

Trinidad Drilling Ltd. Announces 2018 Capital Spending Budget and International Contract Award

15.12.2017 | [GlobeNewswire](#)

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CALGARY, Alberta, Dec. 14, 2017 (GLOBE NEWSWIRE) -- [Trinidad Drilling Ltd.](#) (TSX:TDG) ("Trinidad" or "the Company") announces its 2018 capital spending budget of approximately \$40 million, comprised largely of maintenance capital to be spent on its North American fleet. In addition, Trinidad has been awarded a contract in Bahrain with operations expected to start in early 2018.

"Our 2018 capital budget is mainly focused on maintenance capital that allows existing rigs to continue working and enables additional rigs to go back to work. This type of capital spending provides additional operating days for our rigs and enhances returns for our investors," said Brent Conway, Trinidad's President and Chief Executive Officer. "Our 2017 upgrade program is largely complete and these rigs are now working in the field at improved dayrates. We expect activity levels to be higher in 2018, driven by a full-year contribution of these rigs and improved year-over-year industry conditions."

Trinidad's 2018 capital spending budget, including Trinidad Drilling International (TDI) and an earnout payment relating to Trinidad's 2017 acquisition of RigMinder, is as follows:

	\$ million
Maintenance capital	38.0
Growth capital	2.0
Trinidad 2018 capital spending budget	40.0
TDI capital (Trinidad's 60% share)	1.5
2018 capital budget including TDI	41.5
RigMinder acquisition earnout payment (US\$10 million)	12.5

Maintenance capital included in the 2018 budget is expected to be split evenly between the Company's US and Canadian fleet, while the upgrade capital will be spent on adding generators and upgrading pressure pumping systems on rigs in the US fleet.

TDI was recently awarded a contract for one rig to work in Bahrain. Minor upgrades will be made to a rig currently located in Saudi Arabia and the rig will be moved, at the customer's expense, to Bahrain in early 2018. Drilling operations are expected to start early in the second quarter of 2018 and operate for approximately 18 months. TDI expects to spend approximately \$1.5 million on upgrades to this rig which will be funded from TDI's existing cash balances. Given the appealing cost structure in Bahrain, TDI anticipates this rig generating attractive contributions. Trinidad is currently reviewing additional opportunities for its international operations and expects to be able to provide further clarity on these opportunities in the first half of 2018.

An earnout payment relating to the RigMinder acquisition of US\$10 million is also expected to be paid in 2018. This earnout payment is contingent on RigMinder reaching specific deployment milestones in 2018, which based on positive customer feedback on its technologies, Trinidad expects to be met.

In 2018, Trinidad expects general and administrative costs (excluding share-based payment expenses and

third party recoverable costs) to be approximately \$53 million, a reduction of 9% from the 2017 expected level of \$58 million. Trinidad remains focused on cost control and continues to monitor its costs closely.

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, 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.

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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", "contingent", "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 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 Trinidad's future capital expenditure budget;
- assumptions regarding Trinidad's future activity levels;
- assumptions regarding Trinidad's ability to generate returns and contributions;
- assumptions regarding TDI's ability to fund upgrades from its cash balances;
- assumptions regarding timing of future operations and updates on Trinidad's international opportunities;

- assumptions regarding foreign currency exchange rates and interest rates;
- assumptions around future general & administrative cost levels;
- the existence of regulatory and legislative uncertainties;
- the possibility of changes in tax laws; and general economic conditions including the capital and credit markets;
- assumptions made about our future banking covenants and liquidity; and
- assumptions made about future performance and operations of joint ventures and partnership arrangements.

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 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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