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**ROLLS-ROYCE WINS BREAKTHROUGH CONTRACT FOR CHINA'S
OFFSHORE SUPPORT VESSEL MARKET**

Rolls-Royce has won a £58 million contract to deliver a design and equipment system for one of the world's most advanced offshore support vessels – a first for the Chinese market.

The vessel has been ordered by China Oilfield Services Ltd (COSL) and will operate in support of oil and gas exploration and production.

Anders Almestad, President – Offshore, from the Rolls-Royce marine business, said: *"This contract is a major breakthrough for Rolls-Royce integrated systems for the Chinese offshore market."*

"The integrated solution designed by Rolls-Royce for COSL is the first of its kind in the growing Chinese offshore market. We believe that our products and services will help COSL improve their deepwater capabilities."

The Rolls-Royce designed UT 788 CD ship has many capabilities including the ability to operate in very deep water, towing, and supplying and supporting oil and gas rigs. It can even assist in underwater construction projects.

Rolls-Royce has a growing presence in China's marine market, which is the biggest in the world for commercial merchant ships. Rolls-Royce has been increasing its marine business in China annually over recent years and opened a new factory in Shanghai in 2005. Together with an existing facility in South Korea, the new factory forms a production hub for North-East Asia.

In 2007, Rolls-Royce achieved a record for marine orders in China, with contracts for more than 700 ship sets of steering gear and 300 ship sets of deck machinery, including a \$42 million contract with Sinopacific.

About Rolls-Royce

1. Rolls-Royce, a world-leading provider of power systems and services for use on land, at sea and in the air, operates in four global markets - civil aerospace, defence aerospace, marine and energy.
2. Rolls-Royce has been present in China for over 45 years. In addition to Marine, the Civil Aerospace and Energy businesses have a strong presence in China. The Rolls-Royce combined order book for Asia and the Middle East in 2007 was equal to the entire global order book four years earlier.

3. Rolls-Royce business in China has grown rapidly in recent years. In 2007, the value of Rolls-Royce purchasing in China across all its businesses exceeded US\$200m, and is set to grow substantially from that level.
4. Rolls-Royce is the leading supplier of engines to China's wide body aircraft fleet, with over 100 Rolls-Royce powered wide body aircraft in service or on order. Including Hong Kong, Rolls-Royce and its associate company International Aero Engines have over 400 aircraft in service or on firm order. Rolls-Royce compressors pump gas along the West-East Pipeline, one of China's most important infrastructure projects, and have given 200,000 hours of trouble free operation. Rolls-Royce also has a successful turbine component joint venture in Xian; and is growing its component and materials purchasing in China.
5. Rolls-Royce also has a long history of co-operation with China on training programmes, and has a training centre in Tianjin, jointly owned and operated with the Civil Aviation Administration of China (CAAC).
6. The marine business of Rolls-Royce, focuses on power, propulsion and motion control solutions and serves over 2,000 customers. Its equipment is installed on 20,000 commercial and naval vessels operating around the world. The business employs 7,400 people in 34 countries with main manufacturing centres in the UK, the Nordic countries, the United States and, increasingly, Asia.
7. The UT 788 will be fitted with a hybrid propulsion system to cut fuel consumption and reduce emissions. Only the engines necessary for work operation will be run, and then only at an efficient rating.

About China Oilfield Services Limited

1. China Oilfield Services Limited is the leading integrated oilfield services provider in the Chinese offshore market. With over 30 years of experience in marine operations, COSL's services cover each phase of offshore oil and gas exploration, development and production. COSL was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited in 2002.

For visual material

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For further information please contact

Gordon Welsh
Communications Director – Marine
Rolls-Royce plc
Tel +44 (0) 7227 9127
Email gordon.welsh@rolls-royce.com