

Fluor Subsidiary Gains U.S. Department of Energy Strategic Petroleum Reserve Management and Operating Contract Extension through March 2024

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IRVING, Texas--([BUSINESS WIRE](#))--[Fluor Corporation](#) (NYSE: FLR) announced today that the U.S. Department of Energy (DOE) has exercised its option to extend its current management and operating contract of the Strategic Petroleum Reserve (SPR) through March 31, 2024. The contract is currently being executed by Fluor Federal Petroleum Operations, LLC (FFPO), a wholly-owned subsidiary of Fluor. Fluor will book the \$2 billion contract extension value in the third quarter of 2018.

FFPO began management and operations work on the SPR on April 1, 2014. As a result of this contract extension, Fluor will continue to support DOE in the execution of the SPR's life extension engineering and construction efforts.

"We are pleased that the Department of Energy has confidence in our performance and ability to deliver on the important work that is underway on the SPR," said [Tom D'Agostino](#), president of Fluor's Government Group. "Fluor has a strong legacy supporting our country's national security objectives and has a history as a prime contractor committed to our DOE customer. This experience is fortified by Fluor's 100-plus years in the oil and gas industry and makes us well suited to enhance the critical mission of securing and maintaining our nation's energy reserves."



The SPR is the world's largest supply of emergency crude oil. The federally owned oil stocks are stored in underground salt caverns in Louisiana and Texas. Decisions to withdraw crude oil from the SPR are made by the President of the United States. In an energy emergency, SPR oil would be distributed by competitive sale. The SPR has been used in these circumstances three times: in 1991 during Operation Desert Storm, in 2005 after Hurricane Katrina, and in 2011 as part of an International Energy Agency coordinated release to offset crude oil supply disruptions due to Middle East unrest.

The SPR has conducted non-emergency sales of oil to respond to lesser supply disruptions or to raise revenues. Most recently in 2017 and 2018, the SPR conducted congressionally mandated oil sales to raise revenue for the U.S. Treasury and to fund the SPR modernization program, respectively.