

LLOYD'S REGISTER TO ACQUIRE SCANDPOWER

Lloyd's Register has made its most significant move to date in becoming the leading authority in the provision of business assurance and risk management services to the oil and gas, nuclear and transportation markets, by today signing an agreement to acquire 100% of the share capital of Scandpower AS.

The acquisition will be one of the largest the Lloyd's Register Group has conducted. Scandpower and its subsidiaries in Sweden, China and the US have 250 staff who specialise in providing risk management services. Approximately 60% of staff are based in Norway and 30% in Sweden. Other employees are based in offices in Houston and Beijing.

Iain Light, Energy Director for Lloyd's Register said: "Strategically it will give us a very significant position in the Norwegian continental shelf – a region that is increasingly active as energy exploration and production moves further north into more harsh and challenging environments. Scandpower's expertise will provide Lloyd's Register with substantial growth opportunities in the Arctic, Russia and the Barents Sea, building on our position as one of the leading class societies."

In the nuclear field, Scandpower's services are entirely focused upon civil power generation. It has developed a number of proprietary tools including the industry 'standard' safety tool – RiskSpectrum. Used by more than 400 clients, RiskSpectrum has a good reputation and is licensed to almost half the world's nuclear power generating companies.

Lloyd's Register and Scandpower will represent a significant 'powerhouse' for industry. Together they have the skills to provide more capacity and more expertise to tackle many of the issues faced by industry stakeholders. For the domestic Scandinavian market the acquisition will provide customers with a major alternative supplier of choice for safety, environmental, integrity and reliability services, a market previously dominated by one provider. The combination of ever tightening safety and environmental expectations, and the need for operational efficiencies, means that the demand for energy related risk management services is expected to increase in the future.

CEO of Lloyd's Register, Richard Sadler, commented: "Bringing Scandpower into the Lloyds Register Group is a critical element in the strategic growth of our business. Scandpower's reputation will not only open a new client base but also offer additional support to existing clients. There is a strong cultural fit which will make integration effective and we look forward to welcoming our new colleagues to the Group."

Bjørn Inge Bakken, President and CEO of Scandpower said: "We are experiencing an unprecedented level of demand for our services and we are keen to expand geographically and increase our market share in the oil and gas, nuclear and transportation markets. To achieve this, we need to be capable of handling substantial and rapid growth, both operationally and administratively. The Lloyd's Register Group is an ideal partner with historical links in Norway going back to 1871 when it first opened an office in Bergen for survey work. The strategic fit, combined capability and service offering will make us the clear market leader."

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Notes for Editors

About Lloyd's Register

- Lloyd's Register provides independent assurance to companies operating high-risk capital intensive assets in energy, marine and transportation to enhance the safety of life, property and the environment, thereby helping its clients ensure safe, responsible and sustainable supply chains. The Group comprises charities and non-charitable companies, with the latter supporting the charities in their main goal.
- Lloyd's Register was founded in 1760. Its mission is to secure, for the benefit of the community, high technical standards of design, manufacture, construction, maintenance, operation and performance for the purpose of enhancing the safety of life and property at sea, on land and in the air. The organisation opened its first office in Norway in the area of Bergen in 1871. The organisation's first classed ship built in Norway was the *Stella* constructed by Martens, Olsen & Co. (an iron screw steamer, weighing 1329 gross, and registered in the port of Bergen to the owner J.R.Olsen and others).
- The Lloyd's Register Group provides risk assessment and engineering analysis consultancy services, and risk based inspection services. The organisation carries out independent design appraisal and inspection of plant and equipment, to international codes and standards, and are authorised as an independent inspection agency by industry bodies such as the American Society of Mechanical Engineers (ASME) and by numerous national government agencies and accreditation councils, and as a notified body for many EU directives including the Pressure Equipment Directive (PED).
- Services are provided by members of the Lloyd's Register Group. Lloyd's Register, Lloyd's Register EMEA and Lloyd's Register Asia are exempt charities under the UK Charities Act 1993.

About Scandpower AS

- Scandpower is a leading independent risk management company with 35 years of experience in providing consulting services and software to the international market. The company has successfully completed a large number of projects for oil and gas companies, nuclear power entities, regulatory authorities, and companies operating in the process, shipping and transport industries.
- The Scandpower group includes Relcon Scandpower AB, Scandpower Risk Management Inc and Scandpower Risk Management China Inc.
- The Scandpower group is fully owned by its employees and has over 250 highly skilled professionals from 18 countries.
- To obtain mono / colour company logo image files and images of Iain Light (Energy Director of Lloyd's Register) and Bjørn Inge Bakken (President and CEO of Scandpower AS), please email inge.alme@scandpower.com or jason.knights@lr.org.



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