

SBM Offshore and Repsol get \$247m insurance payment



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Netherlands-based oil industry services group SBM (Single Buoy Mooring) Offshore and Spain-based energy firm Repsol will share a \$247m (minus legal costs) payment relating to a troubled Norwegian offshore project, SBM said earlier this week. SBM said it had reached an agreement in principle with 73.6% of the insurers that provided \$500m of primary cover for the Yme MOPU project. SBM will receive a cash payment of around \$247m in full and final settlement with these insurers. After legal fees and other expenses have been paid, the proceeds will be shared equally with Repsol in line



with a 2013 agreement, the company said. SBM said that it was continuing to pursue its claim against the remaining insurers. The total claim presented by SBM Offshore to its insurers in 2014 in relation to the Yme platform was for \$1.28bn under "construction all risks". When the case began two years ago, Zurich Insurance Group – one of several insurers covering the project – recruited four law firms (Clyde & Co, Kennedys, Norton Rose Fulbright and RPC) to defend it.

SBM built the Yme oil platform for Canadian oil company Talisman Energy and its partners but faced technical difficulties completing the project, which was evacuated in the summer of 2012 due to safety concerns. Talisman was later bought by Repsol.