



*European Communities
Commission
Press Release*

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HEBRIDES OFFSHORE INDUSTRY PROJECT RECEIVES £4 MILLION

LOAN FROM EUROPEAN INVESTMENT BANK

The European Investment Bank, the EEC's long-term finance institution, has granted a loan to the equivalent of £4 million (7.7 million units of account) to help establish on the Isle of Lewis, in the Hebrides, a steel fabrication complex for offshore structures.

The loan, which is for a term of 8 years at an interest rate of 10.5 per cent, has been made available to Lewis Offshore Ltd., a company formed earlier this year by Fred Olsen Ltd. and Aker Group Ltd. of London.

On its completion in 1977, the complex will include two dry docks, an assembly shop and other installations, on a site two miles from the town of Stornoway. The company plans to begin the first operations in the second half of next year fabricating sections for offshore structures, including for the Aker H-3 SMI-Submersible Exploration Rig. Steel decks and assemblies for offshore production platforms in the North Sea will follow later.

More employment on the island

By helping to finance the Lewis offshore project the EIB will also contribute towards easing some of the island's long-standing economic and social problems.

This complex will immediately bring welcome employment opportunities to Lewis and obviate the need to islanders to seek jobs on the mainland.

An estimated 560 new jobs will be created between now and 1977 and total employment is expected to reach 1,000 in 1981.

Marine oil and gas resources

The importance of marine oil and gas reserves in European waters for the security and diversification of the EEC's energy supplies scarcely needs underlining, and the EIB has already helped finance a number of projects in this field.

Last year a loan of 18,000 million Lira was granted to a subsidiary of the Italian ENI Group, to help finance construction of two semi-submersible drilling platforms; in July £10.4 million was provided for production installations at the Frigg Gas Field, straddling the British and Norwegian continental shelves; in September a loan of 5,000 million Lira was granted to ENI to help finance development of the "Campo di Luna" Gas Field in the Ionian Sea, and in October the Bank granted a loan of 55.3 million Danish Kronen to a Danish-based company to help the purchase and conversion of a ship to be used for offshore oil drilling.

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