Subsea 7 awards letter of intent for new reel-lay vessel

Luxembourg – 06 September 2017 - Subsea 7 S.A. (Oslo Børs: SUBC, ADR: SUBCY) today announced that it has signed a letter of intent with Royal IHC in the Netherlands for the construction of a new reel-lay vessel and associated pipe lay equipment. The cost, excluding capitalised interest, is expected to be below USD 300 million with an early 2020 delivery. The firm contract with Royal IHC is expected to be awarded before the end of 2017, subject to certain conditions and final Board approval.

When delivered, the vessel will be Subsea 7's highest specification reel-lay vessel, capable of installing complex rigid flowlines including pipe-in-pipe systems and electrical trace heating. This capability will address the market trend towards longer tie-back developments. The new vessel will replace *Seven Navica*, which is expected to be retired from reel-lay operations in due course.

Jean Cahuzac, CEO, said: "We are committed to having the right fleet size and specification to meet the needs of our clients. We achieve this through a combination of owned high-specification vessels and leased vessels having strict regard to capital discipline. We have removed three owned vessels from our fleet during the last two years and will continue to actively manage our fleet composition. The expected gradual recovery of market activity and application of new cost-effective technology supports this investment decision, which will enable Subsea 7 to participate in new prospects that are already visible in the market."

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