



الخليج الدولية للخدمات ش.م.ق  
Gulf International Services QSC

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**DOCUMENT DETAILS:**

<b>Document Reference</b>	GIS PR 15082019 Eng
<b>For Immediate Release</b>	15 August, 2019

## **PRESS RELEASE**

### **GDI signs a joint venture agreement with Seadrill**

**Doha, Qatar • 15 August 2019** – Further to the press release dated 1 May 2019, Gulf International Services ("GIS" or "the group"; QE: GISS), one of the largest service groups in Qatar, with interests in a broad cross-section of industries, ranging from insurance, re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation, and catering services, announced today that Gulf Drilling International ("GDI"), a wholly owned subsidiary of GIS, has executed a joint venture agreement with Seadrill limited to service the Qatar Petroleum North Field Expansion drilling program. The joint venture, which will be established by Qatar Financial Centre under a 50:50 ownership structure, will be named "GulfDrill".

The joint venture is formed to support the execution of the drilling contracts which have been awarded to GDI. GDI has no required capital contribution to the joint venture. GDI will be subcontracted by the joint venture to mobilize and manage the rigs to meet the requirements of the drilling contracts. The joint venture will source rigs directly from Seadrill, and any additional rigs required will be sourced from an unrelated third-party shipyard.

The firm terms of the well-based contracts will commence in 2020 with initial terms concluding in 2023 and 2024 and an estimated total contract value (including mobilization income) of QR 2.39 billion. The contracts include single well-based options which could add up to an estimated 13.7 cumulative years of term and an additional contract value of QR 2.55 billion. The options could be exercised only if the contractual stipulations are realized prior to the end of the

firm contracts period. If the options are exercised by the customer at a later date, GIS will announce the award of the options accordingly.

Commenting on this, Mr. William Ceppi, GDI's Chief Executive Officer, stated, "We are pleased with the continued collaboration with our joint venture partner. We look forward to working closely with all stakeholders on this significant project and we remain honored to be entrusted to continue our safe and efficient operations for Qatar Petroleum."

The joint venture comes in line with GIS's strategy to capture new business opportunities that would potentially help increase revenues and ultimately maximize shareholder value.

**-Ends-**

**For more information about this press release, email [gis@qp.com.qa](mailto:gis@qp.com.qa) or visit [www.gis.com.qa](http://www.gis.com.qa)**

## DISCLAIMER

The companies in which Gulf International Services Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "GIS" and "the group" are sometimes used for convenience in reference to Gulf International Services Q.P.S.C.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Gulf International Services Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's services, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this press release are made as of the date of this press release, as marked on the Cover page.

Gulf International Services Q.P.S.C., its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Gulf International Services Q.P.S.C., its subsidiaries, joint venture and associated company are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Gulf International Services Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

## GENERAL NOTES

Gulf International Services Q.P.S.C.'s accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Gulf International Services Q.P.S.C.'s share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

## DEFINITIONS

**CAGR:** 5-Year *Compound Annual Growth Rate* (from 2010 actuals) • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Cash Dividend / Market Capitalisation x 100 • **EBITDA:** *Earnings Before Interest, Tax, Depreciation and Amortisation* calculated as [Net Profit + Interest Expense + Depreciation + Amortisation] • **Energy (Insurance):** Refers to the Energy, Plant and Construction, Marine, Fire and Other lines of business • **EPS:** *Earnings per Share* [Net Profit / Number of Ordinary Shares outstanding at the year end] • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **IBNR:** *Incurring But Not Reported* (Refers to claims incurred but not yet reported at the statement of financial position date) • **Interest Cover:** (Earnings before Interest Expense + Tax) / Interest Expense • **Net Debt:** Current Debt + Long-Term Debt - Cash & Bank Balances • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** *Price to Earnings* multiple [Closing market capitalisation / Net Profit] • **ROA:** *Return On Assets* [EBITDA / Total Assets x 100] • **ROCE:** *Return On Capital Employed* [Net Profit before Interest & Tax / (Total Assets - Current Liabilities) x 100] • **ROE:** *Return On Equity* [Net Profit / Shareholders' Equity x 100] • **Utilisation (Rigs):** Number of days under contract / (Number of days available - Days under maintenance) x 100

## ABOUT GIS

Gulf International Services Q.P.S.C. was incorporated as a Qatari joint stock company on February 12, 2008 by Resolution Number 42 of 2008 of the State of Qatar's Ministry of Economy and Commerce, pursuant to its Memorandum and Articles of Association and Law Number 5 of 2002 concerning Commercial Companies. The authorised share capital is QR 2 billion with the issued share capital consisting of 185.8 million ordinary shares and 1 special share.

Through the group companies, Gulf International Services Q.P.S.C. operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation and catering services.

Qatar Petroleum provides all of the head office functions for Gulf International Services Q.P.S.C. through a comprehensive service directive. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.