Civeo Agrees to Sell its McClelland Lake Lodge Assets for Approximately C$49 Million

September 12, 2023

HOUSTON & CALGARY, Alberta--(BUSINESS WIRE)--Sep. 12, 2023-- Civeo Corporation (NYSE: CVEO) today announced that it has entered into a definitive agreement to sell its McClelland Lake Lodge assets to a US-based mining project for approximately C$49 million, or US$36 million. The Company expects to close the transaction before January 31, 2024, subject to the satisfaction of customary closing conditions.

Highlights of the transaction include:

- Purchase price of approximately US$36 million with anticipated net proceeds of US$30 million after net demobilization costs;
- Anticipated gains from the McClelland Lake Lodge assets of approximately US$35 million to be recognized throughout the second half of 2023 and first quarter of 2024;
- Possible future opportunities to provide ancillary services to the buyer; and
- An expected increase in the Company's 2023 cash flow of approximately US$20 million, with the remaining net proceeds to be received in 2024.

"We believe that this transaction maximizes the value of the McClelland Lake Lodge assets. Driven by numerous factors, including mining activity for energy transition and inflationary pressure on newbuild pricing, demand for existing accommodations assets is strong throughout North America. After years of solid returns from this asset, we are pleased that, subject to the satisfaction of customary closing conditions, we will have additional financial flexibility to fund growth opportunities and return capital to shareholders while maintaining our strong balance sheet," said Bradley Dodson, Civeo's President & Chief Executive Officer.

About Civeo

Civeo Corporation is a leading provider of hospitality services with prominent market positions in the Canadian oil sands and the Australian natural resource regions. Civeo offers comprehensive solutions for lodging hundreds or thousands of workers with its long-term and temporary accommodations and provides food services, housekeeping, facility management, laundry, water and wastewater treatment, power generation, communications systems, security and logistics services. Civeo currently operates a total of 24 lodges and villages in Canada, Australia and the U.S., with an aggregate of approximately 26,000 rooms. Civeo is publicly traded under the symbol CVEO on the New York Stock Exchange. For more information, please visit Civeo's website at www.civeo.com.

Forward Looking Statements

This news release contains forward-looking statements within the meaning of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that do not state historical facts and are, therefore, inherently subject to risks and uncertainties. The forward-looking statements herein, including the statements regarding Civeo's future plans and outlook, strategic priorities, guidance, current trends and liquidity needs, and expectations regarding the closing of the transaction, are based on then current expectations and entail various risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Such risks and uncertainties include, among other things, risks associated with the failure to satisfy closing conditions, the general nature of the accommodations industry, risks associated with the level of supply and demand for oil, coal, iron ore and other minerals, including the level of activity, spending and developments in the Canadian oil sands, the level of demand for coal and other natural resources from, and investments and opportunities in, Australia, and fluctuations or sharp declines in the current and future prices of oil, natural gas, coal, iron ore and other minerals, risks associated with failure by our customers to reach positive final investment decisions on, or otherwise not complete, projects with respect to which we have been awarded contracts, which may cause those customers to terminate or postpone contracts, risks associated with currency exchange rates, risks associated with inflation and volatility in the banking sector, risks associated with the company's ability to integrate acquisitions, risks associated with labor shortages, risks associated with the development of new projects, including whether such projects will continue in the future, risks associated with the trading price of the company's common shares, availability and cost of capital, risks associated with general global economic conditions, inflation, global weather conditions, natural disasters, global health concerns, and security threats and changes to government and environmental regulations, including climate change, and other factors discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of Civeo's most recent annual report on Form 10-K and other reports the company may file from time to time with the U.S. Securities and Exchange Commission. Each forward-looking statement contained herein speaks only as of the date of this release. Except as required by law, Civeo expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Regan Nielsen
Civeo Corporation
Vice President, Corporate Development & Investor Relations
713-510-2400

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