



INNOVATIVE SCIENCE • REAL VALUE

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Companies Announcements Office
Australian Stock Exchange

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Record Quarterly Sales in US Oil & Gas

Highlights

- Activity levels continue to recover within the US oil & gas sector, driving increased demand for Highland Fluid Technology (HFT) chemistry and professional services.
- HFT continues to grow market share and has secured several new contracts with a range of counterparties over the December quarter.
- Activities in the Canadian oilsands industry are on track with progress outcomes to be reported in CY 2021.
- HFT is on track to deliver record quarterly sales for Q2FY21 with increasing Gross Profit when compared with the September Quarter.

SciDev Limited (ASX:SDV **SciDev**, or the **Company**) is pleased to provide an update on the increased activity levels within the US oil and gas sector. Drilling activity continues to recover from the COVID-19 lows of the June quarter and SciDev, through HFT, is continuing to win business, gain market share and grow revenue in the sector. Q2FY21 revenue from the oil and gas sector is now forecast to be ~A\$4m materially ahead of the previous quarter (A\$3m in Q1 FY21).

Commenting on the activity levels in the oil and gas sector, SciDev Managing Director and Chief Executive Officer, Lewis Utting said *“SciDev through HFT continue to see strengthening activity levels in the US Oil & Gas Sector. Our supply chains remain strong and customer demand is growing. Our investment in organisational capability during CY2020 is yielding results, with HFT capturing an increasing amount of market share.*

“We are delighted with the performance of the business, which reflects the extraordinary work of the team and the bespoke solutions we are delivering to customers. We are particularly

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excited by the relationships being developed with several major oil and gas companies. The new chemistry and product development activities auger well for an exciting and rewarding 2021”.

“We take this opportunity to wish all of our customers and suppliers, shareholders and other stakeholders a very happy and safe holiday period, and the very best for the New Year”.

New contract wins and business initiatives include:

- The project commissioned in September 2020 to reuse oil field water has been successful. The major exploration and production (E&P) company using HFT water treatment technology and equipment will continue its purchases into 2021 with additional contract wins expected in this sector.
- A purchase order from a major South Texas E&P company for completion fluids has been extended and HFT is seeing an expansion of purchase orders from other existing clients.
- HFT’s largest dry-polymer customer has committed to shift from commodity chemistry to SciDev bespoke chemistry offerings, with increased sales projections aligned with significantly increased business in H1 CY2021.
- A major European Oil Company has seconded HFT staff to provide product development and application support for new environmentally friendly oilfield performance chemistry. Several patent applications have been lodged with commercial activities now under consideration.
- Chemistry development initiatives with a major American multinational oil & gas corporation continue, with several HFT staff now engaged. A contract is expected to be entered into in early CY2021.
- HFT and Flotek maintain a good working relationship, assessing opportunities to utilise HFT fluids on drilling programmes in the Eagle Ford, Unita and other Basin structures in south-west US.
- HFT is on track to deliver ~A\$4m of revenue for Q2FY21 (A\$1m in Q4FY20 and A\$3m for Q1FY2021) demonstrating the robust growth in the business.

This release has been approved by the SciDev Board.

On behalf of SciDev Ltd



Lewis Utting

Managing Director and CEO



Heath Roberts

Company Secretary

For Further Information:

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Investors

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About SciDev

SciDev is a leader in the development and application of services, chemistry and process control for solids-liquid separation. SciDev brings together world-class technology, chemistry, management and manufacturing capabilities to solve pressing operational and environmental issues for the Mining, Water Treatment, Oil & Gas and Construction markets.