Civeo Completes Acquisition of Noralta Lodge Ltd. and Announces Amendment and Restatement of Credit Facility

April 2, 2018

HOUSTON, April 02, 2018 (GLOBE NEWSWIRE) -- Civeo Corporation ("Civeo" or the "Company") (NYSE:CVEO), one of the largest global providers of workforce accommodations, logistics and facility management services to the natural resource industry, announced today that it has closed its acquisition of 100% of the equity interests of Noralta Lodge Ltd.

Bradley J. Dodson, Civeo's President and Chief Executive Officer, stated, “We are pleased to close the acquisition of Noralta, strengthening our position as the partner of choice for our customers in the Canadian oil sands region. This represents an important milestone for Civeo, and on behalf of all our employees, I would like to welcome Noralta to the Civeo team. Looking ahead, we remain focused on generating free cash flow while delivering best in class service and strengthening our balance sheet, and will continue to opportunistically pursue organic and inorganic growth opportunities to support these priorities.”

Civeo also completed the amendment and restatement of its credit facility. Among other things, the amended credit facility:

- extends the maturity date of the obligations thereunder by 18 months to November 30, 2020;
- reduces the permitted level of Civeo’s total leverage ratio (total debt to consolidated EBITDA) to a maximum of 4.50x for the first and second quarter of 2018, with further reductions to 4.25x in the third quarter of 2018, 3.75x in the fourth quarter of 2018 and 3.50x in the first quarter of 2019 and thereafter;
- increases the amortization rate from 5% per annum to 10% per annum;
- relaxes certain of the covenants to provide greater flexibility, including to enhance Civeo’s ability to make acquisitions and to incur indebtedness; and
- reduces revolving borrowing availability to a level more consistent with the expected needs, which will reduce undrawn commitment fees.

Additional information on the terms of the amended credit facility can be found in a separate Form 8-K being filed today by Civeo with the Securities and Exchange Commission. In connection with the closing of the Noralta acquisition, the Company borrowed approximately $166 million under the credit facility to fund a portion of the cash consideration to the sellers, resulting in approximately $71 million of remaining borrowing availability thereunder.

About Civeo

Civeo Corporation is a leading provider of workforce accommodations with prominent market positions in the Canadian oil sands and the Australian natural resource regions. Civeo offers comprehensive solutions for housing hundreds or thousands of workers with its long-term and temporary accommodations and provides catering, facility management, water systems and logistics services. Civeo currently owns a total of 19 lodges and villages in operation in Canada and Australia, with an aggregate of more than 24,000 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.

About Noralta

Noralta is a premier, Alberta-based provider of remote accommodations to the Canadian oil sands region. Through its full service open lodge accommodations, facilities management services, and turnkey solutions, Noralta offers hospitality for tens of thousands of workers in Western Canada’s energy sector. With eleven lodges comprised of over 5,700 owned rooms and 7,900 total rooms strategically located throughout Northern Alberta, Noralta has the capacity to house large workforces and the flexibility to meet their clients’ rapidly changing needs.

Forward Looking Statements

Statements included in this release regarding benefits of the acquisition of Noralta, Civeo’s future plans, priorities and borrowing needs, and other statements that are not historical facts are forward-looking statements (including within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act). Forward-looking statements include words or phrases such as “anticipate,” “believe,” “contemplate,” “estimate,” “expect,” “intend,” “plan,” “project,” “could,” “may,” “might,” “should,” “will” and words and phrases of similar import. The forward-looking statements included herein are based on 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. Risks and uncertainties with respect to any forward-looking statement included herein also include, among other things, risks associated with the ability of Civeo to successfully integrate Noralta’s operations, risks associated with the ability of Civeo to implement its plans, forecasts and other expectations with respect to Noralta’s business and to realize the anticipated synergies and cost savings in the time frame anticipated or at all, 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 annual report on Form 10-K for the year ended December 31, 2017, the proxy statement filed by Civeo on Schedule 14A on February 2, 2018, and other reports Civeo may file from time to time with the U.S. Securities and Exchange Commission. Each forward-looking statement contained in this report 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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