

Dresser-Rand Achieves a Major Breakthrough in High Pressure, High Density Centrifugal Compressor Technology

Application is for Floating Production Vessels (FPSOs) Destined for Brazil

HOUSTON, May 19, 2011 /PRNewswire/ -- In a major advance in centrifugal compressor technology, Dresser-Rand Group Inc. ("Dresser-Rand" or "the Company") (NYSE: DRC) announced today that it has successfully engineered, manufactured and tested what is believed to be the world's highest density centrifugal compressor for re-injection service. While the units will be used in the Oil and Gas upstream market, the technology is applicable to other market segments requiring the compression of carbon dioxide and heavy gases such as urea production and carbon capture and sequestration. The unit, which compresses a mixture of natural gas and carbon dioxide, is one of two trains that will be installed on a floating production, storage and offloading (FPSO) vessel destined for the "pre-salt" fields offshore Brazil. Dresser-Rand booked the order in the first quarter of 2010.

"We are extremely proud of this ground breaking achievement," said Vince Volpe, President and CEO of Dresser-Rand. "The move reinforces Dresser-Rand's commitment to innovation and technological leadership. This advancement offers clients significant value, and complements our existing technologies in the global oil and gas industries. It represents a cost-effective solution that adds real value to our clients' capital projects and operations throughout the life of the equipment."

Chris Rossi, Dresser-Rand's Vice President of Technology and Business Development, said, "the design of this class of compressor presented many challenges such as reaching discharge pressures that exceed 550 bar (7975 psi) while compressing gases that are heavier than typical offshore natural gas blends, including a CO₂-rich gas blend that is nearly 65% heavier than these natural gas blends. At these conditions, the unit handles a gas in a super-critical state; or stated differently, a "gas" that is between its gaseous and liquid phases, which requires very accurate prediction tools."

The compressor was tested at full load and actual field conditions exceeding 550 bar discharge pressure and the range of specified gas compositions at the Company's facility in Olean, NY.

"The unit achieved a discharge pressure in excess of 560 bar (8120 psi) compressing the CO₂-rich gas while exhibiting a very robust and stable rotor dynamic behavior, generally considered the greatest challenge in this class of machinery. When the unit operated at this condition," added Rossi, "it reached what we believe to be the highest gas density any multi-stage centrifugal compressor has handled. This density level is equivalent to what a natural gas compressor would achieve at a discharge pressure of approximately 900 bar (13000 psi). Gas density is one of the most critical parameters affecting a compressor's stability and its ability to operate reliably. Challenging the commonly accepted paradigm of instability and high pressure, Dresser-Rand's technology makes it possible for the unit to actually become more stable with increasing pressure and density. With this test, Dresser-Rand again has demonstrated its superior rotor and aerodynamic technologies using the rugged back-to-back design of our DATUM product line."

"We are supplying the compressors for extremely complex and sophisticated services, which showcase our technology leadership," Rossi said. "In this instance, we have engineered and successfully tested our centrifugal compression technology for applications that previously have only been done by pumps. We will be applying the same technology to a second set of compressors we will be testing at our facility in Olean in the coming months that will handle even higher density gas at this pressure level."

According to Jesus Pacheco, the company's Executive Vice President, New Equipment Worldwide, "this new technology delivers an exceptional value proposition to our clients by giving them a proven option to replace the more expensive CO₂ pumping systems that were previously thought to be the only feasible solution for high pressure CO₂ re-injection applications. It will enable our clients to remove one of the highest technology risks of all the compression duties typically found in upstream applications, whether offshore or onshore. It will significantly reduce CAPEX, footprint, weight and operating costs while increasing reliability by eliminating the need to install, operate and maintain high pressure injection pumping systems downstream of the compression system. This technology breakthrough is especially significant given the burgeoning deep water production and CO₂ compression markets we envision over the foreseeable future.

"With this new DATUM high pressure and high density compression technology, the total footprint required by a conventional compression and pumping module can be reduced by approximately 50% percent while its weight can be reduced by approximately 35% or more depending on the exact configuration. We believe this attribute makes our high pressure and high density compressor technology uniquely suited for services frequently required for FPSOs and Enhanced Oil Recovery (EOR) applications. According to DOE estimates 240 billion barrels of additional oil will be recovered by EOR. Typically EOR revenue

can range from \$40 to \$150 per ton of CO2 injected at \$50 per barrel of oil. We also see an opportunity in the Floating LNG market, as these applications must remove CO2 from the gas prior to liquefaction and often have to re-inject the CO2 into the reservoir. This is expected to provide a huge market opportunity for Dresser-Rand in the future."

Jerry Walker, Dresser-Rand's Vice President and General Manager, Americas and Asia Pacific Operations, commented that, "in addition to it being smaller, lighter and more reliable than a traditional pumping system, it can also be produced in less time. This is an important part of the value proposition we can offer our clients. The cycle time for this machine from time of order through successful load testing was less than 14 months. The cycle time for a pumping system for this type of service might typically average about 18 months, and of course, would require additional time and resources on the client's side to project manage, install, commission and start-up. With our high pressure and high density compressor technology, the client can start producing earlier and that's a big deal considering the value of just one day of additional production."

Dresser-Rand conducted a Full Load Hydrocarbon test at field conditions in order to demonstrate to the client the reliability, performance, and capability of this compressor prior to shipment from the factory.

About Dresser-Rand

Dresser-Rand is among the largest suppliers of rotating equipment solutions to the worldwide oil, gas, petrochemical, and process industries. The Company operates manufacturing facilities in the United States, France, United Kingdom, Spain, Germany, Norway, India, and China, and maintains a network of 39 service and support centers covering more than 140 countries. Dresser-Rand has principal offices in Paris, France, and Houston, Texas. For more information, visit www.dresser-rand.com.

This news release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, the Company's plans, objectives, goals, strategies, future events, future bookings, revenues, or performance, capital expenditures, financing needs, plans, or intentions relating to acquisitions, business trends, executive compensation, and other information that is not historical information. The words "anticipates", "believes", "expects", "intends", "appears", "outlook", and similar expressions identify such forward-looking statements.

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