

## Company Announcement

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# NKT receives letter of award for the turnkey offshore HVDC cable project Johan Sverdrup 2

NKT has received a letter of award by Equinor Energy AS to supply and install a cable system of 200 kilometres of 80 kV high-voltage DC offshore power cables for the second phase of the Johan Sverdrup oil field development project in Norway.

The award is conditional upon finalization of the formal contract which is likely to take place within a few weeks. The contract value is expected to be approx. EUR 110m (approx. DKK 820m), corresponding to approx. EUR 82m in standard metal prices (approx. DKK 611m). The cable system comprises 2x200 km of cables, which constitutes the symmetric +/-80 kV HVDC solution, and expected production start-up is end-2019.

The turnkey HVDC power cable solution to be delivered by NKT for Johan Sverdrup 2 will transmit power from the Norwegian power grid to the offshore oil field. Power from shore to the oil platform is an environmentally sustainable solution, significantly reducing CO<sub>2</sub> emissions from oil and gas production. Johan Sverdrup is among the five biggest oil fields on the Norwegian Continental Shelf and it is one of the most important industrial projects in Norway with impacts for the coming more than 50 years.

NKT President and CEO Michael Hedegaard Lyng says:

- I am very pleased that we continue working with our long-term customer Equinor Energy AS. I see the letter of award as proof of our premium DC technology capabilities and of our ability to provide turnkey solutions with NKT Victoria as a differentiator. The letter of award for Johan Sverdrup 2 is further strengthening our leading market position in the oil and gas segment, which along with offshore wind and interconnectors represents good growth opportunities for NKT.

Earlier in 2018, NKT completed supply and installation of the high-voltage DC offshore power cable solution for the first phase of the Johan Sverdrup development project. Installation was conducted by NKT's own industry leading cable-laying vessel NKT Victoria operating at 600 meters depth, which marks one of the deepest installations of bundled high-voltage DC cables in the world. In addition, the Johan Sverdrup 1 solution from NKT now constitutes the world's longest extruded offshore cable to an offshore oil and gas platform facility.

The letter of award of Johan Sverdrup 2 does not change the 2018 financial outlook for NKT.

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