2Q 2018 Earnings Call

August 1, 2018

Forward-Looking Statements

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2Q 2018 Financial Recap

(in millions)	Three Months Ended		
	6/30/18	**3/31/18**	**6/30/17**
Revenue			
Completion & Remedial	$126.9	$117.6	$107.4
Well Servicing	64.4	57.5	53.1
Water Logistics	59.7	56.5	50.7
Contract Drilling	2.4	3.0	2.1
	$253.4	$234.7	$213.3
Gross Profit			
Completion & Remedial	$26.4	$28.0	$26.2
Well Servicing	14.7	9.3	11.3
Water Logistics	15.7	15.6	9.2
Contract Drilling	0.6	0.5	0.3
	$57.4	$53.4	$46.9
Net Loss	($40.1)	($30.5)	($23.9)
FD Loss per Share	($1.51)	($1.16)	($0.92)
Adj EBITDA	$27.0	$22.8	$18.3

2Q 2018 Operational Highlights

- Steady growth in Well Servicing and Water Logistics segments:
  - Well Servicing segment revenue up 12% sequentially to $64.4 mm, with margins up 670 bps q/q to 22.9%
  - Water Logistics segment revenue increased 6% sequentially to $59.7 mm
- Increased utilization across production service segments:
  - 2Q18 rig utilization totaled 82% with an average of 24 24-hour rig packages working
  - Average revenue per fluid service truck increased 12% sequentially to $66,000
  - 23% of total SWD disposal volumes via pipeline, with total volumes of 9.0 mm bbls for the second quarter
- Completion & Remedial Segment revenue growth of 8% sequentially

Operational Update

	2Q18	1Q18	4Q17
Well servicing rig hours	181,600	168,500	159,500
Well servicing utilization rate	82%	76%	53%
Number of well servicing rigs - end of period	310	310	421
Fluid services truck hours	486,800	479,600	492,800
Number of fluid service trucks - end of period	882	934	975
Number of fluid service trucks - average	903	960	967
Total pressure pumping HHP - end of period	516,500	522,565	522,565
Active frac HHP	407,800	413,300	413,300
Purchased frac HHP undergoing make-ready	-	-	-
Total frac HHP - end of period		413,300	413,300
Coiled tubing units - end of period	18	18	18

Notes:

HHP is hydraulic horsepower.

CapEx and Liquidity

- Capital expenditures (including capital leases) for 2Q18 totaled $24.4 million
  - Maintenance/sustaining expenditures were $21.5 million
  - Expansion projects and other totaled $2.9 million

- 2018 capital expenditures anticipated to be $80.0 mm, including $20 mm of capital leases and other financings

- At June 30, total liquidity stood at $45.4 mm
  - On April 11, 2018, Basic amended its $120 mm ABL to increase commitments to $150 mm
  - Will give the company additional access to liquidity as the accounts receivable base grows

Balance Sheet and Liquidity

$millions	June 30, 2018	
Cash and cash equivalents	$	31
Restricted Cash		47
$150 million Revolver	$	90
Term Note Facility		162
Other debt and capital leases (net of discounts)		76
Total debt	**$**	**328**
Shareholders' Equity		283
Total Capitalization	**$**	**611**
Net debt [1]	$	252
Total liquidity [2]	$	45
Net Debt/Book Cap		47%
Net Debt/Adjusted EBITDA (TTM)		2.3

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[1] Net debt excludes the portion of debt that was used to fund the letters of credit for insurance collateral as well as restricted cash

[2] Liquidity is computed using cash balance of $31 million, plus availability under the revolver of $15 million

Completion and Remedial Services

Operational Highlights

- Pressure pumping experienced a stronger May and June after choppiness in April
- Pricing pressure in the Permian and Delaware Basins remained throughout the quarter

Segment Outlook

- We are relocating frac equipment out of the Midland market to the Mid-Con
- Pressure pumping calendar is booked through 3Q18, though choppiness could persist while assets are relocated
- We expect segment maintenance capex of <10% of revenue as we continue to focus on lower wear-and-tear jobs with strong operating margins

Segment Revenue Breakdown

	2Q18	1Q18	4Q17
Pumping	68%	62%	62%
Coiled Tubing	12%	17%	20%
Rental Tools	17%	18%	15%
Other	3%	3%	3%

Well Services

BASIC ENERGY SERVICES

Operational Highlights

- Rigs working with 24-hour packages increased from an average of 21 in 1Q to 24 in 2Q
- Rental and fishing tool revenue (part of C&R segment) was up 5% sequentially, driven by increased completion work and workover projects
- Rig rates are up sequentially across all regions on average, with revenue per rig hour at $348, up 3% sequentially

Segment Outlook

- Pricing continues to climb in the mid-single digit range in 2Q, with the industry at what appears to be full utilization based on available labor
- Completion and 24-hour work continues to increase, presenting significant additional revenue potential (booked in C&R segment)

Segment Analysis

	2Q18	1Q18	4Q17
Rig Hours (000s)	181.6	168.5	159.5
Utilization	82%	76%	53%
Revenue/Hour*	$348	$338	$339
Segment Margin	23%	16%	19%

**Excludes rental tool revenue as a part of larger rig packages*

Water Logistics

Operational Highlights

- Average revenue per truck up 12% from 1Q
- Approximately 23% of SWD volumes were fed by pipeline during the quarter
- Segment margins were down 130 bps in 2Q due to the temporary effect of weather in one region

Segment Outlook

- Fluid service truck likely to continue as focus on pipeline volumes continues to strengthen
- Move towards higher-margin pipeline input of water to SWDs continues, with target of nearly 30% of total fluid disposal by year end

Segment Analysis

	2Q18	1Q18	4Q17
Trucks (Avg.)	900	960	967
Rev/Truck (000s)	$66.0	$59.0	$57.4
Disposal Wells	85	85	85
Segment Margin	26.3%	27.6%	20.3%

2Q18 Takeaways

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- Well Servicing appears to have passed an inflection point, with improved utilization and rates driving margins higher
  - Several opportunities to increase rates remain, with several rate increases incorporated throughout the quarter
- 2Q well service rig utilization of 82% for fleet of 310 rigs
  - Number of 24-hour packages continues to increase, averaging 24 for 2Q, with the current number of packages running close to 30
  - Equipment rentals associated with completions and larger workovers can double or triple overall rate paid on jobs (booked as C&R segment revenue)
- Transition of water disposal volumes to pipe continues, with 23% of total 2Q water volumes coming via pipeline
- After significant choppiness in April, pressure pumping revenues increased over 60% in May sequentially
  - Coiled tubing faced inconsistent utilization in early 2Q, in line with other completion services

3Q18 Outlook

- Despite revenue trending higher thus far in the third quarter, the strategic realignment initiative could result in choppiness as we move assets and close underperforming yards.
  - We anticipate revenue to be relatively flat sequentially, with the potential to be slightly higher.
- Production-oriented segment revenue pricing gains are likely to continue in the mid-single digit range for Well Servicing and low single digits for Water Logistics
  - Average 24-hour packages should continue to climb from the average of 24 in 2Q to near or above 30 for 3Q.
  - Large disposal projects in the Permian Basin present significant pipeline opportunities for the Water Logistics segment in 2H18
- Pumping services revenue has rebounded from April, though additional choppiness could persist through 3Q as frac assets are relocated from Midland to the Mid-Con
  - Focus on work that is 8,500 psi or less (vs. working at 11,500 psi) resulting in lower relative capex
  - Monthly revenue run-rate exiting September should be 10%-20% above the quarter average

Non-GAAP Reconciliation

(000s)	Three Months Ended	
	6/30/18	**6/30/17**
Net Loss	($40.1)	($23.9)
Adjustments		
Income Tax Provision (Benefit)	0.3	0.0
Interest Expense	12.7	9.2
Depreciation & Amortization	31.2	26.0
EBITDA	$4.1	$11.2
Adjustments:		
(Gain) Loss on Sale of Assets	1.9	(0.2)
Non-cash stock compensation	6.0	6.3
Audit-related state sales & use tax	6.0	0.0
Restructuring Costs, Other	0.0	1.0
Executive Retirement	3.9	0.0
Bad Debt	3.1	0.0
Strategic Consulting	2.0	0.0
Adjusted EBITDA	$27.0	$18.3

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