



News release

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Graphite Capital sells Aberdeen-based Dominion Gas to Praxair, Inc.

Graphite Capital, a leading UK mid-market private equity specialist, has sold Aberdeen-based oilfield services company, Dominion Gas, to Praxair, Inc. Praxair is a US based Fortune 500 industrial gases group, listed on the New York Stock Exchange, with operations in over 40 countries.

With facilities in the UK, Norway, Singapore and West Africa, Dominion is a global leader in the supply of specialist gases, gas cylinders, chemicals, tanks and related services to offshore oil and gas customers in more than 20 countries.

Since the management buyout in May 2007, Dominion has grown its international operations and its product range, both organically and through acquisitions. With additional support from Graphite, in September 2007 the company acquired Global Gas Supplies, its largest independent cylinder gas competitor. Dominion further broadened its product range with the acquisition of Argon Isotank the following year.

The enlarged group established a new operation in Ghana and significantly developed the existing operations in Singapore and Norway. Its financial performance has been strong and the business achieved record turnover of £30.5 million in 2012. Since the management buyout, staff numbers have grown from 57 to 84.

The transaction provides Graphite with a total return of 2.3 times its investment and reinforces Graphite's track record in the sector. Last October it sold NES Global Talent, the international provider of specialist engineers to the oil and gas industry, to AEA Investors for £234 million.

The Dominion management team, led by Russel Davies, chief executive, and Neil Potter, finance director, will remain with the business. Dominion will be at the centre of Praxair's global offshore oil and gas operations, which will be headquartered in Aberdeen.

Commenting on the transaction, Russel Davies, said: "Graphite's advice and ongoing financial support, in both strong and difficult markets, have enabled us to pursue our goal of becoming a multi-service, global oilfield services provider. The outlook for the oil and gas markets remains positive. We are confident that operating as part of a larger industrial gas group will help Dominion grow further while continuing to provide market-leading products and services to our customers."

Graphite senior partner, Mike Innes, commented: "With Graphite's support, the Dominion management team has delivered the buyout strategy that focused on product range expansion and internationalisation of the group's operations. This was accelerated through a successful buy and build programme. The breadth and scale of Dominion's operations offered significant strategic value which attracted the attention of large, multi-national industrial gas groups."

Mike Innes, Kane Bayliss, Mudassir Khan and Andy Gray managed the transaction for Graphite.

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