

Press Release

NEWS RELEASE

Hanwha Ocean Selects Canada's Hepburn Engineering for Republic of Korea Navy AOE-II Project

Hepburn will provide its Replenishment-at-Sea System under this Multi-Million USD Contract

July 15, 2025

Hanwha Ocean has awarded a multi-million USD contract to Toronto-based Hepburn Engineering for its Replenishment-at-Sea (RAS) system. The system will be installed on the Republic of Korea (ROK) Navy's AOE-II (Auxiliary Oiler and Explosives) vessels and is being procured as part of a larger USD \$332 million fast combat support ship order that Hanwha Ocean secured from Korea's Defence Acquisition Program Administration (DAPA) in August 2024.

This contract marks a significant milestone in defence cooperation between South Korea and Canada and demonstrates Hanwha Ocean's commitment to establishing meaningful partnerships with Canadian companies as part of Canada's Industrial and Technological Benefits (ITB) framework which requires companies awarded defence contracts to generate economic activity in Canada equal to the value of the contract. Hanwha Ocean's decision to incorporate Hepburn Engineering in the AOE-II supply chain was directly influenced by Hepburn's previous successful supply of RAS equipment for the ROK Navy and the anticipation of future ITB obligations to Canada.

The RAS system will be a critical component in enabling high-speed auxiliary vessels, often referred to as the naval equivalent of aerial tankers, to replenish ROK Navy task groups with fuel, ammunition and provisions. This AOE-II vessel is expected to be delivered to the ROK Navy by December 2028. Hepburn will deliver its RAS system to Hanwha Ocean by December 2026 following a comprehensive engineering and integration process.

Quotes

"We see significant opportunities for synergies between Hanwha Ocean and Canadian partners like Hepburn Engineering. Collaboration on important projects like this will enhance and strengthen the relationship between Canada and South Korea."

- Michael Coulter, President & CEO, Hanwha Global Defence

"Hepburn is very proud to have been selected by Hanwha Ocean to be a supplier on this important project for the Republic of Korea Navy. Having successfully delivered our system for the first ship in class, we're now privileged to provide the same trusted capability for the second vessel in this important program. We plan to work very closely and collaboratively with Hanwha Ocean to ensure delivery of our Replenishment-at-Sea system is on spec, on time and on budget."

- John Hepburn, President & CEO, Hepburn Engineering

About Hanwha Ocean (www.KSS-III.ca)

Hanwha Ocean, founded in 1973, is one of the world's premium shipbuilders. With more than 21,000 employees, the company specializes in the design and construction of various naval and commercial vessels, including submarines, destroyers, frigates, auxiliary vessels, container ships, and tankers as well as offshore platforms, drilling rigs, Floating Production Storage and Offloading (FPSO) units and Floating Production Units (FPUs).

For more than 40 years, Hanwha Ocean has been building and servicing submarines for the Republic of Korea Navy and other navies. Since 1973, the company has built more than 1,400 vessels, including 114 naval vessels. The company designed and delivered the first KSS-III to the Republic of Korea Navy in 2021, and the second in 2023. In 2023 alone, Hanwha Ocean constructed 41 naval and commercial vessels.

Hanwha Corporation, with more than 100,000 employees and 91 subsidiaries globally, is the Republic of Korea's leading defence company. As part of the company's plan to expand into North America, including the recent acquisition of Philly Shipyard in Pennsylvania, Hanwha is committed to establishing a robust and long-term presence in Canada that will create jobs and boost economic growth, and accelerate the country's defence capabilities.

Since 2023, Hanwha Ocean has signed a Technical Cooperation Agreement, a Teaming Agreement and Memorandums of Understanding (MOUs) with nine Canadian companies: Babcock Canada, CAE, BlackBerry, L3Harris, Gastops, Curtiss-Wright Indal Technologies, Modest Tree, Des Nedhe Group and J Squared Technologies for long-term cooperation on the Canadian Patrol Submarine Project.

About Hepburn Engineering (www.hepeng.com)

Proudly 100% Canadian owned and operated, Hepburn Engineering has been delivering world-class Replenishment-at-Sea (RAS) systems around the world for over 50 years. Headquartered in Toronto, Ontario, our advanced replenishment equipment has earned the trust of multiple sovereign navies through repeated deployments and long-standing partnerships.

Hepburn's underway replenishment systems are engineered to deliver exceptional durability, ease of use, and operational resilience; even in extreme conditions up to sea state 6. These cutting-edge systems feature the most advanced digital controls available on the market, with automated operation, integrated fault monitoring, and smart warning functions to maximize safety and mission efficiency at sea.

Complementing our solids, liquids, and dual RAS capabilities, Hepburn offers astern fueling solutions and a complete suite of receiving ship equipment, including sliding padeyes, probe receiver stations, and kingposts. We also provide immersive RAS training with 3D simulators, as well as land-based seamanship practice to build real-world skill, safety, and readiness.

