News Release

Flowserve to Provide General Maintenance Services for Shell-Operated Prelude Floating Liquefied Natural Gas (FLNG) Facility

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DALLAS--(BUSINESS WIRE)--Aug. 12, 2019-- Flowserve Corporation (NYSE: FLS), a leading provider of flow control products and services for the global infrastructure markets, has entered into a five-year contract with Shell Australia to provide general maintenance services for Shell's Prelude Floating Liquified Natural Gas (FLNG) facility, which is producing natural gas from an offshore field in Western Australia.

Flowserve will support Prelude from its recently refurbished Quick Response Center (QRC) in Darwin, the capital of Australia's Northern Territory. Flowserve QRCs are dedicated maintenance, repair and manufacturing workshop facilities that provide customers with responsive, local support. Since opening in 2003, the Darwin QRC in Yarrawonga has primarily serviced flow control valves and seals; as part of this agreement, Flowserve has committed to expanding its capabilities to include maintenance and repair services for centrifugal pumps, positive displacement pumps, heat exchangers, fans and blowers, hydraulic power units, and other related equipment.

"Flowserve values the successful projects and relationships we have developed with Shell through the years," said Scott Rowe, President and Chief Executive Officer of Flowserve. "We look forward to helping maximize the uptime and productivity of the Prelude facility with highly responsive maintenance and repair services."

The contract will create new positions in the Darwin QRC, which supports Flowserve's commitment to contracting with local businesses and workers. Sanjay Chowbey, President of Flowserve's Aftermarket Services & Solutions division, said, "This agreement with Shell Australia will enable us to increase our employment of local and indigenous people, including skills training that can lead to opportunities for permanent employment."

The Shell-operated Prelude FLNG facility is an offshore development, producing natural gas from a remote field approximately 475 km north-northeast of the coastal town of Broome in Western Australia. The Prelude FLNG facility is scheduled to produce 3.6 million tons per annum (mtpa) of LNG, 1.3 mtpa of condensate and 0.4 mtpa of liquefied petroleum gas (LPG). The Prelude FLNG facility is operated by Shell in a joint venture with INPEX Corporation, 17.5%; Korea Gas Corporation (KOGAS), 10%; and the Overseas Private Investment Corporation (OPIC), 5%.

About Flowserve

Flowserve Corp. is one of the world's leading providers of fluid motion and control products and services. Operating in more than 55 countries, the company produces engineered and industrial pumps, seals and valves and provides a range of related flow management services. More information about Flowserve can be obtained by visiting the company's website at www.flowserve.com.

Safe Harbor Statement

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations and financial performance and condition.

The forward-looking statements included in this news release are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the following: a portion of our bookings may not lead to completed sales and our ability to convert bookings into revenues at acceptable profit margins; changes in global economic conditions and the potential for unexpected cancellations or delays of customer orders in our reported backlog; our dependence on our customers' ability to make required capital investment and maintenance expenditures; risks associated with cost overruns on fixed-fee projects and in taking customer orders for large complex custom engineered products; the substantial dependence of our sales on the success of the oil and gas, chemical, power generation and water management industries; the adverse impact of volatile raw materials prices on our products and operating margins; our ability to execute and realize the expected financial benefits from our strategic manufacturing optimization and realignment initiatives; economic, political and other risks associated with our international operations, including military actions or trade embargoes that could affect customer markets, particularly Middle Eastern markets and global oil and gas producers, and non-compliance with U.S. export / re-export control, foreign corrupt practice laws, economic sanctions and import laws and regulations; increased aging and slower collection of receivables, particularly in Latin America and other emerging markets; our exposure to fluctuations in foreign currency exchange rates, including in hyperinflationary countries such as Venezuela; our furnishing of products and services to nuclear power plant facilities and other critical processes; potential adverse consequences resulting from litigation to which we are a party, such as litigation involving asbestos-containing material claims; a foreign government investigation regarding our participation in the United Nations Oil-for-Food Program; expectations regarding acquisitions and the integration of acquired businesses; our ability to anticipate and manage cybersecurity risk, including the risk of potential business disruptions or financial losses; our relative geographical profitability and its impact on our utilization of deferred tax assets, including foreign tax credits; the potential adverse impact of an impairment in the carrying value of goodwill or other intangible assets; our dependence upon third-party suppliers whose failure to perform timely could adversely affect our business operations; the highly competitive nature of the markets in which we operate; environmental compliance costs and liabilities; potential work stoppages and other labor matters; our ability to protect our intellectual property in the U.S., as well as in foreign countries; obligations under our defined benefit pension plans; and other factors described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements included in this news release are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

Source: Flowserve Corporation

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