

# Why the Dug (ASX: DUG) share price is climbing higher today

Daniel Ewing | October 13, 2020 4:11pm | More on: [DUG](#)



The **Dug Technology Ltd** ([ASX: DUG](#)) share price is climbing today after the company announced a deal with an oil and gas supermajor. The Dug share price has been on a rocky ride since listing in early August. Dug shares are trading 2.44% higher at \$1.26 at the time of writing.

## What Dug does

Dug is an Australian supercomputing company based in Perth. The company has a rags-to-riches story with its first office built in co-founder Matthew Lamont's backyard. Since then, Dug has grown at an astounding rate to now operate four major international offices in Perth, London, Houston and Kuala Lumpur.

Dug makes its money through high performance computing as a service (HPCaaS). Its computers are typically used to analyse large datasets in the mining industry. However, in 2019 Dug launched its fully integrated Dug McCloud platform. This enabled the company to offer HPCaaS, scientific data analysis services and software solutions to a range of scientific sectors outside the resources industry.

Its computers are among some of the world's most powerful and green supercomputers.

## Supermajor deal

The Dug share price went up on news the company had signed a deal with a large oil and gas supermajor. The deal is expected to generate more than US\$1 million in revenue over the next 12 months.

A supermajor is the name used to describe the world's six or seven largest publicly traded oil and gas companies. Some of the supermajors include **BP plc** (NYSE: BP), **Exxon Mobil Corporation** (NYSE: XOM) and **Chevron Corporation** (NYSE: CVX).

Dug managing director Dr Matt Lamont said the deal was "a great endorsement of our technology and reliability to receive ongoing work from one of the largest and most technically savvy companies on the planet".

## Foolish takeaway

Dug is the first supercomputer company ever to list on the **All Ordinaries Index** (ASX: XAO). The Dug share price has fallen since its initial public offering (IPO) at \$1.50 but shareholders will be hoping the news can spark a turn around in the share price.

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\*Returns as of 6/8/2020

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## Daniel Ewing

Born in Edinburgh, Scotland, Daniel moved to the Gold Coast, Australia at age 11. Nine years later he is in his third year of University at Monash in Melbourne. While starting out in a Science Degree, Daniel realised it wasn't for him and promptly transferred to Commerce where he has developed a passion for the stock market. When not studying, Daniel can be most often found at the beach thanks to a passion for surfing.

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