

ADES Expands Global Footprint to an Eleventh Country through a Jackup Drilling Contract in Nigeria, Marking its First Entry into West Africa

Al-Khobar, KSA - 9 January 2025: ADES Holding Company (“*ADES*”, the “*Group*” or the “*Company*”), a world leading international oil and gas drilling services provider, is pleased to announce that its offshore jackup rig “Admarine 504” has been awarded a drilling contract in Nigeria with Britannia-U, an indigenous integrated energy company that operates across the oil and gas value chain in Nigeria.

This award represents a new milestone in the Group’s successful diversification strategy, marking its entry into the eleventh country of operation and tapping into the dynamic West African oil and gas sector. This comes alongside its existing robust presence in the Middle East and Southeast Asia as the Group continues to deliver on its global expansion strategy.

In light of the Group’s geographic diversification and expansion strategy, ADES and Admarine 504’s current client in Saudi Arabia have mutually agreed to suspend the rig’s operation in the country, while retaining the remaining backlog value with the Group’s client by way of extending the original term of the temporarily suspended contract. Admarine 504 will be mobilized from the Middle East to West Africa in the first quarter of 2025, noting that the agreed suspension mechanism offers enough flexibility for the suspended rig to complete new deployments before resuming work in Saudi Arabia post suspension.

Key Highlights of the Award

- **Contract Scope and Duration:** The contract is to drill and complete six wells within an estimated duration of 365 days. Operations are expected to commence in the second quarter of 2025.
- **Operating Structure:** Operations of the rig to be jointly handled by ADES and Valiant Offshore Contractors Limited (in-country partner) under a charter structure, where ADES will provide the rig along with its senior crew and relevant management systems to Valiant against a charter fee. In return, Valiant shall fulfill its drilling obligations under its contract with Britannia-U.
- **Backlog:** The value of the charter contract between ADES and Valiant is estimated at SAR 81.8 million (USD 21.8 million), which represents a percentage from the drilling contract between Britannia-U and Valiant. The charter revenue generated by ADES should be mostly reflected in its EBITDA and profitability.

Commenting on the award, Dr. Mohamed Farouk, CEO of ADES Holding said: “Following our successful expansion over the past couple of years into India and Southeast Asia, we are now making our first foray into West Africa with this new award in Nigeria, a country with high oil and gas potential and strong demand for drilling rigs in the coming years, particularly in the offshore jackup segment. This award is an important milestone in our global expansion journey, with West Africa and Southeast Asia together representing key growth geographies for ADES as we diversify our geographical footprint and capitalize on emerging opportunities in these undersupplied markets.”

“Meanwhile in our home market of Saudi Arabia, we continue to demonstrate agility with a client-centric approach – aligning with our client’s strategic needs and objectives – while leveraging newly afforded capacities to pursue attractive opportunities in existing and new markets. In that regard, the Group has successfully secured new awards for four of the five previously suspended rigs in record time, and we are confident in the Group’s ability to redeploy the remaining rig during the year.” Farouk added.

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About ADES Holding Company

ADES Holding Company, headquartered in Al Khobar in the Kingdom of Saudi Arabia, is a world leading international drilling services provider. The Company has over 8,000 employees and a fleet of 89 rigs across eleven countries, including 38 onshore drilling rigs, 48 jackup offshore drilling rigs, two jackup barges, and one mobile offshore production unit (“MOPU”).

For more information, visit <https://investors.adegroup.com/>

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