



## News Release

### **McDermott Signs Frame Agreement for Spool Base Services in Gulf of Mexico**

Houston – Jan 31, 2012

McDermott International, Inc. (“McDermott”) announced today that it has signed a 10-year frame agreement for spool base services in the Gulf of Mexico with Helix Subsea Construction, Inc.

“This agreement allows McDermott, when contracting with Helix, to offer full-service, shore-based pipeline stalking and spooling services from Helix’s premier 120-acre Gulf of Mexico spool base at Ingleside, Texas, to pursue deepwater and ultra-deepwater installation projects,” explained Stephen M. Johnson, Chairman of the Board, President and Chief Executive Officer, McDermott.

“By combining Helix’s established spool base services with McDermott’s state-of-the-art welding technology to support our newest subsea construction vessels and expanding subsea engineering resources, we can further offer full-service engineering, procurement, construction and installation for deepwater and ultra-deepwater subsea projects for Gulf of Mexico and Atlantic customers.”

Through the cooperation agreement, McDermott would fabricate the required mile-long stalks at Ingleside, and employ its own in-house developed high-specification, automatic welding equipment and technology and skilled technicians. With record-setting welding procedures, state-of-the-art welding technology and in-house welding experts, McDermott will ensure stringent welding criteria required for deepwater subsea pipelines, such as fatigue sensitive Steel Catenary Risers, meet or exceed clients’ rigorous specifications. The spool base is also designed for fabrication of pipeline end terminations, pipeline end manifolds, subsea manifolds and jumpers.

“Right now we are actively recruiting for subsea engineers across all disciplines to handle several significant subsea projects both in the Gulf of Mexico and overseas, and we are excited about the expected growth in the subsea market,” added Johnson.

McDermott’s subsea construction vessels North Ocean 102 (“NO102”) and new-build Lay Vessel North Ocean 105 (“LV105”), due to be completed later this summer, both

have Reel-Lay capabilities. LV105 is designed to lay both flexible and rigid pipe up to 16-inches with tension and hang-off clamp capacities of 440 tons and 550 tons, respectively. NO102 offers flexible and umbilical installation and is equipped with a 330-ton low squeeze pressure single tensioner and high capacity carousel.

*Caption 1: McDermott would employ its strict welding procedures, advanced welding technology and technical experts to ensure pipelines meet or exceed clients' rigorous welding criteria for deepwater, subsea pipelines, from Ingleside-based spool facility. (Photo of Helix spool base and vessel courtesy of Helix.)*



*Caption 2: FINAL STRETCH: McDermott's Lay Vessel North Ocean 105 is ready for undocking and moving to dry dock at the Vigo, Spain, shipyard where outfitting and commissioning will continue, with vessel delivery expected later this year in 2012.*



#### **ABOUT McDERMOTT**

McDermott is a leading engineering, procurement, construction and installation group of companies focused on executing complex offshore oil and gas projects worldwide. Providing fully integrated EPCI services for upstream field developments, the Company delivers fixed and floating production facilities, pipelines and subsea systems from concept to commissioning. McDermott's customers include national and major energy companies. Operating in more than 20 countries across the Atlantic, Middle East and Asia Pacific, our integrated resources include approximately 14,000 employees and a diversified fleet of marine vessels, fabrication facilities and engineering offices. McDermott has served the energy industry since 1923.

To learn more, please visit McDermott's website on the internet at [www.mcdermott.com](http://www.mcdermott.com)

#### **FORWARD LOOKING STATEMENTS**

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, McDermott International, Inc. cautions that statements in this press release which are forward-looking and provide other than historical information involve risks and uncertainties that may impact McDermott's actual results of operations. The forward-looking statements in this press release include, among other things, the expected duration and benefits of this contract and the expected growth in the subsea market. Although McDermott's management believes that the expectations reflected in those forward-looking statements are reasonable, McDermott can give no assurance that those expectations will prove to have been correct. Those statements are made based on various underlying assumptions and are subject to numerous uncertainties and risks. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. For a more complete discussion of these and other risk factors, please see McDermott's annual report on Form

10-K for the year ended December 31, 2010 and subsequent quarterly reports on Form 10-Q. This news release reflects management's views as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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