



Press release

Nexans wins €98 million subsea power cable contract for BP's Valhall Power from Shore project

292 km subsea HVDC link will enable an offshore oil field to be powered from the mainland, saving money and reducing emissions

Paris, June 20, 2006 - Nexans and BP are making history with the Power from Shore project that will make Valhall, in the Norwegian North Sea, the world's first offshore oil field to receive all its electricity from land, with no need for on-platform generation. In a contract worth around € 98 million, Nexans will manufacture, deliver and install 292 km of HVDC (High Voltage Direct Current)-IRC maritime cable and a separate fibre-optic submarine cable as well as all the associated equipment both at the land station and on the platform. The subsea power link forms part of a re-development of the Valhall field, including a new production and hotel platform.

The subsea cable will be a 150 kV DC cable with an integral return conductor, similar to the cable Nexans delivered for the Moyle Interconnector project in 2001, which links Northern Ireland and Scotland. The fibre-optic cable will be bundled to the power cable during installation. Nexans is carrying out this project on a turnkey basis and will install and also bury the cable. The installation work will take place in 2008 and 2009 using the cable laying ship the *C/S Skagerrak*. For protection against external damage (such as fishing boat activity), the cable will be buried to a depth of around one metre into the seabed using Nexans' CapJet system.

The power cable will be manufactured at Nexans' factory in Halden, Norway while the fibre-optic cable will be manufactured at Nexans' factory in Rognan, Norway.

Saving natural resources and environmentally friendly

Previously, most platforms obtained their power from diesel or gas generators located on the platforms themselves and, currently, there are gas turbines producing power for the existing Valhall platforms. These are very expensive both to build and run. The new Power from Shore solution requires a minimum of maintenance and is profitable from a financial, safety and environmental viewpoint. By using power from land-based generation instead of a gas turbine, BP will save around €35 million in investment costs and a further approx €5.5 million in annual operating costs. The new concept also minimizes the danger of fires and explosions, the working environment is improved by reducing the noise and vibration levels. The emissions to air will be reduced with 300 000 tonnes of CO₂ and 250 tonnes of NO_x per year compared

with a combined gas turbine power plant with low NOx turbines, waste heat units and steamturbines.

The subsea cables will be taken ashore at Lista, on the coast of Norway, where the beaches are known for their sandy dunes and special fauna, which includes marram grass and lyme grass. There have also been many important archaeological finds in this area. In addition, Lista is very important as a stopping-off point for birds when they are migrating or during the winter. Due to Lista's rich plant and bird life, large parts of the beaches are protected areas. BP has made considerable efforts to ensure that these areas will be protected during the construction work – and Nexans will continue this work.

Editors notes on Valhall

The new production and hotel platform is planned to be in operation during 2009 and has the following main features: design life 40 years, bed capacity 150, oil production capacity 150 mbpd, gas handling capacity 175 mmscf/d, total liquid capacity 250 mbpd (oil and water), design dry weight: topsides/ process utility 10 000 tonnes, hotel module 2200 tonnes, substructure-steel 4000 tonnes. The Valhall field is located in PL006 / Block 2/8 in the Norwegian North Sea. It was discovered in 1975 and came on stream in 1982. The licensees are: BP Norge As 28,1% (operator), Amerada Hess 28,1%, Norske Shell AS 28,1% and Total E&P Norge As 15,7%. The Valhall complex consists of five separate steel platforms for: quarters, drilling, wellheads, production and water injection respectively. The platforms are bridge-connected. In addition the field has two unmanned flank platforms, one in the south and one in the north, both around six km from the field centre.

About Nexans

Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fibre cable solutions to the infrastructure, industry and building markets. Nexans cables and cabling systems can be found in every area of people's lives, from telecommunications and energy networks, to aeronautics, aerospace, automobile, railways, building, petrochemical, medical applications, etc. With an industrial presence in 29 countries and commercial activities throughout the world, Nexans employs 20,000 people and had sales in 2005 of 5.4 billion euros. Nexans is listed on the Paris stock exchange. More information available on www.nexans.com

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