

Trinidad Drilling Ltd. Announces the Extension and Amendment of its Credit Facility

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CALGARY, Alberta, Nov. 30, 2017 (GLOBE NEWSWIRE) -- [Trinidad Drilling Ltd.](#) (TSX:TDG) ("Trinidad" or "the Company") announced today that it has amended and extended its existing credit facility.

"The amendment and extension of our credit facility provides added certainty and improved flexibility for our business going forward," said Brent Conway, Trinidad's President and Chief Executive Officer. "We are confident that we will continue to operate well within our required covenant levels and believe the added flexibility will provide additional support for our strengthening operations."

Trinidad and its lending group have agreed to extend the maturity of the Company's existing credit facility by two years, extending the maturity date to December 12, 2020. As part of these negotiations, minor amendments were made to the facility and the size of the credit facility remains unchanged at C\$100 million and US\$100 million.

The key amendments made to the credit facility include releasing the covenant relief negotiated during the downturn and providing additional flexibility around investing in assets which are not subject to credit facility covenants. The release of the covenant relief removes the restriction where no dividends were payable from April 1, 2016 to March 31, 2018; dividends may be paid provided that Trinidad's Senior Debt to Bank EBITDA¹ covenant is less than five times. In addition, Trinidad's Bank EBITDA to Cash Interest Expense¹ covenant moves from a minimum of 1.5 times to a minimum of 2.5 times.

As well, adjustments were made to the pricing schedule, effectively lowering interest payable at higher leverage levels.

At September 30, 2017, Trinidad had \$51.2 million drawn on its credit facility and was well within both its existing and amended covenants. Trinidad expects that its Bank EBITDA to Cash Interest Expense covenant will continue to be positively impacted in 2018 by a lower interest rate on its senior notes following the refinancing of the notes earlier in 2017.

	At September 30, 2017	Previous covenant	Amended covenant
Senior Debt to Bank EBITDA	0.47	Max of 2.5x	Max of 2.5x
Bank EBITDA to Cash Interest Expense	2.83	Min of 1.5x	Min of 2.5x

The changes made to the Company's credit agreement are included in the amending agreement, a copy of which will be filed on SEDAR.

¹ See Non-GAAP Financial Measures below for further details regarding the Senior Debt to Bank EBITDA and Bank EBITDA to Cash Interest Expense financial measures.

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 Canada, the US, Saudi Arabia 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.

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Non-GAAP Financial Measures

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 Senior Debt to Bank EBITDA and Bank EBITDA to Cash Interest Expense. These non-GAAP financial measures are included because management uses this information to assess Trinidad's compliance under its credit facilities. These non-GAAP financial measures are defined as follows:

Senior Debt to Bank EBITDA is defined as the consolidated balance of the revolving facility and other debt secured by a lien at quarter end to consolidated Bank EBITDA for the trailing 12 months (TTM). Bank EBITDA used in this financial ratio is calculated as net earnings before interest, taxes, depreciation and amortization, plus impairment expense, loss (gain) on sale of assets, loss (gain) from investments in joint ventures, share-based payment expense and unrealized foreign exchange. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

Bank EBITDA to Cash Interest Expense is defined as the consolidated Bank EBITDA for TTM to the cash interest expense on all debt balances for TTM. Bank EBITDA used in this financial ratio is calculated as net earnings before interest, taxes, depreciation and amortization, plus impairment expense, loss (gain) on sale of assets, loss (gain) from investments in joint ventures, share-based payment expense and unrealized foreign exchange. Bank EBITDA also includes all distributions received from the Company's joint ventures during the period.

Forward-looking Information Advisory

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. 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, this news release contains forward-looking statements pertaining to, among other things, the anticipated benefits of the amendment and extension of Trinidad's existing credit facility including the ability to operate within required covenant levels and the added flexibility for the Company to expand its investment activities.

Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. While Trinidad believes that the expectations and material factors and assumptions reflected in its forward-looking statements are reasonable as at the date

hereof, there can be no assurance that any of these expectations, factors or assumptions will prove to be correct. In particular, in presenting its forward-looking statements, Trinidad has made assumptions respecting, among other things: that Trinidad will continue to upgrade and manufacture rigs in a manner consistent with past practice and customer requests; that Trinidad will continue to be in a position to deploy its rigs in a manner consistent with past practice; future liquidity, debt levels and capital requirements; the amount and frequency of dividends, even though Trinidad does not currently intend to pay dividends; future industry conditions and general economic conditions; oil and gas supply and demand conditions; internal capital expenditure programs and other expenditures by oil and gas exploration and production companies; areas of industry activity and rig demand in such areas; regulatory and legislative conditions; commodity prices, in particular oil and natural gas; future expected cash flows and potential distributions from joint venture partners including Trinidad Drilling International; foreign currency exchange rates and interest rates; and future performance and operations of joint ventures and partnership arrangements.

The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Readers are cautioned that forward-looking statements are based on current expectations, estimates and projections that, by their nature, forward-looking statements involve a number of known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. These known and unknown risks and uncertainties include, but are not limited to: fluctuations in the demand for Trinidad's services; potential changes in the regulatory and legislative environment; volatility in commodity prices and foreign currency exchange; interest and tax rates; the ability of Trinidad to attract and retain qualified personnel, in particular field staff to crew the Company's rigs; operating risks inherent in the oilfield services industry; volatility in supply and demand for commodities, in particular oil and natural gas; and changes in 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), including but not limited to Trinidad's annual and quarterly management discussion and analysis and financial statements, its most recently filed 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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