CALGARY, Alberta, Aug. 28, 2017 (GLOBE NEWSWIRE) -- Trinidad Drilling Ltd. (TSX:TDG) (Trinidad) is pleased to announce that it has acquired RigMinder Operating LLC. (RigMinder). Through this acquisition, Trinidad acquired significant technology rights that are complementary to its industry-leading drilling fleet. RigMinder’s products include three distinct revenue platforms: RigMinder Criterion, a directional drilling guidance system with proven ability to optimize trajectory, reduce drilling costs and ultimately improve production for customers; RigMinder electronic data recorder (EDR) which monitors the functionality of the drilling rig operations, capturing near real-time drilling data that can be analyzed remotely to optimize performance; and finally, the ability to independently integrate and operate downhole tools. The Criterion software will enable Trinidad to receive data from providers of conventional measurement while drilling (MWD) and motor drilling, as well as the ability to downlink to rotary steerable systems.

The price of the RigMinder acquisition for US$30 million was comprised of US$25 million in cash and US$5 million in common shares of Trinidad 3,910,364 shares at a deemed price per share of $1.6065, converted at an exchange rate of US$1.00 to CDN$1.2564. In addition, Trinidad has agreed to pay US$10 million on the later of the anniversary of the closing date, and the achievement of certain equipment deployment milestones. As well, a potential earnout payment is payable in cash by Trinidad in 2020, dependent on the future performance of the RigMinder products. All key management and employees will remain in place and will continue to develop the RigMinder business platforms, utilizing the proprietary intellectual property and patents.

“RigMinder will allow Trinidad to provide its customers with a fully integrated rig performance solution by integrating drilling software and data collection along with Trinidad’s proprietary control system (IRIS),” said Brent Conway, Trinidad’s President and CEO. “We believe our customers will benefit from this combined service offering through improved drilling efficiency, while Trinidad will benefit from an increased product offering and greater revenue generation.”

“I am proud of the work we have done and the innovative products the team at RigMinder have developed,” said Greg Ward, President and CEO of RigMinder. “I believe that the combination of our technologies and the high quality equipment at Trinidad will create an industry-leading product offering for oil and gas companies. Together, we will continue to develop new products that provide further efficiencies and improvements for the drilling industry.”

Trinidad estimates that if it had used RigMinder EDR and Criterion during 2016 and 2015, it would have added incremental revenue of approximately $10.5 million and $15.0 million, respectively and incremental Adjusted EBITDA[1] of approximately $7.5 million and $10.5 million, respectively. These estimates are based on the activity levels recorded during the respective years and assume that all active rigs used the RigMinder EDR and 50% of active rigs used Criterion. The estimates also incorporate cost savings associated with using in-house EDR equipment. Trinidad will also be developing its downhole tool business as part of its performance model on a go-forward basis.

Including the acquisition of RigMinder, Trinidad expects its full year 2017 capital expenditure program to remain unchanged at $175 million as currently uncommitted capital upgrades will not be completed in 2017. General and administrative costs are expected to increase slightly to approximately $56 million in 2017.

A presentation summarizing the acquisition and outlining the technical capabilities of RigMinder’s products and technology has been posted to Trinidad’s website at https://www.trinidaddrilling.com/investors/events-presentations.

Trinidad is a corporation focused on sustainable growth that trades on the Toronto Stock Exchange under the symbol TDG. Trinidad's divisions currently operate in the drilling sector of the oil and natural gas industry, with operations in Canada, the United States and internationally. In addition, through joint venture arrangements, Trinidad operates drilling rigs in Saudi Arabia and Mexico, and is currently assessing operations in other international markets. Trinidad is focused on providing modern, 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.

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FORWARD-LOOKING STATEMENTS
This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking information") within the meaning of applicable Canadian securities laws. The use of any of the words "expect", "anticipate", "will", "future" and similar expressions are intended to identify forward-looking information. In particular, this news release contains forward-looking information pertaining to Trinidad’s planned development and commercialization of RigMinder's technology; Trinidad’s 2017 capital expenditure program; and the potential success of the acquired technology.

The forward-looking information included in this press release reflects several factors, expectations and assumptions including, without limitation: oil and gas industry conditions and oil and gas production levels; commodity prices; supply and demand for commodities; capital expenditure programs and other expenditures by oil and gas exploration and production companies; and the impact on the demand for contract drilling services of all of the foregoing.

The forward-looking information included in this press release is not a guarantee of future performance and should not be

unduly relied upon. Forward-looking information is 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 information including, without limitation: volatility in market prices for oil, natural gas and LNG; liabilities inherent in the drilling and manufacturing industries, including technical problems; the risks associated with attempting to successfully develop technology; potential challenges by third parties to RigMinder's ownership of its intellectual property; competition for skilled personnel and the retention of the experts needed to continue to develop and implement the RigMinder technology; changes in general economic, market and business conditions; actions by governmental or regulatory authorities including changes to tax or environmental laws; and the ability of Trinidad’s customers to raise capital and to continue with their drilling programs. Should any one of a number of issues arise, Trinidad may find it necessary to alter its current business strategy and/or capital expenditure program. Additional risks that could impact the business and operations of Trinidad are detailed under the heading “Risk Factors” in Trinidad’s annual information form for the year ended December 31, 2016. Trinidad cautions that the foregoing list of risks and uncertainties is not exhaustive. The forward-looking information contained in this press release speaks only as of the date of this press release and Trinidad assumes no obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

NON-GAAP MEASURES DEFINITIONS

This news release contains references to certain financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. These financial measures are computed on a consistent basis for each reporting period and include adjusted EBITDA. This non-GAAP measure is identified and defined as follows:

Adjusted EBITDA is used by management and investors to analyze the Company's profitability based on the Company's principal business activities prior to how these activities are financed, how assets are depreciated and amortized and how the results are taxed in various jurisdictions. Additionally, in order to focus on the core business alone, amounts are removed related to foreign exchange, share-based payment expense, impairment expenses, the sale of assets, and fair value adjustments on financial assets and liabilities, as the Company does not deem these to relate to the core drilling business. Adjusted EBITDA also takes into account the Company’s portion of the principal activities of the joint venture arrangements by removing the (gain) loss from investments in joint ventures and including adjusted EBITDA from investments in joint ventures. Adjusted EBITDA is not intended to represent net (loss) as calculated in accordance with IFRS. Adjusted EBITDA is calculated using 100% of the related amounts from all entities controlled by Trinidad where Trinidad may not hold 100% of the outstanding shares.

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[1] See Non-GAAP Measures Definitions section of this news release for further details.