RNS Number : 6003U
Enteq Technologies PLC
29 March 2023

Enteq Technologies plc

("Enteq" or the "Company")

Sale of Property

Enteq Technologies plc (AIM: NTQ.L) the energy services technology and equipment supplier, is pleased to announce the sale of the Company's freehold premises in Houston, Texas (the "Property").

To support the Company's strategic growth, including the new SABER product line which is in the final test phases, the freehold site owned by the Company in Houston has been sold for $2.5m. The book value of the Property at 30 September 2022 was $2.142m. The sale proceeds, net of current carrying value, sale costs, and relocation costs are expected to be recognised as an exceptional item in the current financial year's results.

The Company will shortly relocate its Houston Product Centre, including its MWD (Measurement While Drilling) operation, to alternative leased premises near George Bush Intercontinental Airport in Houston. The Company has entered into a three year lease in respect of the new leased premises with an annual rental expense of c.$97,500. It is expected that the new location will have significantly lower annual after tax running costs than the Property, resulting in an overall operating expenses (including rent) cost saving. Enteq also retains its SABER Product Centre, a leasehold site in the UK.

The net cash proceeds from the sale are expected to be invested to support the Company's product line development over the medium term, primarily deployment of SABER.

A year end trading statement will follow in April.

Andrew Law, CEO of Enteq Technologies plc, commented:

"I am delighted on a number of fronts, not only does this provide additional capital for SABER growth and development, our new premises are in a much more accessible location for our customers, suppliers and industry partners. We are looking forward to establishing the new facility with renewed focus on commercialising SABER as well as providing MWD technologies complementary to SABER."

For further information, please contact:

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About SABER

SABER (Steer-At-Bit Enteq Rotary Tool) is an evolution of traditional rotary steerable systems (RSS). SABER directional drilling technology is based on intellectual property licenced from Shell and subsequent Enteq developments. SABER will widen Enteq's addressable market, accessing the large rotary steerable drilling market, where the SABER toolcan offer a differentiated and cost-effective alternative to the traditional technology. SABER utilises internal hydraulic pressure differentials to create side force at the drill bit for geo-steering, rather than pushing against the borehole wall (pads and pistons) to change direction. The advantage of internalising the steering mechanism is expected increased reliability and reduced downtime. The Company is bringing SABER to commercialisation. For additional information please visit www.enteq.com/products/rotary-steerable-system-srss/

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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