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## ADES International Holding announces indicative price range for offering of ordinary shares on the London Stock Exchange

Indicative pricing of USD 16.50 to USD 19.60 per share. Global offering to raise funds to support ramp-up of operations in key oil and gas drilling and production services markets in the Middle East and Africa against an opportune industry backdrop.

**24 April 2017** | For immediate release

**Dubai, UAE** — Dubai International Financial Centre-based ADES International Holding Ltd. (“ADES” or the “Company” and including its consolidated subsidiaries, the “Group”) announced today an indicative price range for its global offering of ordinary shares.

ADES, a leading provider of offshore and onshore oil and gas drilling and production services in the Middle East and Africa, is planning to raise gross proceeds of up to USD 170 million through the issue of New Shares by the Company. The selling shareholder will also offer for sale a separate number of Sale Shares (together, the “Global Offer”). The total shares included in the Global Offer will be equivalent to approximately 40% of the post-capital increase share base (including the 15% overallotment option). ADES intends to apply for admission of its ordinary shares under the stock ticker “ADES” to the standard listing segment of the Official List of the UK Financial Conduct Authority (“FCA”) and to trading on the main market of the London Stock Exchange (together, “Admission”). It is expected that Admission will occur in May 2017.

The indicative Price Range has been set at between USD 16.50 and USD 19.60 per share. Both the New Shares and Sale Shares will be offered for sale at the same offer price.

ADES offers offshore and onshore contract drilling as well as workover and production services in Egypt, Algeria and Saudi Arabia. The company is pre-qualified in markets including Egypt, Saudi Arabia, Algeria, India, Mexico and the Saudi-Kuwaiti Neutral Zone. Its over 1,200 employees serve clients including major national oil companies (“NOCs”) such as Saudi Aramco and Sonatrach as well as joint ventures of NOCs with global majors including BP and Eni. While maintaining a superior health, safety and environmental record, the Group currently has a fleet of nine jack-up offshore drilling rigs, three onshore drilling rigs, a jack-up barge, and a mobile offshore production unit (“MOPU”), which includes a floating storage and offloading unit. The Company

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has a diversified backlog<sup>1</sup> that as of December 2016 was divided among Saudi Arabia (48% of total backlog), Egypt (44%) and Algeria (8%).

ADES has delivered 46% compound annual growth in adjusted EBITDA<sup>2</sup> in the period 2014-2016 and an average 38% return on average equity<sup>3</sup> in the same timeframe. The Company's revenues are 100% US dollar-denominated<sup>4</sup>, while a significant portion of its operating cost base is denominated in Egyptian pounds. The number one offshore driller in Egypt by number of rigs<sup>5</sup>, ADES is also the third-largest offshore jack-up driller in the Middle East and North Africa<sup>6</sup>.

EFG Hermes is Sole Global Coordinator and Joint Bookrunner for the offering. Citigroup Global Markets Limited is Joint Bookrunner. White & Case LLP is counsel to the Company, while Baker McKenzie is counsel to the Sole Global Coordinator and Joint Bookrunners.

—Ends—

## About ADES International Holding.

ADES International Holding is a leading oil and gas drilling and production services provider in the Middle East and Africa offering offshore drilling, workover and mobile offshore production unit ("MOPU") services. ADES has a total workforce of over 1,200 employees across Egypt, Saudi Arabia and Algeria. The Group is the largest offshore drilling operator in Egypt by number of rigs.

## Additional highlights of the offer

The Global Offer will comprise the issue by the Company of up to USD 170 million of Ordinary Shares ("New Shares") and the sale by the selling shareholder of additional Ordinary Shares ("Sale Shares") of ADES International Holding Ltd, a company with its registered office in the Dubai International Financial Centre. A further number of Ordinary Shares (in an amount up to 15% of the total aggregate number of Ordinary Shares offered in the Global Offer) will be made available by the selling shareholder pursuant to the Over-allotment Option to cover short positions arising from over-allotments made (if any) in connection with the Global Offer and sales made during the Stabilisation period (defined below).

The New Shares and the Sale Shares will be offered to (a) to qualified investors in certain Member States of the European Economic Area, including to certain institutional investors in the United Kingdom and elsewhere outside the United States and (b) in the United States to Qualified Institutional Buyers in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

All Ordinary Shares sold in connection with the Global Offer will be subscribed for, or purchased, at the same offer price.

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<sup>1</sup> "Backlog" is defined as the total amount payable to the Group during the remaining term of an existing contract plus any optional client extension provided for in such contract, assuming the contracted rig will operate (and thus receive an operating day rate) for all calendar days both in the remaining term and in the optional extension period. This calculation assumes that the client will exercise its option to extend its existing contract at the current day rate and under the contracted terms regarding currency of payment. Backlog also includes move fees and lump sum mobilisation and demobilisation payments as applicable under the contract.

<sup>2</sup> "Adjusted EBITDA" is defined as operating profit for the year before depreciation and amortization, foreign exchange (gain)/loss, provision for impairment of accounts receivable, provisions and impairment of assets under construction.

<sup>3</sup> "Return on average equity" is defined as the net profit for the year divided by the average equity. Average equity has been arrived at by adding the total equity at the beginning and end of the relevant period and dividing by 2.

<sup>4</sup> A portion of amounts due under client contracts are typically payable in local currency at the prevailing exchange rate.

<sup>5</sup> By number of offshore jack-up rigs, including MOPU and jack-up barge.

<sup>6</sup> By number of offshore jack-up rigs, including MOPU and barge.

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The Offer Shares are to be admitted to the standard segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities. On Admission, holders of the Offer Shares ("Shareholders") will be able to hold and transfer interests in the Offer Shares within CREST pursuant to a depositary interest arrangement established by the Company. The Offer Shares will not themselves be admitted to CREST, rather, the Depositary will issue the Depositary Interests in respect of underlying Offer Shares. The Depositary Interests are independent securities constituted under English law which are held and transferred directly through the CREST system. Depositary Interests have the same ISIN as the underlying Offer Shares and do not require a separate admission to trading on the London Stock Exchange.

### For further information

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In connection with the Global Offer, a stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, effect transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the stabilisation transactions conducted in relation to the Global Offer.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. All information presented or contained in this announcement is subject to verification, correction, completion and change without notice. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies.

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This announcement does not constitute a recommendation concerning the Global Offer. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Global Offer cannot be relied upon as a guide to future performance. Before purchasing any Ordinary Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus, when published.

### Forward-looking statements

Certain statements contained in this announcement, including any information as to the Group's strategy, plans or future financial or operating performance constitute "forward looking statements". These forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors of the Company concerning, amongst other things, the Group's results of operations, financial condition and performance, prospects, growth and strategies and the industry in which the Group operates.

By their nature, forward looking statements address matters that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance and the Group's actual results of operations and financial condition, and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward looking statements contained in this announcement. In addition, even if the Group's results of operations and financial condition, and the development of the industry in which the Group operates, are consistent with the forward looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.