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ADES International Holding

25 May 2017

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Operational Update for the First Quarter ending 31 March 2017

ADES International Holding Ltd. ("ADES" and together with its subsidiaries, the "Group"), the London-listed provider of offshore and onshore oil and gas drilling and production services in the Middle East and Africa, today announces its operational update for the three-month period ending 31 March 2017. The financial information included below is unaudited.

Highlights:

On 12 May 2017, ADES was admitted to trading on the main market of the London Stock Exchange. The Company successfully raised \$170 million of primary gross proceeds at IPO. ADES is the largest oil and gas services firm to list on the London Stock Exchange in 2017.

Operational

- Q1 2017 utilisation¹ rate of 99.76%
- Backlog² as of 31 March 2017 of \$452.9 million
- Successfully renewed Admarine VI contract with GPC for one year to March 2018

Financial

- Revenues were approximately \$48.2 million in Q1, a 67% increase YoY (Q1 2016: \$28.8 million)
- Cash position in excess of \$8.5million as of 31 March 2017
- Net debt of \$227.1 million as of 31 March 2017
- The Company confirms it is on track to deliver on its budget for the full year

Commenting on the Company's performance, ADES Chief Executive Officer Dr Mohamed Farouk said:

"Our performance during the first quarter of 2017, coupled with our successful listing on the London Stock Exchange's main market, reflect our ability to capitalise on the challenging industry backdrop that has prevailed for much of the past three years.

In the last year, ADES has grown its fleet and enhanced its profitability by leveraging its low-cost structure and focused business model. Our quarterly revenues have expanded by 67% YoY as we have cost-effectively serviced a number of profitable contracts with a strong track record of renewals.

Our newly listed status, the recovering oil price and our strong business model which has proved resilient to the oil price cycle mean that ADES is optimistic that 2017 will be a good year for the Company, both operationally and financially."

-Ends-

About ADES International Holding

ADES International Holding is a leading oil and gas drilling and production services provider in the Middle East and Africa offering offshore drilling, workover and mobile offshore production unit ("MOPU") services. ADES has a total workforce of over 1,200 employees across Egypt, Saudi Arabia and Algeria.

For further information

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Forward looking statements

Certain statements contained in this announcement, including any information as to the Group's strategy, plans or future financial or operating performance constitute "forward looking statements". These forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors of ADES concerning, amongst other things, the Group's results of operations, financial condition and performance, prospects, growth and strategies

and the industry in which the Group operates.

By their nature, forward looking statements address matters that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance and the Group's actual results of operations and financial condition, and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward looking statements contained in this announcement. In addition, even if the Group's results of operations and financial condition, and the development of the industry in which the Group operates, are consistent with the forward looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

1 The Group calculates its utilisation rate for its assets under contract and in place in the operational area by dividing utilisation days by potential utilisation days under a contract, where utilisation days include all operating days, standby days, paid maintenance days, and moving days for which the Group is paid a fee and potential utilisation days are all calendar days (including holidays and weekends) when a rig is both under contract and available in the operational area. Potential utilisation days do not include days when the rig is being refurbished or initially mobilised or is otherwise idle or stacked. Because the Group's measure of utilisation rate does not include rigs that are stacked or being refurbished or mobilised, the Group's reported utilisation rate does not reflect the overall utilisation of the Group's fleet, only of its operational, contracted rigs. Utilisation rates are principally dependent on the Group's ability to maintain the relevant equipment in working order and its ability to obtain replacement and other spare parts.

2 "Backlog" is defined as the total amount payable to the Group during the remaining term of an existing contract plus any optional client extension provided for in such contract, assuming the contracted rig will operate (and thus receive an operating day rate) for all calendar days both in the remaining term and in the optional extension period. This calculation assumes that the client will exercise its option to extend its existing contract at the current day rate and under the contracted terms regarding currency of payment. Backlog also includes move fees and lump sum mobilisation and demobilisation payments as applicable under the contract.

This information is provided by RNS
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