



News Release

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**IDE Shuts Rig Yard, Hires Technical Talent
to Support Focus on Core Power and Controls Business**

Company returns to Integrated Electrical Control Systems name to communicate core competencies and growth strategy to meet current market demand for high-tech drilling services and solutions

HOUSTON (Sept. 21, 2015) – Integrated Drilling Equipment, Inc. announced today it has exited the rig construction business to focus on its origins as one of the energy industry’s most respected innovators and providers of power and control solutions. Effective today, the company will once again operate under the name [Integrated Electrical Control Systems](#) (IEC Systems).

“The segment of our business that has proven its resiliency, even in this downturn, has been our power and controls business,” explained Jim Terry, CEO, Integrated Drilling Equipment Holdings Corporation. “The most astute drilling contractors realize they won’t be participants in the rebound if they don’t upgrade their drilling rigs with the power and control systems E&P companies demand to help them gain the efficiencies and increased safety that will be more important than ever when commodity prices begin to rise.

“When every available rig had a job, it took discipline for drilling contractors to take a rig out of service to replace out-of-date technology that diminished the opportunities for and value of those assets,” Terry continued. “But the market data clearly shows the positive trend to replace outdated technology. We see that trend continuing, especially as contractors have a window of opportunity to make sure their equipment will be competitive and command the highest possible day rates when drilling activity increases – and demonstrate to their shareholders that they are prepared to be the winners in this cycle.”

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Aligning its business objectives with the current market fluctuation in the oil and gas industry, IEC Systems' revised growth strategy builds upon its core competencies of providing safe and robust automated control systems, variable frequency drives and hydraulic power/control solutions that meet oil and gas operators' increased demand for technology that produces efficiencies while protecting people and the environment.

Such rig upgrades typically command increased day rates up to 45%, with payback for the contractor often achieved in less than a year. According to market data presented at the Barclays CEO Energy-Power Conference in September 2015, newer-technology AC- powered land rigs constituted only 15% of the fleet in 2008. In 2015, that has shifted dramatically but 47% of the active land fleet is not technically competitive with AC-powered rigs, so significant opportunity exists not only for land rig upgrades, but for offshore rig efficiency improvements as well.

To enable a renewed focus on its power and controls business, the company exited the drilling rig fabrication business and relocated its corporate sales office in The Woodlands to IEC Systems' facility located at 4514 Brittmoore Rd., Houston, TX 77041.

"It's never pleasant to make the difficult decision to reduce workforce or depart a business that no longer supports long-term success," Terry said. "But we believe this decision has the most integrity for us and those we serve. Ultimately this move allows IEC Systems to preserve the ability to innovate technologies as well as continue to provide service and support long after the retrofit is complete – something our customers tell us they have a difficult time finding. Further, there is a great deal of rig yard capacity available today, so removing our yard from the competitive set also allows us to send business to yards that will bend over backwards to ensure we and our customers have an exceptional experience. It's a win-win strategy the industry needs now."

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About Integrated Electrical Control Systems

Founded in 1982 and headquartered in Houston, TX, Integrated Electrical Control Systems has innovated and implemented industrial automation and control solutions worldwide. Our more than 30 years of experience designing, installing and supporting SCR and VFD drive systems offers customers maximum productivity and efficiency while reducing energy consumption and environmental impact. For more information visit: www.iecsys.com.