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28 September 2022G

Arabian Drilling Company

Announcement of Offer Price Range and Start of Institutional Book-Building

Following the announcement by Arabian Drilling Company (“**Arabian Drilling**” or the “**Company**”), the leading¹ oil and gas drilling contractor in the Kingdom of Saudi Arabia (the “**Kingdom**” or “**KSA**”), on 18 September 2022G of its intention to proceed with an initial public offering of 30% of its share capital, the Company announces today the price range for the initial public offering (the “**IPO**” or the “**Offering**”) as well as the commencement of the participating entities' bidding and book-building period. The approved red herring prospectus containing the full details of the Offering has been published on 19 September 2022G.

Confirmation of Offer Details

- The price range for the Offering has been set between SAR 90 and SAR 100 per share (the “**Price Range**”).
- The Offering is comprised of 26,700,000 Offer Shares (as defined below), consisting of a secondary offering of 19.89% of the Company's total share capital through the sale of 17,700,000 existing shares by the current shareholders of Arabian Drilling (The Industrialization & Energy Services Company (TAQA) and Services Pétroliers Schlumberger S.A.) and a primary offering of 10.11% through the issuance of 9,000,000 new shares (collectively, the “**Offer Shares**”).
- The total Offering size is expected to be between SAR 2,403 million (US\$ 641 million) and SAR 2,670 million (US\$ 712 million), implying a market capitalization at listing between SAR 8,010 million (US\$ 2,136 million) and SAR 8,900 million (US\$ 2,373 million).²

¹ Rystad Market Report (based on fleet size, as of 31 December 2021G)

² FX Rate: US\$/SAR 3.75

- Immediately following listing, the Company is expected to have a free float of 30% of the entire issued share capital of the Company.
- The IPO will comprise an offer of 26,700,000 Offer Shares to participating parties entitled to participate in the book-building process ("**Participating Entities**") in accordance with the CMA Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, including non-resident qualified foreign financial institutions in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities.
- Following the completion of the Participating Entities tranche, the Offer Shares will also be offered to Saudi Arabian nationals, foreign residents in the Kingdom and GCC nationals ("**Individual Investors**"). Initially, 100% of the Offer Shares will be provisionally allocated to the Participating Entities. This may be reduced to 24,030,000 Offer Shares (representing 90% of the total Offer Shares) depending on the level of demand by Individual Investors. The final number of Offer Shares allocated to the Participating Entities will be accordingly adjusted based on subscription from Individual Investors.
- The Offer Shares to Participating Entities will be made as follows:
 - Participating Entities may submit a bid form or may apply for subscription electronically to a Bookrunner by email during the bidding and book-building period, and in accordance with the bidding guidelines communicated by the Financial Advisors (as defined below) and Bookrunners. The bid forms will be made available by the Financial Advisors and Bookrunners. Additionally, Participating Entities must complete the subscription form after the allocation of Offer Shares based on the number of Offer Shares that is provisionally allocated to them.
- The Offer Shares to Individual Investors will be made as follows:
 - Individual Investors are required to fill and submit a subscription form. Individual Investors who have participated in recent initial public offerings in the Kingdom can also subscribe through the internet, telephone banking or automated teller machines ("**ATMs**") of any of the Receiving Agents branches that offer any or all such services to its customers, provided that the following requirements are satisfied: (i) the Individual Investor must have a bank account at a Receiving Agent which offers such services; and (ii) there have been no changes in the personal information or data of the Individual Investor (by way of exclusion or addition of any member of his family) since such person last participated in an initial public offering.
- Substantial shareholders who own 5% or more of the Shares and comprise of The Industrialization & Energy Services Company (TAQA) and Services Pétroliers Schlumberger S.A. may not dispose of any of their Shares for a period of 6 months from the date on which trading of the Company's shares commences on the Saudi Exchange.

With respect to the Offering, the Company appointed Goldman Sachs Saudi Arabia and HSBC Saudi Arabia as Joint Financial Advisors, Bookrunners, Joint Global Coordinators and Underwriters; SNB Capital Company as Joint Financial Advisor, Bookrunner, Local Coordinator and Underwriter; and HSBC Saudi Arabia as Lead Manager ("Financial Advisors").

The Saudi National Bank, Al-Rajhi Bank and Riyadh Bank have been appointed as receiving agents (collectively, the "**Receiving Agents**").

Expected Offering Timeline

Key Events	Date (Gregorian)	Date (Hijri)
Bidding and Book-Building Period for Participating Entities	28/09/2022G – 05/10/2022G	02/03/1444 – 09/03/1444
Final Offer Price Announcement	11/10/2022G	15/03/1444
Announcement of provisional allotment of offer shares	11/10/2022G	15/03/1444
Deadline for payment of subscription money by Participating Entities based on their provisionally allocated Offer Shares	17/10/2022G	21/03/1444
Subscription Period for Individual Investors Based on Final Offer Price	18/10/2022G – 19/10/2022G	22/03/1444 – 23/03/1444
Announcement of final allocation of Offer Shares and notification of excess subscription monies (if any)	25/10/2022G	29/03/1444
Refund of excess subscription amounts (if any)	On or before 27/10/2022G	02/04/1444
Expected start date of trading on the Saudi Exchange	Trading of the Offer Shares on the Exchange is expected to commence after all relevant legal requirements and procedures have been fulfilled. Trading will be announced in local newspapers and on the Saudi Exchange website (www.saudiexchange.com)	

For more information, including the prospectus, please visit the Capital Market Authority website (www.cma.org.sa) or Arabian Drilling Company website (www.arabdrill.com).

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This announcement is not an offer to sell, or the solicitation of an offer to buy, any securities, directly or indirectly, in the United States. The Offer Shares have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The Offer Shares may only be offered and sold to persons that are not in the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act. Copies of this announcement are not being, and may not be, distributed, forwarded or otherwise sent, directly or indirectly, in or into the United States.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares to any person in the United States, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The offer and sale of the Offer Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Offer Shares may not be offered or sold in Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa or Japan. There will be no public offer of the Offer Shares in the United States, Australia, Canada, South Africa or Japan.

In any member state of the European Economic Area (the "EEA"), this communication is only addressed to and directed at persons in that member state who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended) ("**Qualified Investors**").

In the United Kingdom, this communication is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, who are also: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons and (ii) in any member state of the EEA by persons who are not Qualified Investors. Any investment activity to which this communication relates (i) in the United Kingdom is available only to, and may be

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This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations (“**OSCO Rules**”) issued by the CMA, and should not result in any binding undertakings to acquire shares or subscribe in the Offering. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in any securities of the Company. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors may only subscribe in the Offer Shares on the basis of the CMA approved Arabic language prospectus to be issued and published in due course (the “**Local Prospectus**”). The information in this announcement is subject to change. In accordance with Article 33(d) of the OSCO Rules, copies of the Prospectus will, following publication, be available on the websites of the Company at www.arabdrill.com, the Saudi Exchange at www.saudiexchange.sa, the CMA at www.cma.org.sa and each of the Financial Advisors.

This announcement is not an offer document for the purposes of the OSCO Rules and should not be construed as such. The CMA and the Saudi Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this announcement.

The international offering circular prepared in connection with the Offering (the “**International Offering Circular**”) is the sole legally binding document containing information about the Company and the Offering outside of Saudi Arabia. In the event of any discrepancy between this announcement and the Local Prospectus and/or the International Offering Circular, as the case may be, the Local Prospectus and/or the International Offering Circular will prevail.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward- looking statements, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in Saudi Arabia. Forward-looking statements speak only as of the date they are made and the Company does not assume any obligations to update any forward-looking statements.

There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company’s intentions in relation to the Offering at this stage. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested.

Persons considering investment should consult an investment advisor or an authorized person specializing in advising on such investments.

The Financial Advisors are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. None of the Financial Advisors or any of their affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, each of the Financial Advisors and any of their affiliates, may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise.

Accordingly, references in the Local Prospectus or the International Offering Circular, once published, to the Company's shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Financial Advisors and any of their affiliates acting in such capacity. In addition, the Financial Advisors and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisors and any of their affiliates may from time to time acquire, hold or dispose of securities. None of the Financial Advisors intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.
