



DEME

Dredging, Environmental
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PRESS RELEASE

28/02/2008

Pag. 1/4

Important investments strengthen DEME position On the world market

With the upcoming name-giving ceremony of the trailer "Breydel" (9,000 m³ capacity) on May 16th 2008, DEME adds the seventh new dredging vessel to its fleet in only 4 years time.

Right now DEME is starting a new and important investment programme valued at € 500 million. By 2011 DEME will have added more than 10 new main dredging units to its fleet, supported by adequate auxiliary vessels. In doing so, DEME prepares itself for the important challenges within the dredging and hydraulic engineering market ahead.

Throughout 2007 DEME has succeeded in increasing its turnover. Large projects were accepted on almost all continents and resulted in the maximum mobilisation of the dredging fleet in all its types and segments. The order book has increased to € 1,800 million and the annual turnover to € 1,300 million. The short- and medium long-term market perspectives remain promising. The market is driven by long-term factors, such as increases in the global population, the growth of the global economy and international trade volumes and the developments on the energy markets.

Owing to these positive indicators DEME's shareholders further underline their confidence in the market and the DEME Group. The new investment programme fits perfectly in the strategy to operate a versatility dredging fleet, diversified in both types and sizes of dredges. That versatility is to be considered the absolute trademark of the DEME Group, that allows it to make the difference with the other major global players in the dredging industry. Moreover, all the specialities in which DEME is successful at present will be allowed to foster further growth based on the new investments planned.

First of all the dredging activity and port construction, the core business of DEME. The following vessels will be commissioned in the coming years :

- A new generation of mega trailer (trailing suction hopper dredges with capacities above 30,000 m³). A first order will be placed for a 32,000 m³ Next Generation Plus Trailing Suction Hopper Dredger, that will combine the newest technological developments developed by the Group in recent years. Being a mega trailer, this vessel will have a limited fully-loaded draft, allowing a versatile employment. In other words this dredge will be fit both for maintenance dredging in river deltas and for major land reclamation projects involving long-distance sand transport. With this

novel concept DEME applies the newest innovations built into the 'Breydel'-type of vessels to a trailer of the mega-type.

- DEME also invests in a sister vessel of the trailer "Reynaert" (5,600 m3) with respect to the highly-rated operational results of this new generation of medium-size trailers.
- Further investments also concern the segment of the cutter suction dredgers. First of all a heavy-duty ocean-going rock cutter dredge with barge loading facility and having a total installed power of 13,000 kW. In this new cutter we combine the successful characteristics of the megacutter "D'Artagnan" and the "Al Mahar". The state-of-the-art D.I.O.R.I.T.E. steering based on artificial intelligence will be applied amongst others. In doing so, the most efficient cutter both in sand and in rock bottoms (particularly interesting in the Gulf area) will be commissioned. This cutter will be built in Singapore. At the same time, ISD (DEME's operating company in India) builds a medium-size 6,250 kW cutter dredge in Malaysia for operations on the Indian subcontinent.

Further investments imply the most powerful backhoe dredge type available on the market at present. This unit will consist of a large hydraulic crane on a spud pontoon with a grab volume of 40 m3 and a dredging depth of 26 m. It is under construction in China and will be commissioned end 2008.

- Two self-propelled split barges with a capacity of 2,750 m3 are under construction in Singapore. They will be used in combination with the new cutter suction dredges and backhoe dredges.
- In Singapore again, a WID (Water Injection Dredge) is being built for the DEME's Indian operating company ISD. This specific technology is being applied to maintain docks and navigation channels in India free from sedimentation and will be used in support of the classic maintenance dredging activities in silty river deltas.

Specialised services to the oil and gas industry are a second activity in full expansion within the DEME Group. These activities are being developed by our offshore specialist contractor TIDEWAY. Especially services related to the present major extension of the oil and gas pipeline network worldwide are concerned here. Submarine cable laying (high-tension cables), interlinking continents (cfr. NORNE, BRITNE) and the construction of offshore windfarms are booming business as well. A new development furthermore is related to the winning of marine minerals at large depths.

With respect to these interesting and specialised activities, Tideway is building a new high-tech fall pipe vessel with DP-DT (Dynamic Positioning & Dynamic Tracking) and a loading capacity of 17,000 tons. This means for Tideway a further extension of its fall pipe vessel fleet ("Rollingstone" and "Seahorse").

Green energy offshore is another DEME activity where the Group aims to keep playing a first-rank part. This activity covers amongst others offshore windfarms (construction and maintenance) and other applications such as tidal power, current-based power, energy islands etc. For the construction and maintenance of this type of installations DEME can rely on its specialised company GEOSEA. This company is involved as well in all types of marine drilling activities, offshore platform maintenance and rejuvenation, specialised geotechnical investigations etc. At present GEOSEA owns 7 jack-up platforms (stable self-elevating platforms with 4 hydraulically driven spuds). A new jumbo platform will be added to this fleet having as main characteristics a spud length of 80 m. and a net hoisting capacity of 1,600 tons. At present DEME participates amongst others in the construction and maintenance of the C-Power windfarm project – the biggest ever ! – on the Thorntonbank off the Belgian coast.

Within the context of the same C-Power project Dredging International is also building a multifunctional offshore work pontoon "THORNTON I".

The new investment programme concerns the DEME environmental specialists DEC-ECOTERRES as well. DEC already owns and operates several soil treatment installations and systems such as physico-chemical soil recycling centres, bioremediation installations and cold immobilisation techniques. This range will be supplemented now with the warm immobilisation technology. A state-of-the-art soil treatment installation based on this technology will be developed and built by DEC. This new facility will be used amongst others for the decontamination of the Carcoke site in Zeebrugge and the London Olympics 2012 site.

The sector of the marine aggregates is driven at present by the expansion in the construction industry. Owing to the environmentally friendly winning and processing techniques, the application of marine sand and gravel in the construction industry has developed into an actual growing market. This is the niche of DBM (DEME BUILDING MATERIALS). Here again DEME aims to increase its market share. The engineering for the construction of a "Charlemagne II" is in its final phases. With its 5,000 m³ capacity this vessel is the largest and most advanced gravel trailer available in this market segment at present. The final decision with respect to this vessel is imminent.

With the above full investment programme DEME will increase the number of major units in its fleet to over 90 vessels. Moreover, based on the diversity of the new investments DEME confirms their Group device "unity in diversity". By 2012 DEME will proudly own one of the most modern and young dredging fleets on the market. Here again DEME combines 150 years of experience and tradition with trail blazing innovation and efficiency. In the process, DEME manages to consolidate its prominent position and strength in a highly competitive world market.

About DEME

The Belgian group Dredging, Environmental and Marine Engineering (DEME) is one of the largest groups of dredging works, environmental projects and hydraulic realisations in the World. The group has 3500 staff members and is active on all the five continents. DEME owns an extensive modern and versatile fleet (80 main units and over 200 auxiliary vessels) and has a continuous programme of investments, research and innovation. The group is active through different subsidiaries, as amongst others Dredging International. At present, the DEME companies are simultaneously executing more than 70 projects on the five continents.

Rebranding

As of the 7th January 2008, the DEME Group has come officially into the open with a rebranded image and a "new look" : one brand for a wide variety of specialisations, activities and companies. Our string of strengths are showing one unified brand identity now. Yet, all companies will keep operating under their existing denominations. Our new tagline "Creating Land for the Future" indicates that DEME is to act as a global contributor to sustainable development.

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