Press Release

Tabarak Investment Reinforces its Commitment to DSI and Acquires Majority Shares of Former CEO

The company advances with the capital restructuring program and proceeds with the final preparations to initiate the 75% capital reduction

Dubai, UAE; 18th June, 2017 – Drake & Scull International PJSC ("DSI" or the "Company"), a regional engineering and services leader, announced today that Tabarak Investment LLC acquired the majority shares of Former Chief Executive Officer, Khaldoun Tabari.

The transaction reaffirms the commitment of Tabarak Investment LLC to the DSI brand and the promising outlook of the Company upon completion of the capital restructuring program which was approved by the shareholders at the Annual General Assembly Meeting held on 4th of May 2017.

The company continues to review and optimize its organizational structure by merging and integrating core functions across operating segments to reduce overheads, streamline costs and to improve the bottom line performance.

The company concluded a series of key management appointments at both corporate and subsidiary levels and the new management team has been recently complemented with the appointment of Feras Kalthoum as Acting Chief Financial officer of the Group.

The company advanced with the capital restructuring program and received from the Securities and Commodities Authority (SCA) further instructions to proceed with the final regulatory preparations in order to fulfil the approval requirements and to initiate the 75% capital reduction.

Phase 1 (capital reduction) of the capital restructuring program is expected to be completed within six to seven weeks. Upon completion of phase 1, the Company will instigate the execution of phase 2 (Capital increase) of the program which includes the AED 500 million capital increase to accelerate the entry of Tabarak Investment LLC as a major strategic investor in the Company.

The initial projected timeline of the capital restructuring program has been deferred by a period of one month and the Company now expects to complete the program by the end of Q3 2017.

Wael Allan, CEO, Drake & Scull International PJSC, commented:

"We are pleased to see Tabarak Investment reaffirm their unwavering commitment to the Company. With their unyielding support, we will aggressively continue to execute our turnaround strategy and undertake key business transformations and strategic initiatives in collaboration with all our stakeholders."

"I would like to reassure all our shareholders that the new management team is fully dedicated and geared to prepare a new phase of financial & operational recovery."

"Despite the short-term challenges, the Company is well positioned to benefit from its leadership position in the MEP sector and to secure profitable projects in the UAE market in the near future."

Feras Kalthoum, Acting CFO, Drake & Scull International PJSC, added:

"I look forward to being part of the new management team assigned to stabilize the business and resolve the Group's financial challenges."

"The completion of the capital restructuring program is essential to resolving the liquidity challenges of the Company and to rebalance the Capital structure of the Group."

"Our immediate priority is to plug-in our working capital deficit; improve collection to shore-up liquidity."

"Our short term goals are to streamline our business, bolster liquidity, optimize governance and transparency, and secure high-potential projects. The UAE market remains buoyant and we expect to progress steadily with our turnaround strategy throughout the second half of the year."

Ahmed Kilani, CEO, Tabarak Investment LLC, concluded:

"The acquisition of Tabari's shares is a voice of confidence in the DSI brand and the longstanding track record of the Company particularly in the MEP sector in the UAE. The strategic synergies between DSI and Tabarak will be pivotal to the success of the turnaround strategy set forth by the Company earlier this year."

"We are optimistic about the prospects of the Company in the long term and we are keen on the completion of the Capital restructuring program to assist the Company during this challenging time, yet promising outlook."

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About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader delivering world-class quality projects via end-to-end solutions that provide integrated design, engineering and construction disciplines of General Contracting, Engineering (MEP), Rail & Infrastructure, Oil & Gas, and Water & Wastewater Treatment, through People, Innovation, and Passion.

DSI's main business streams include engineering, construction, oil and gas, rail and infrastructure, and water and waste. The company operates across the GCC, Middle East, North Africa and India as well as manage projects in Europe.

DSI has delivered more than 700 projects around the world in the last five decades catering to aviation, residential and mixed-use real estate, power plants, district cooling plants, hospitality, healthcare, renewable energy, data centres, petrochemical, rail, commercial, government, leisure, and infrastructure sectors.

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