Protection Project (Russia)

The second Lol (Letter of Intent) calls for placement of appr. 100,000 tons of rock to protect against

scouring a new offshore platform (Gravity Based Structure). The platform has been built by J.S.C. Sevmash for the account of Gasprom Nevtshelf and will be towed to the Prirazlomnoya oil field near Varandey in the Kara Sea southwest of Nova Zembla for installation on the sea bottom. DEME-company Tideway will apply scour protection rock dumping in a subcontract to Global Maritime.

The bulk of the works will be executed during summer 2011 with Tideway's brand new fall pipe vessel "Flintstone" that was launched on 28th April 2010 in Singapore. The DP2 fall pipe vessel "Flintstone" has a carrying capacity of 19,000 tonnes and can place rock with high accuracy at absolute record depths of up to 2,000 m thanks to highly sophisticated state-of-the-art equipment. The vessel is built under Ice Class Notation, which allows more flexibility when active in Arctic waters.

The contract value amounts to appr. € 15 million.

Earlier, in 2004, DEME-company Dredging International dredged the channel and enlarged the access channel at Severodvinsk to enable towing of this Sevmash platform to its final destination in the Prirazlomnoya oil field area.

About Tideway:

Tideway is an operating company of the 'Dredging, Environmental and Marine Engineering' (DEME) Group. Based in Breda in the Netherlands, Tideway is present on the five continents as a full-service provider for the offshore oil & gas industry, specialising in precision rock placement and landfalls. The company was established in 1991, and currently has a staff of some 200 generating a turnover of € 150 million at the end of 2009. Recent assignments include subsea intervention works for the Nord Stream pipeline between Russia and Germany through the Baltic Sea, and the Enagas Balearic Pipeline where rock placement was successfully carried out at a depth of 987 m. Besides protection and the construction of landfalls of offshore oil & gas pipelines, Tideway is also involved in the laying of subsea high voltage power cables, such as the 576 km NorNed cable between Norway and the Netherlands and the installation of the power cables for the Thornton Bank Farshore windfarm project.

About DEME:

The Belgian dredging-, environmental- and marine engineering group DEME was established in April 1991, after the teaming up of Dredging International and Baggerwerken Decloedt. The group is a world leader in its field of activities, and diversified from dredging and reclamation to marine engineering, servicing the oil & gas industry, wreck clearing, installation of offshore wind turbine farms, and environmental activities such as soil remediation, silt recycling, and brownfield revalidations. The group owns and operates one of the most modern, high-tech and versatile fleets for dredging and marine engineering, including ships and plant in every size and for every segment of the industry. DEME employs more than 3.700 men and women, of which 1,500 have been hired in the past five years. Even in the 'crisis year' 2009, DEME hired yet another 214 youngsters. In a recent survey of temporary employment agency Randstad among 12,000 respondents, DEME was perceived as one of the most attractive employers in Belgium. The Belgian group simultaneously executes more than 70 projects all over the world. In 2009 DEME generated a turnover of € 1.4 billion and an operational cash flow (EBITDA) of more than 20 per cent. At the end of 2009 the order book reached a record high of € 2.1 billion.

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