

EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG / SBO acquires US company "Downhole Technology LLC" (Downhole Technology)

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Mergers - Acquisitions - Takeovers

AD HOC-NEWS

SBO acquires US company "Downhole Technology LLC" (Downhole Technology)

- SBO expands its well completion business as announced
- Downhole Technology offers high growth potential
- Financing through existing liquid funds

Ternitz, 1 April 2016 - Schoeller-Bleckmann Oilfield Equipment AG (SBO) acquires 68% (rounded) of the US oilfield equipment provider "Downhole Technology LLC" (Downhole Technology).

Following the acquisition of Resource Well Completion Technologies Inc. (Resource) in November 2014, SBO is expanding its well completion business by integrating Downhole Technology into the business segment "Oilfield Equipment".

Signing and closing of the transaction took place today. The purchase price for the 68% share is MUSD 103 (rounded). The remaining 32% are held by the company founder and key managers. The agreement includes an option to acquire the remaining 32% in Downhole Technology after three years.

Downhole Technology is based in Houston, US, and was, prior to Closing, owned by the company founder, key management and a private equity company. The company is a technologically leading provider of patent protected "composite frac plugs" for completion of oil and gas wells. In the past fiscal year, which ended on December 31, 2015, Downhole Technology generated sales revenues of approx. MUSD 43 with a workforce of 160.

SBO is financing the purchase price through existing liquid funds. After payment of the purchase price for the 68% share, SBO's profoundly strong balance sheet structure will be maintained as before, with the gearing ratio standing below 15% (based on equity at YE: MEUR 450; Gearing at YE 2015: -5.8 %). The company name Downhole Technology and the current management will be retained. From now on, Downhole Technology will benefit from SBO's global presence and financial and operating strength, allowing for substantially better use of the significant growth potential offered by the business field well completion.

Gerald Grohmann, SBO's Chief Executive Officer: "With this acquisition, we are continuing the corporate strategy we have announced: We are broadening our portfolio in the attractive product area of well completion. This helps us to extend our range of products, know-how, but also our customer base by creating added-value both for our company and our shareholders. Downhole Technology is an outstanding business with an innovative workforce fitting in well with the corporate culture of SBO."

About well completion und the products of Downhole Technology

In the past, SBO focused on components for directional drilling. After the well has been drilled, the next step is to prepare the well for the production of oil and gas, a procedure called well completion. Since the acquisition of Resource in November 2014, SBO is also active in this area. While Resource provides high-tech sliding sleeve equipment for well completion, Downhole Technology offers plug-and-perforation equipment for such operations.

Downhole Technology is a technologically leading provider of "composite frac plugs". The patented design, the manufacturing know-how and the high quality standard of its products enable completion of the well to be done faster, more efficiently and more securely. As a consequence, Downhole Technology has reached an outstanding acceptance on the market. With Downhole Technology and Resource, SBO is now in a position to offer a wide range of tight formation completion tools.

About SBO

Schoeller-Bleckmann Oilfield Equipment AG is the global market leader in

high-precision components and a leading supplier of oilfield equipment for the oilfield service industry. The business focus is on non-magnetic drillstring components and high-tech downhole tools for drilling and completing directional and horizontal wells. As of 31 December 2015, SBO employed a workforce of 1,135 worldwide (31 December 2014: 1,720), thereof 376 in Ternitz/Austria and 399 in North America (including Mexico).

Further inquiry note:

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