

Atlantica Tender Drilling and Energy Drilling seeks merger to catalyst growth

Houston/Singapore, 4 April 2019:

Atlantica Tender Drilling Ltd. (“Atlantica”) and Energy Drilling Pte. Ltd. (“Energy Drilling”) have signed a Letter Of Intent to merge the two companies. The contemplated transaction will create a stronger company with improved capabilities and geographical presence, a starting point for further growth and consolidation in the drilling industry.

Atlantica is a leading owner and operator of semi-submersible tender drilling rigs operating in the Atlantic Ocean. Energy Drilling is a leading owner and operator of barge tender drilling rigs operating offshore South-East Asia and has a newbuild semi-submersible tender drilling rig ready for delivery.

The combined company will be the second largest tender drilling contractor, with five rigs representing 17% of the tender drilling market. The fleet will be the most modern among competitors, with an average age of 5 years. Operations are backed by solid backlog against Petrobras and Total and a strong track record operating for Thai national oil company PTTEP. For the year ended 2018, the combined company had revenues of USD 211 million and an EBITDA of USD 114 million.

“This merger represents the starting point for an attractive growth strategy targeting to consolidate and expand in the drilling industry. Atlantica and Energy Drilling has the right assets, backlog and balance sheet to be a forward leaning M&A partner in the industry”, says Kerry Kunz, CEO of Atlantica.

“The two companies have performed drilling operations in multiple geographical locations for top clients such as Petrobras, Total and PTTEP. Our goal is to grow our combined company to provide our clients with cost effective, productive and safe drilling operations”, says Marcus Chew, CEO of Energy Drilling.

An implementation committee with representatives from both companies will commence the detailed planning and structuring of the contemplated transaction as well as conclude management structure and operational presence going forward.

When all conditions in the Letter Of Intent are met, including refinancing of existing credit facilities, satisfactory due diligence and shareholder approvals, the transaction is expected to be completed early third quarter 2019.

The contemplated transaction is unanimously supported and recommended by the board of directors of the two companies. The contemplated transaction has also received support from the majority of shareholders in Atlantica and Energy Drilling.

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IMPORTANT INFORMATION

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