

PRO**PETRO**[®]

Acquisition of Pumping Services Assets from Pioneer Natural Resources

November 13, 2018

NYSE: **PUMP**

www.propetro.com

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This presentation references “Adjusted EBITDA,” a non-GAAP financial measure. This non-GAAP measure is not intended to be an alternative to any measure calculated in accordance with GAAP. We believe the presentation of Adjusted EBITDA provides useful information to investors in assessing our financial condition and results of operations. Net income is the GAAP measure most directly comparable to Adjusted EBITDA. Non-GAAP financial measures have important limitations as analytical tools because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider Adjusted EBITDA in isolation or as a substitute for an analysis of our results as reported under GAAP. Further, Adjusted EBITDA may be defined differently by other companies in our industry, and our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. A reconciliation of non-GAAP measures to the most directly comparable measures calculated in accordance with GAAP, is set forth in the Appendix hereto.

- **Transaction Summary**
- **Strategic Rationale**
- **Implied Valuation**
- **Asset Overview**
- **Sources & Uses and Pro Forma Capitalization**
- **Pro Forma ProPetro Overview**

TRANSACTION SUMMARY

Overview

- **ProPetro to acquire Pioneer Natural Resources Pressure Pumping ("PPS") Assets**
 - ProPetro to become a strategic long-term service provider to Pioneer, providing pressure pumping and related services for a term of up to 10 years

Asset Description

- **PPS assets include 8 fleets with 510,000 hydraulic horsepower (HHP), 3 coiled tubing units and best-in-class maintenance facility situated on 111 contiguous acres**
 - Upon closing of the transaction, ProPetro will have 28 frac fleets with 1,415,000 HHP operating in the Permian Basin

Consideration

- **Total consideration of \$400 million comprised of:**
 - \$290 million of ProPetro shares issued to Pioneer⁽¹⁾
 - \$110 million in cash⁽²⁾

Valuation

- **Total transaction value of \$400 million comprised of:**
 - \$333 million for pressure pumping assets (implied ~\$653/HHP for 510,000 HHP)
 - \$67 million for real estate facilities and other assets⁽³⁾

Timing

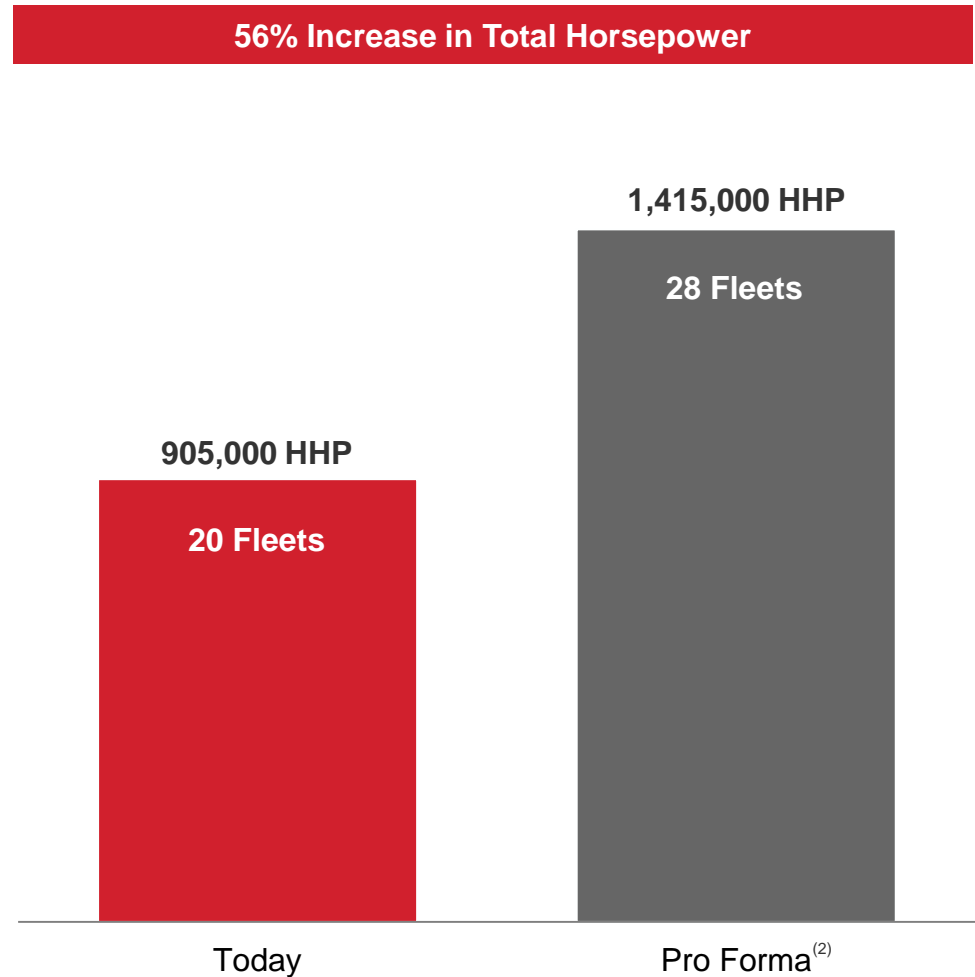
- **Expected to close during fourth quarter of 2018**

(1) 16.6 million shares valued at \$17.48 per share (based on a 20-day volume weighted average price as of market close on November 9, 2018); implies approximately 17% Pioneer ownership pro forma for transaction

(2) Paid 50% at closing and 50% within 60 days following closing

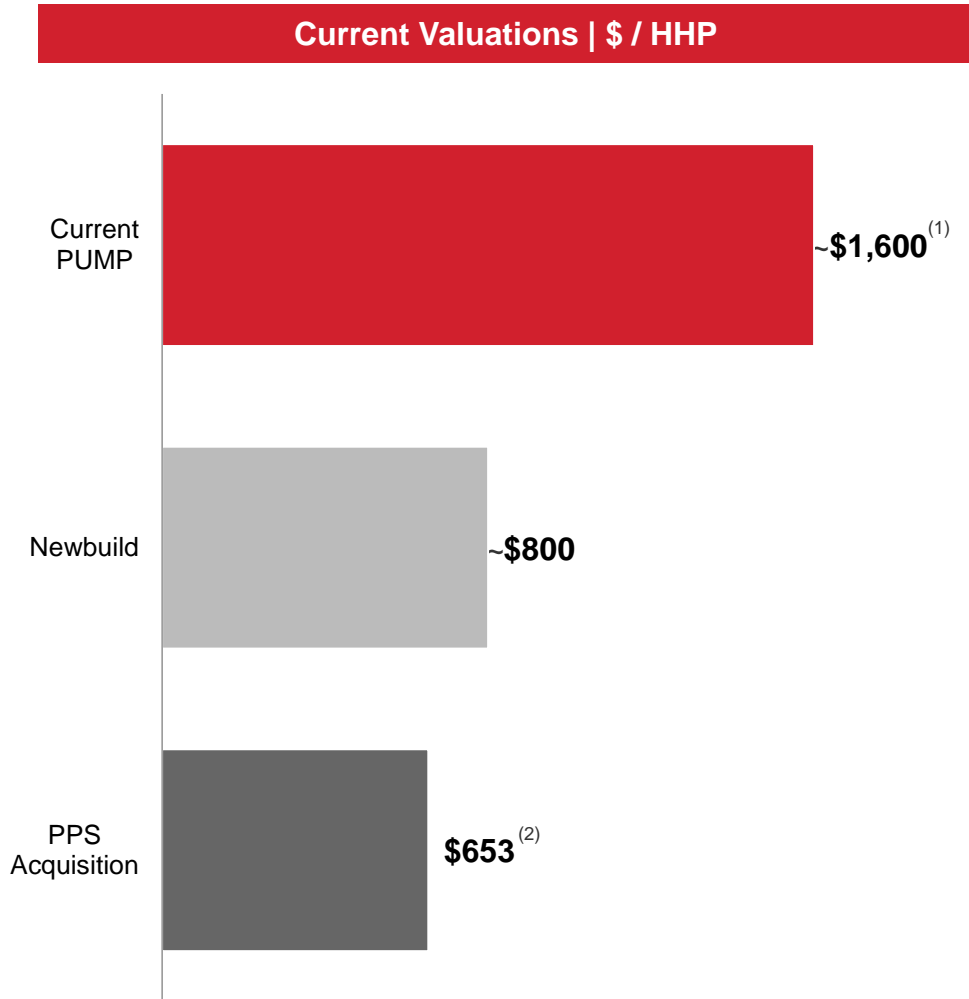
(3) The \$67 million in real estate and other assets is based on the current appraised value of the real estate and the original purchase price of non-pressure pumping equipment

- ✓ Transaction creates the largest pressure pumper in the Permian Basin
- ✓ Efficient transition through existing partnership with leading Permian operator
- ✓ Acquiring 510,000 HHP for \$653 / HHP⁽¹⁾
- ✓ Long-term agreement provides contracted demand for nearly 30% of pro forma fleet for up to 10 years
- ✓ Transaction adds significant scale to ProPetro, while not adding incremental fleets to the overall market
- ✓ Maintain strong balance sheet and liquidity position



(1) \$333 million purchase price allocation to 510,000 acquired hydraulic horsepower

(2) Pro forma upon closing



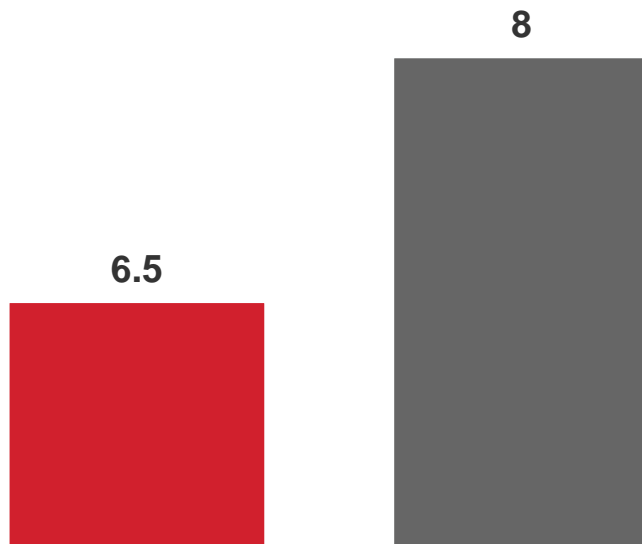
- ✓ Attractive \$ / HHP valuation relative to current corporate levels and estimated newbuild levels
- ✓ Prudent investment in assets with a net neutral impact to market supply
- ✓ Expected to be accretive on a cash flow basis

(1) Market data as of 12-Nov-2018, balance sheet as of 30-Sep-2018

(2) Assumes \$333 million purchase price allocation for pressure pumping assets

Steady ramp to run-rate activity and efficiency by year-end 2019

PPS Estimated Active Fleets



Annualized Per Fleet Metrics (\$mm) ⁽¹⁾	2019 Q1E	2019E Exit Rate
Revenue	\$60 - \$65	\$65 - \$68
EBITDA	\$14 - \$16	\$16 - \$18
Maintenance Capex	\$4.5 - \$5.5	\$4.5 - \$5.5

Drivers of Upside

- ✓ Increased scale likely to generate greater purchasing power
- ✓ Three coiled tubing units
- ✓ Additional HHP dedicated to wireline pumpdown
- ✓ Operational efficiencies
 - Combined workforce able to share techniques and high-grade operations
- ✓ Potential savings from extra HHP
 - Extra HHP can be utilized to limit maintenance capex
- ✓ Improved facilities and infrastructure located near ProPetro's current maintenance operations

(1) Excludes potential upside drivers; assumes Pioneer self-sourcing sand and logistics

Asset Breakdown	
Frac Fleets: 50,000 HHP / Fleet x 8 Fleets: ⁽¹⁾	400,000
+ Pumpdown: 7,500 HHP / Fleet x 8 Fleets: ⁽¹⁾	60,000
+ Extra HHP (Potential Maintenance Savings):	50,000
= Total HHP:	510,000

(1) Requested by Pioneer in service agreement

TRANSACTION SOURCES & USES AND PRO FORMA CAPITALIZATION

Sources and Uses

(\$ in millions)

Sources		Uses	
Equity Issuance	\$290	Pressure Pumping Assets	\$333
ABL Draw at Closing	\$55	RE Facilities and Other Assets ⁽¹⁾	\$67
ABL Draw 60 Days Post-Closing	\$55		
Total Sources	\$400	Total Uses	\$400

Pro Forma Capitalization

As of September 30, 2018

(\$ in millions)

	Actual	Adjustments	Pro Forma
Cash and Cash Equivalents	\$78	-	\$78
Total Debt			
ABL Credit Facility	\$80	\$110 ⁽²⁾	\$190
Other Long Term Debt	\$9	-	\$9
Total Debt	\$89	\$110	\$199
Net Debt	\$11	\$110	\$121

Prudent Pro Forma Leverage

Net Debt / LTM Adj. EBITDA⁽³⁾	0.0 x	0.4 x
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(1) The \$67 million in real estate and other assets is based on the current appraised value of the real estate and the original purchase price of non-pressure pumping equipment

(2) \$110 million cash to be paid 50% at closing and 50% within the following 60 days

(3) Based on LTM Adjusted EBITDA of \$319 million

- **100% Frac Operations Permian Concentrated**
 - 1,415,000 HHP Spread over 28 Crews⁽¹⁾
- **Customer and Employee Focused Business Model**
- **Fully Utilized Fleet**
 - Including a 10 year strategic, long-term service agreement for ~30% of the fleet

- **Permian Focused Customers**

PIONEER
NATURAL RESOURCES



28 Hydraulic Fracturing Units⁽¹⁾

20 Cementing Units⁽²⁾

6 Coiled Tubing Units⁽¹⁾

Flowback Operations

(1) Estimate upon transaction close

(2) Estimate as of YE 2018

- **56% Increase in Total Horsepower**
 - 510,000 total HHP additions
- **Homogenous Fleet**
- **Fully Maintained Through the Downturn**
- **Continue to Maintain Industry Leading Utilization**

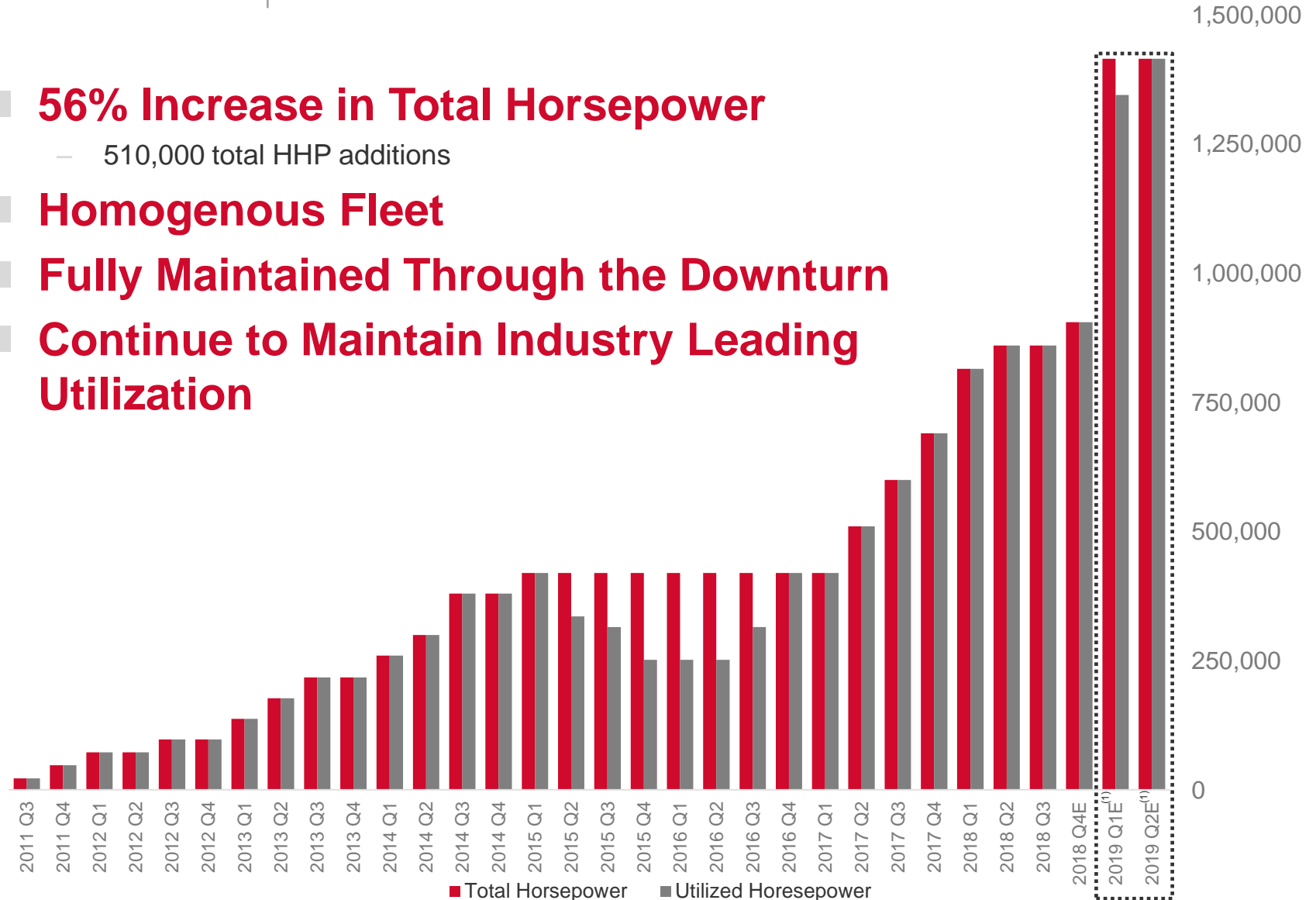


Chart based on end of period HHP counts
 (1) Estimated upon transaction close

- **Permian Focus**
 - Positioned in the low cost basin
- **Blue Chip Customers**
 - Large drilling inventories and sizeable rig programs
- **Superior Performance**
 - Consistently outperforming the competition on location
- **Full Calendar**
 - Fully booked calendar through the end of 2018 and beyond
- **Strong Balance Sheet**
 - Minimal leverage with disciplined capital allocation
- **No Speculative New-Builds**
 - Strong customer commitments
- **High Utilization Through Cycles**
 - Great history of battling cyclicalities
- **Delaware Upside**
 - Significant opportunities with current customers and beyond

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