



## Neptune completes acquisition of Territory Diving Services

**Perth, Western Australia:** Marine services company Neptune Marine Services (ASX:NMS) today announced that it has completed the acquisition of Darwin-based offshore marine services business Territory Diving Services (TDS).

Under the terms of the acquisition agreement, Neptune has paid \$2,550,000 in cash and will issue 1,875,000 fully paid ordinary shares at \$0.24 each, worth \$450,000. Additional consideration will be payable under a 3 year earn out. Neptune will pay the vendor a proportion of Territory Diving Services yearly earnings to be paid 85% in cash and 15% in additional Neptune shares. Based on the current earnings of Territory Diving Services, total consideration is expected to be approximately \$4.5 million.

TDS will retain its existing staff of 8 full-time employees, including its principal and founder Tim Proctor, who has agreed to remain for a minimum period of 3 years. Territory Diving Services has been in operation for approximately 22 years and also employs up to 24 divers on a casual basis, depending on the volume of project work. Shares issued in Neptune as part of the sale agreement will also be held in voluntary escrow for 3 years.

TDS adds \$5 million in revenue and \$1 million in EBIT to Neptune with further upside expected once TDS is integrated into Neptune's operations.

Neptune's Managing Director Christian Lange said, "TDS is an excellent strategic fit with Neptune and significantly broadens our Inspection, Repair and Maintenance (IRM) services. It also gives us a strong presence in the Northern Territory and Timor Sea oil and gas market. TDS represents another building block in Neptune's **Strategy for Growth**.

"Our priority at this time is to integrate TDS into Neptune as we are doing with Allied Diving. We now have a stronger team and are well resourced operationally to secure more multi-faceted IRM projects.

"Neptune continues to assess other potential acquisitions that fit with its strategy and make an immediate contribution to earnings," Mr Lange said.

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*Neptune Marine Services project manages and delivers quality sub sea maintenance services to the Oil and Gas and Maritime industries.*

*Our flagship technology delivers long lasting, high quality in situ repairs to platforms, pipelines, vessels and marine infrastructure while minimising operational downtime through the only permanent, dry quality welding solution in a non-hyperbaric underwater environment.*

### FURTHER INFORMATION

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