



## **Dril-Quip Enters Into FEED Contract and Frame Agreement for Sea Lion Project Subsea Production Systems**

October 18, 2018

HOUSTON, Oct. 18, 2018 (GLOBE NEWSWIRE) -- Dril-Quip, Inc. (NYSE: DRQ) today announced that Dril-Quip (Europe) Limited, its wholly-owned subsidiary based in Aberdeen, Scotland, has entered into a Front End Engineering and Design (FEED) Contract and Frame Agreement with Premier Oil Exploration and Production Limited to provide the subsea production systems for the Sea Lion Phase 1 Development located offshore the Falkland Islands. The Frame Agreement replaces the previously announced letter of intent.

The current estimated value of the equipment portion of the scope of work is \$207 million which includes plans for up to 30 subsea production systems, including wellheads, horizontal trees, tubing hangers, control systems, associated production and injection manifolds and subsea umbilicals. Under the Frame Agreement, it is envisaged that Dril-Quip will provide vendor financing for up to 30% of the equipment portion of the contract. Formal contract award will be subject to agreement of a definitive contract and Premier taking a final investment decision.

Blake DeBerry, President and Chief Executive Officer of Dril-Quip, stated, "We are excited that Premier has chosen Dril-Quip to be their trusted provider of subsea equipment for Sea Lion and that Dril-Quip's scope of work for the project is progressing according to plan. We will continue to support Premier as they work towards FID and sanctioning for this project. As we look to the future, we will leverage our technically innovative products, first-class service and strong balance sheet to provide the equipment and support for major projects around the world."

### **About Dril-Quip**

Dril-Quip is a leading manufacturer of highly engineered drilling and production equipment for use onshore and offshore, but which is particularly well suited for use in deepwater, harsh environment and severe service applications.

### **Investor Relations Contact**

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### **Forward-Looking Statements**

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the execution of a definitive contract, final investment decision approval, vendor financing, provision of equipment and services, the expected value and scope of the contract and the expected timing of work. Forward-looking statements are based upon certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments and other factors. These statements are subject to risks beyond the Company's control, including, but not limited to, the volatility of oil and natural gas prices and cyclicalities of the oil and gas industry, the Company's international operations, decisions made by the Company's customers and suppliers, operating risks, and other factors detailed in the Company's public filings with the Securities and Exchange Commission. Certain material factors that could cause the Company's actual results to differ from those contemplated in this press release include, but are not limited to, a final investment decision and sanctioning, the amount of products actually ordered pursuant to the contract, the Company's ability to successfully manufacture and deliver, and the customer's acceptance of, the products ordered. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and actual outcomes may vary materially from those indicated.

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Dril-Quip, Inc.