



DEME

Dredging, Environmental
& Marine Engineering

D.E.M.E. nv
Haven 1025 - Scheldedijk 30
B-2070 Zwijndrecht, Belgium
T +32 3 250 52 11
F +32 3 250 56 50
info@deme.be
www.deme.be

RPR Antwerpen
BE 0400 473 705

PRESS RELEASE

PB 267

14/11/2008

Page 1/4

New orders valued at 220 million euros in Latin America and in the Far East and long-term contracts in Europe

Dredging expert and marine engineering company DEME (Dredging, Environmental and Marine Engineering) headquartered in Zwijndrecht, Belgium, through her subsidiaries Dredging International and DBM (DEME Building Materials) signed new orders these past few weeks valued at a total of more than 220 million euros. This strengthens DEME's position as a global player with a solid geographical spread of its activities. DEME's order portfolio, which at the end of 2007 had a value of 1.8 billion euros, has since grown to more than 2.30 billion euros. A 15% turnover increase to 1.5 billion euros is also expected at the end of 2008. In the meantime, DEME's new investment plan, announced last spring, is actively being implemented.

The Mexican Department of Communication and Transportation recently commissioned Dredging International to perform extensive dredging as part of building the new LNG terminal (total investment of 900 million USD) in Manzanillo in the state Colima, located at the Pacific Ocean coast. The order is a first phase of the work needed to start operation of the new LNG terminal. The work during this phase includes dredging 4.5 million m³ in a very shallow lagoon to create access to the LNG terminal. Two existing bridges over the access to the lagoon will be replaced by temporary bridges. DI will start this work during this year but the large dredging works will start in the spring of 2009 with her large seaworthy cutter suction dredger "Vlaanderen XIX," which will be deployed for this job from Panama.

The new terminal will import LNG from Camisea in Peru. The liquefied gas will be used as fuel for the power station in Manzanillo which currently uses petroleum derivatives. This project fits right in with the efforts of the Mexican government to significantly reduce CO₂ emissions. The

installations for converting the LNG to regular gas are currently being built by a consortium consisting of Mitsui, Samsung and Korean Gas (Kogas). The LNG terminal is scheduled to become operational in 2011.

After the important order to deepen and broaden the Panama Canal on the Pacific Ocean side, Dredging International won a new contract in Panama for dredging the access channel for the new PSA Panama International Container Terminal, situated at the so-called Rodman Concession, also on the Pacific Ocean side. The project at this Concession consists of two phases in which in total three jetties will be converted used for bunkering petroleum into three jetties for Postpanamax-type container ships. This work also contributes to the expansion of the Panama Canal, which is aimed at providing the Postpanamax ships permanent access to the canal. DI was awarded this contract as a subcontractor for the Colombian joint venture Alvarado & Düring – Vergel & Castellanos. The work includes the first phase of the entire project during which one jetty will be built with an annual capacity of 450,000 TEU. All together, DI will dredge 1.5 million m³ of weathered rocky material for the access channel for this new container harbour. DI will employ her large seagoing cutter suction dredger "Vlaanderen XIX" between December 2008 and February 2009 for this project. That cutter recently started working on deepening and widening the Panama Canal.

The total value of these contracts in Latin America is 40 million euros.

In Taiwan, the Formosa Plastics Group awarded Dredging International's Taiwan branch a new contract for deepening the access channel to Lai Liao Harbour in Yun Lin County to -24 m. The work will be carried out in 2009 using the jumbo trailing suction hopper dredger "Pearl River." The order placed by Formosa Plastics Groups fits in with their effort to make Mai Liao harbour permanently accessible to large VLCC ships with a capacity of more than 280,000 DWT. Currently, Formosa Plastics Group has 30 ships of this type under construction. The DEME group is well known to the Formosa Plastics Group. In addition to the expansion of its Mai Liao harbour, this client there also reclaimed 2,700 ha industrial areas from the sea. One third of this surface was reclaimed by DI in the nineties in combination with work to deepen the harbour.

In the Philippines, DEME signed an important environmental contract with the PRRC, the Pasig River Rehabilitation Commission, a governmental agency directly connected with the Philippine Government. The contract covers dredging the seriously contaminated Pasig River between Manila Bay and the C-5 bridge using environmentally-friendly techniques and storing the

dredging spoil in so-called UPOCs, underwater cells that are specially constructed at sea deep below sea level. The contract is financed by the Belgian KBC and Dexia banks and supported financially by Finexpo.

This environmental project is a spearhead project of the president of the Philippines and has an important socio-economic impact. After all, the historical pollution of the Pasig River and the resulting frequent floods are the result of the very significant overpopulation along the riverbanks. The river is 25 km long and is an important resource for transportation, water supply and living for the people in Manila and the Laguna de Bay, one of the largest fresh water lakes in the world. The Pasig River is therefore of vital importance to the ecosystem near Manila.

In 2001, DEME successfully implemented a first pilot project with innovative techniques to confirm the project's feasibility. The new contract includes the actual implementation of the work and will be completed during a nine-month period using environmentally-friendly dredgers specifically designed by DEME for this job.

The total value of these contracts in the Far East is 100 million euros.

Starting at the beginning of this century, DEME – through its subsidiary DBM (DEME Building Materials) – determinedly entered the field of extracting sea granulates (gravel and sand) with activities including the building in 2002 of the gravel trailing suction hopper dredger "Charlemagne" (capacity 5,000 m³ – 10,000 tons) – able to dredge in gravel concessions up to a depth of 65 m. During the past years DBM obtained a solid position in this market segment by acquiring different long-term concessions in the North Sea. In the meantime, long-term contracts (10 years) were signed for various European customers for a total value of 80 million euros. These contracts include supplying sea granulates for the construction industry in London, Northern France, Poland and the Baltic states. Because of these long-term contracts, DEME decided to invest in a new gravel trailing suction hopper dredger with the same capacity as the "Charlemagne." This new trailing suction hopper dredger, which will be named the "Victor Horta", certainly deserves its place because of the increasing demand for sea gravel for building facilities as well as an alternative for extracting gravel from rivers, which because of their more significant ecological impact compared to gravel extraction at sea do not receive new permits.

About Dredging International

Dredging International is a subsidiary of the Belgian DEME Group, a world leader in dredging, environmental and marine engineering projects. Its shareholders are industrial holding

Ackermans & Van Haaren and Contracting Company CFE. The DEME Group has 3,500 employees (staff and crew) working on five continents. In 2007, DEME generated a turnover of 1.31 billion euros and had an operational cash flow (EBITDA) of 259.4 million euros. With its 80 large dredgers and some 200 pieces of auxiliary equipment, the group has one of the most advanced, best performing and diversified fleets in the world.

Since 7 January 2008, DEME presents itself with a new logo and a new style. The logo and the new style emphasize the independence of each of the subsidiaries, which together are part of the same umbrella organisation. As a group of specialized companies, DEME can offer its customers all-in solutions. The new tagline 'Creating Land for the Future' emphasizes the orientation towards the future and DEME's sustainable approach.

For additional information: please contact H. Fiers

at +32 3 250 52 20 or mobile +32.475.29.08.29 or by e-mail: fiers.hubert@deme.be