

# Trinidad Drilling Expands International Operations; Awarded Contract for Two Rigs in Kuwait

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CALGARY, June 28, 2018 /CNW/ - [Trinidad Drilling Ltd.](#) (TSX: TDG) ("Trinidad" or "the Company") is pleased to announce the award in Kuwait for two Trinidad Drilling International (TDI) joint venture rigs on a five-year contract. Trinidad expects the joint venture rigs will begin operating by late in the first quarter or early in the second quarter of 2019.

The contract has five-year, take-or-pay terms with an optional one-year extension, at the discretion of the customer. Trinidad will be reimbursed by the customer for the cost of relocating the two rigs from Mexico. The rigs will undergo capital upgrades worth approximately US\$22 million per rig (Trinidad's 60% portion), largely related to new well control equipment and mud systems.

Trinidad expects to fund the additional upgrade capital from cash in the TDI joint venture, as well as reinvested proceeds from the previously disclosed sale of TDI's three Saudi Arabian rigs. At March 31, 2018, TDI had approximately US\$50 million in cash on hand, of which Trinidad's 60% share is US\$30 million.

"Kuwait drills some of the most technical wells in the world and our high-quality rigs provided us with a significant competitive advantage in winning this contract," said Brent Conway, Trinidad's President and Chief Executive Officer. "Under the contract, we expect to deliver value for Trinidad's shareholders with improved international contract visibility, a strong return on capital and long-term, stable revenue."

In 2018, Trinidad expects to fund its existing capital program through cash flow generated from operations, the proceeds from the expected sale of unused facilities, and cash from the recent sale of its Saudi Arabian rigs, which TDI anticipates distributing to its joint venture owners. Excess cash flow may be used to repay debt outstanding on the Company's credit facility.

The following table outlines Trinidad's updated 2018 capital budget:

2018 Capital Budget	C\$ million
Maintenance capital	51.0
Growth capital <sup>1</sup>	57.5
Total Trinidad 2018 capital spending budget	108.5
Plus TDI capital with Kuwait award (Trinidad's 60% share)	55.3
Less gross proceeds from sale of Saudi Arabian Rigs <sup>2</sup>	(68.0)
Total 2018 capital budget including TDI	95.8
Less proceeds from expected sale of unused facilities	(20.0)
Total net 2018 capital budget including TDI	75.8

Following the redeployment of the two rigs to Kuwait, TDI will have two rigs remaining in Mexico and one rig in Bahrain. The rig located in Bahrain and one of the two Mexican rigs were recently re-activated and TDI expects that they will continue operating for the remainder of 2018. TDI remains committed to its international operations, with a focus on Bahrain, Kuwait and Mexico. Trinidad also has a wholly-owned rig located in the United Arab Emirates in addition to the Company's North American fleet.

#### About Trinidad

Trinidad is an industry-leading contract driller, providing safe, reliable, expertly-designed equipment operated by well-trained and experienced personnel. Trinidad's drilling fleet is one of the most adaptable, technologically advanced and competitive in the industry. Trinidad provides contract drilling and related services in the US, Canada, the Middle East and Mexico.

Trinidad is headquartered in Calgary, Alberta, Canada. The Company's common shares are listed on the Toronto Stock Exchange under the trading symbol TDG. For more information, please visit [www.trinidaddrilling.com](http://www.trinidaddrilling.com).

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#### FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to Trinidad's plans, strategies, objectives, expectations and intentions. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "confident", "might" and similar expressions are intended to identify forward-looking information or statements. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this document. The forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. In particular, but without limiting the foregoing, this document may contain forward-looking information and statements pertaining to:

- the assumption that Trinidad's customers will honour their long-term contracts, and Trinidad's ability to sign future long-term contracts;
- future liquidity levels;

- fluctuations in the demand for Trinidad's services;
- the ability for Trinidad to attract and retain qualified personnel, in particular field staff to crew the Company's rigs;
- the assumption that customers will sign contracts and fund all or a portion of the cost to move equipment;
- the assumption that the re-deployed rigs will operate where and as expected;
- the cost of future upgrades;
- the timing of closing the sale of the rigs;
- Trinidad's ability to fund capital expenditures with cash from operations;
- Trinidad's ability to achieve return on capital and payback expectations;
- Trinidad's ability to pay cash distributions from TDI, and the potential timing of such distributions;
- Trinidad's ability to win future international awards;
- Trinidad's ability to sell under-utilized facilities;
- the existence of competitors, technological changes and developments in the oilfield services industry;
- the existence of operating risks inherent in the oilfield services industry;
- assumptions respecting internal capital expenditure programs and expenditures by oil and gas exploration and production companies;
- assumptions regarding commodity prices, in particular oil and natural gas;
- assumptions respecting supply and demand for commodities, in particular oil and natural gas;
- assumptions regarding foreign currency exchange rates and interest rates;
- the existence of regulatory and legislative uncertainties; and
- the possibility of changes in tax laws; and general economic conditions including the capital and credit markets;

Trinidad cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. Additional information on these and other factors that could affect Trinidad's business, operations or financial results are described in reports filed with securities regulatory authorities, accessible through the SEDAR website ([www.sedar.com](http://www.sedar.com)) including but not limited to Trinidad's annual management discussion and analysis, financial statements, Annual Information Form and Management Information Circular. The forward-looking information and statements contained in this document speak only as of the date of this document and Trinidad assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws

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Die RDU-Welt.de berichtet über: **Growth capital includes conditional RigMinder earn-out of US\$10 million, dependent on meeting pre-determined milestones.**

<https://www.rohstoff-welt.de/news/302767--Trinidad-Drilling-Expands-International-Operations-Awarded-Contract-for-Two-Rigs-in-Kuwait.html>

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