

MEDIA RELEASE

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WESTERN GAS NAMES MCDERMOTT AND BHGE AS EXCLUSIVE DEVELOPMENT PARTNER AND EPCIC CONTRACTOR FOR EQUUS GAS PROJECT

- Agreement provides Western Gas with a world-class Development Partner with the experience, skills, products and services to help drive the Equus Gas Project from Front End Engineering and Design (FEED) studies through to production
- Integrated “Design-to-Install” contracting approach an Australian-first for a project of the size and scale of Equus Gas Project
- Pre-FEED to commence immediately with the Equus Gas Project on track for gas supply from 2023/24
- Pre-FEED studies will support ongoing gas sales and project financing activities

Western Gas (100% owner and Operator) of the Equus Gas Project has signed a Memorandum of Understanding (MOU) with world-leading oil and gas service and technology providers McDermott International, Inc. and Baker Hughes, a GE company (BHGE), for the exclusive provision of project development services from pre-FEED and FEED studies through the engineering, procurement, construction, installation and commissioning (EPCIC) phases of the project.

The agreement is for the provision of drilling, subsea, offshore processing, nearshore LNG production and a gas pipeline to shore for domestic gas supply. McDermott and BHGE were also awarded a contract to support the planning phases of the project and pre-FEED studies will commence immediately.

Andrew Leibovitch, Executive Director, said that the integrated design-to-install contracting approach was an Australian first for a project of this size and scale and would help deliver an efficient development plan, enhance project economics and reduce time to first gas.

“We ran a very successful and well-received Request for Proposal process to identify a like-minded and collaborative service provider who could engage early and provide an integrated technical and project delivery solution,” Leibovitch said.

“The collaboration of McDermott and BHGE brings a wealth of global expertise, products and services, and we are delighted to have them on board.”

Mr Leibovitch said that Western Gas looks forward to a successful development partnership that would provide a clear line of sight to first gas and help Western Gas to secure binding gas sales agreements and project financing.

Quote attributable to Ian Prescott, Senior Vice President for Asia Pacific, McDermott International, Inc.:

“In close collaboration with BHGE, we are taking a holistic approach to field development from drilling, subsea, production facilities and an export pipeline to an LNG facility and onshore gas connection. By more closely connecting each stage of the project, we aim to drive significant efficiencies and cost savings for Western Gas through the full life of the field.”

Quote attributable to Maria Sferruzza, President for Asia Pacific, BHGE:

“We are increasingly seeing customers move away from the traditional vendor-supplier mindset and engage in a collaborative approach to project design in order to be more cost effective. This MoU with Western Gas is a great example that brings a flexible partnership model and closer collaboration together to help drive enhanced efficiencies and value over the full field development.”



Signing the MOU were (from left) Ian Prescott, Senior Vice President for Asia Pacific, McDermott; Andrew Leibovitch, Executive Director, Western Gas; Will Barker, Executive Director, Western Gas; and Maria Sferruzza, President Asia Pacific, Baker Hughes, a GE Company.

About Our Project

The 100% privately-owned Equus Gas Project is strategically positioned in the heart of the Carnarvon Basin, Australia's premier production basin and comprises an independently certified resource of two trillion cubic feet of gas and 42 million barrels of condensate.

The Equus Basis-of-Design is for a phased development, with the initial development comprising three production wells linked by subsea infrastructure to a Floating Production Storage and Offloading (FPSO) unit. Facilities on-board the FPSO will include gas dehydration, condensate stripping and gas compression.

Dry sales gas will be piped to a nearshore LNG production facility. Sales gas will also be piped on shore for Western Australian domestic gas supply. The Equus resource is sufficient to supply one quarter of Western Australian domestic gas demand or two million tonnes of liquefied natural gas a year for 20 years. Final Investment Decision is planned for late 2019/early 2020 with gas supply from late 2023/early 2024.

About Western Gas

Western Gas is a proud Western Australian company that's focused on accelerating the development of Western Australia's gas resources, providing customers with secure, reliable and clean energy and flow-on economic and social contributions for Western Australia.

We are led by a senior management team comprising long-term petroleum professionals, with a strong track record in the delivery of large-scale gas development projects in Australia and internationally. Our key strength is our collaborative and flexible approach to all aspects of our business.

About McDermott

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54 countries, McDermott's locally focused and globally-integrated resources include approximately 40,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. As used in this press release, McDermott includes McDermott International, Inc. and its subsidiaries and affiliates. To learn more, visit www.mcdermott.com.

About BHGE

Baker Hughes, a GE company (NYSE:BHGE) is the world's first and only fullstream provider of integrated oilfield products, services and digital solutions. We deploy minds and machines to enhance customer productivity, safety and environmental stewardship, while minimizing costs and risks at every step of the energy value chain. With operations in over 120 countries, we infuse over a century of experience with the spirit of a startup – inventing smarter ways to bring energy to the world. Visit us at BHGE.com.

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