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Layne Christensen Announces Completion Of High-Capacity Water Pipeline In The Delaware Basin

THE WOODLANDS, Texas, July 28, 2017 /PRNewswire/ -- Layne Christensen Company, (NASDAQ: LAYN) ("Layne" or the "Company"), the largest water well drilling company in the United States and a leading provider of water infrastructure solutions, today announced the completion of its high-capacity water pipeline and infrastructure system serving energy producers in the prolific Delaware Basin in West Texas.

Michael J. Caliel, President and Chief Executive Officer of Layne, commented, "We are pleased with the early completion of this project, and have begun delivering water to customers. This infrastructure business is an expansion of our water-focused platform, which leverages our extensive experience to better serve the energy sector. We expect to see continuing demand growth for water in the energy sector, especially in the Delaware Basin, due to attractive producer economics, longer horizontal drilling lengths, and more use of water per foot of lateral length."

Layne's new water infrastructure system is anchored by nearly 1,000 acres of Company-owned, highly-productive water-producing land near Pecos, TX. Layne has completed construction of a high capacity 22-inch diameter water pipeline of more than 20 miles in length, 750,000 barrels of storage through two lined, in-ground storage ponds near the water wells, and associated pump stations. Layne has the ability to deliver water at multiple points along the pipeline route, and has installed an electronic automation system that will allow Layne to remotely monitor and control all aspects of the system including storage levels, pipeline pressures, volume deliveries and water well production.

The system has initial production and delivery capacity of 100,000 barrels per day of non-potable water, with significant capacity to support further expansion from both additional water sources and delivery points. The capital investment for the system, including land cost, is approximately \$18 million.

Financial returns from the system are anticipated to be accretive to earnings and cash flow during Layne's fiscal third quarter beginning August 1, 2017, and the Company anticipates expanding capacity over time.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Such statements may include, but are not limited to, statements of plans and objectives, statements of future economic performance and statements of assumptions underlying such statements, and statements of management's intentions, hopes, beliefs, expectations or predictions of the future. Forward-looking statements can often be identified by the use of forward-looking terminology, such as "should," "intend," "continue," "believe," "may," "hope," "anticipate," "goal," "forecast," "plan," "estimate" and similar words or phrases. Such statements are based on current expectations and are subject to certain risks, uncertainties and assumptions, including but not limited to: prevailing prices for various commodities, unanticipated slowdowns in the Company's major markets, the availability of credit, the risks and uncertainties normally incident to the industries of operation, the impact of competition, the effect of any deregulation or other initiatives by the Trump Administration, the effectiveness of operational changes expected to increase efficiency and productivity, the availability of equity or debt capital needed for our business, including the refinancing of our existing indebtedness as it matures, worldwide economic and political conditions and foreign currency fluctuations that may affect worldwide results of operations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those anticipated, estimated or projected. These forward-looking statements are made as of the date of this filing, and the Company assumes no obligation to update such forward-looking statements or to update the reasons why actual results could differ materially from those anticipated in such forward-looking statements.

About Layne

Layne is a global water management, infrastructure services and drilling company, providing responsible solutions to the world of essential natural resources — water, minerals and energy. We offer innovative, sustainable products and services with an enduring commitment to safety, excellence, and integrity.

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