OUR LIFE’S WORK IS THE LIFE OF THE WELL™

# Investor Presentation

47th Annual Scotia Howard Weil Energy Conference

March 26-27, 2019

# Forward-Looking Statements

This presentation contains forward-looking statements. Basic has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of its business. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things, the risk factors discussed in this presentation and other factors, most of which are beyond Basic's control.

The words "believe," "may," "estimate," "continue," "anticipate," "intend," "plan," "expect" and similar expressions are intended to identify forward-looking statements. All statements other than statements of current or historical fact contained in this presentation are forward-looking statements.

Although Basic believes that the forward-looking statements contained in this presentation are based upon reasonable assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Additional important risk factors that could cause actual results to differ materially from expectations are disclosed in Item 1A of Basic's Form 10-K for the year ended December 31, 2018 and subsequent Form 10-Q's filed with the SEC. While Basic makes these statements and projections in good faith, neither Basic nor its management can guarantee that the transactions will be consummated or that anticipated future results will be achieved. Basic's forward-looking statements speak only as of the date of this presentation. Unless otherwise required by law, Basic undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Important factors that may affect Basic's expectations, estimates or projections include:**

- A decline in or substantial volatility of oil and gas prices, and any related changes in expenditures by its customers
- The effects of future acquisitions on its business
- Changes in customer requirements in markets or industries it serves
- Competition within its industry
- General economic and market conditions
- Its access to current or future financing arrangements
- Its ability to replace or add workers at economic rates
- Environmental and other governmental regulations

**Non-GAAP Financial Measures**

This presentation contains certain non-GAAP financial measures. A reconciliation of each such measure to the most comparable GAAP measure is presented in the Appendix hereto. We use "EBITDA" and "Adjusted EBITDA", and "Free Cash Flow" non-GAAP financial measures, for internal reporting and providing guidance on future results. These measures are not measures of financial performance under GAAP. We strongly advise investors to review our financial statements and publicly filed reports in their entirety and not rely on any single financial measure. See the Appendix for a reconciliation of these measures to GAAP.

# Company Overview

# Our Basic Story

Investing in our business to capture efficiencies and modernize how we work and engage with customers and employees, along with targeted investments in our midstream water disposal business with a focus on continuing to de-lever the Company through M&A is our Basic story.

## 2018 Re-…

- Realignment
- Refine investment plans and capital discipline
- Re-team and re-group
- Refinancing / Replenish Liquidity
- Refine incentive structure

## 2019 Optimize

- Focus on the Human Factor / Improve Safety
- Efficiency excellence with Technology
- Protect liquidity
- Investments in Midstream and 24-hour packages
- M&A to de-lever and scale business
- Capital discipline

## 2020 Vision

- More moderately levered
- Discerning M&A
- Increased liquidity and trading volume
- Technology differentiation visible
- Maintain capital discipline

# Basic Energy Services – *At a Glance*

## Balanced & Diversified Product Portfolio

- Well servicing and water logistics levered to production
- Completions & remedial levered to new drilling and well recompletions
- Strong presence in most prolific U.S. oil basins

## Improved Liquidity with No Near-Term Debt Maturities

- 2018 refinancing extends debt maturity profile with $300 million senior secured notes due 2023
- October 2018 refinancing freed up $47 million in restricted cash with new ABL facility[(1)]
- $90.3 mm in cash, $159.9 mm in total liquidity at December 31, 2018

## Core Business Strengthening with Increasing Production Volumes

- More wells mean more maintenance for ongoing production
- Well service rig is an increasingly preferred completion tool for long lateral wells
- Increasing production volumes result in increasing water disposal requirements

## Capital & Strategic Initiatives Drive Increasing Efficiencies

- Investments targeting core businesses with high return profiles
- Rationalizing business by divesting non-core assets and streamlining G&A
- De-lever through retained cash flows and investment discipline, taking advantage of $783 mm in NOL carry forwards[(1)]

1. As of October 2, 2018

# Proven Operating Strategy

***Our Life's Work is the Life of the Well ™***

**Basic** supports customer wellsite activities **from initial drilling to plugging & abandonment**

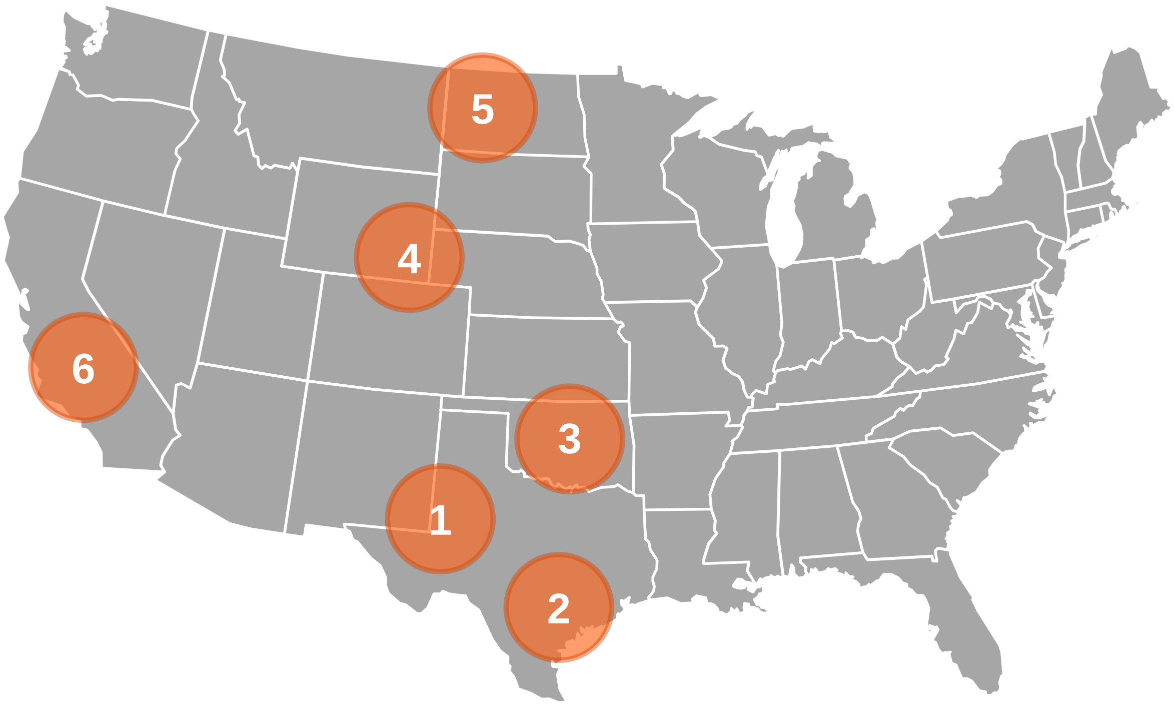
**Diversified service** offering with emphasis on stable producing wells, and optionality to capitalize on growth with increasing **U.S. oil production**

**Strong market** position in the most prolific U.S. oil basins

The **right fleet and the right people in the right basins** to support financial returns for the **Life of the Well.**

# Extensive Footprint in Prolific Basins

**Significant Exposure to Major Oil Basins with >80% Revenue Exposure to Oil and Liquids Activity**




## Core Regions

1. Permian
2. Eagle Ford
3. Mid-Continent
4. PRB / Niobrara
5. Williston
6. California



BASIC ENERGY SERVICES

# Primary Service Lines

## Well Servicing

- Increasingly preferred completion tool for longer laterals
- Periodic major maintenance and renovation to sustain or improve production
- Routine maintenance of down-hole equipment to return well to production
- Plugging and abandonment

26% of total 2018 revenues

## Water Logistics

- One of the most extensive networks of SWDs
- Trucking and access to third-party pipelines to transport produced waste water to SWDs
- Water sourcing, storage, recycling, and chemical treatment
- Pipeline and SWD design with installation/construction

24% of total 2018 revenues

## Completion & Remedial

- Pumping services for cementing, acidizing, squeeze-cementing (workover), fracturing and re-fracturing
- Rental and Fishing Tools ("RAFT") for drilling, workovers and remedial
- Snubbing and coiled-tubing for completions and workovers

Used extensively in well service operations

49% of total 2018 revenues

*Note: Excludes Contract Drilling segment, which contributed ~1% of revenue for 2018*



BASIC ENERGY SERVICES

# Company Overview

## Overview by Segment

### Well Services

- 310 workover rigs
- Leading high-spec workover fleet of 272 rigs
  - Utilization of 72% in 4Q18
  - Equipped for completions activity
- Vertically-integrated cost savings and flexibility with in-house maintenance and refurbishment capabilities

### Water Logistics

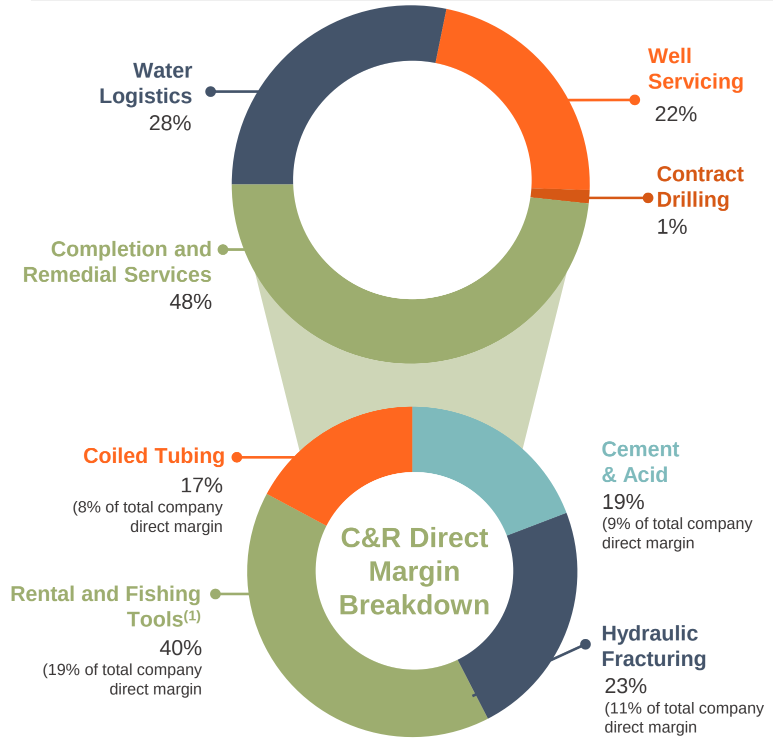
- 86 SWDs with connections to an extensive third-party pipeline network
- 823 trucks and 2,764 fluid storage tanks
- Pipelines contributed ~33% of total SWD water volumes and ~60% of SWD Permian water volumes in 4Q18

### Completion and Remedial

- 13 rental & fishing tool stores, 36 snubbing units and 18 coiled tubing units (10 units 2" diameter or larger)
- ~513k hydraulic horsepower ("HHP") focused on Mid-Continent and SCOOP/STACK

## % of Total Direct Margin by Activity* (2018)

**Diversified Business Across the Well Lifecycle**



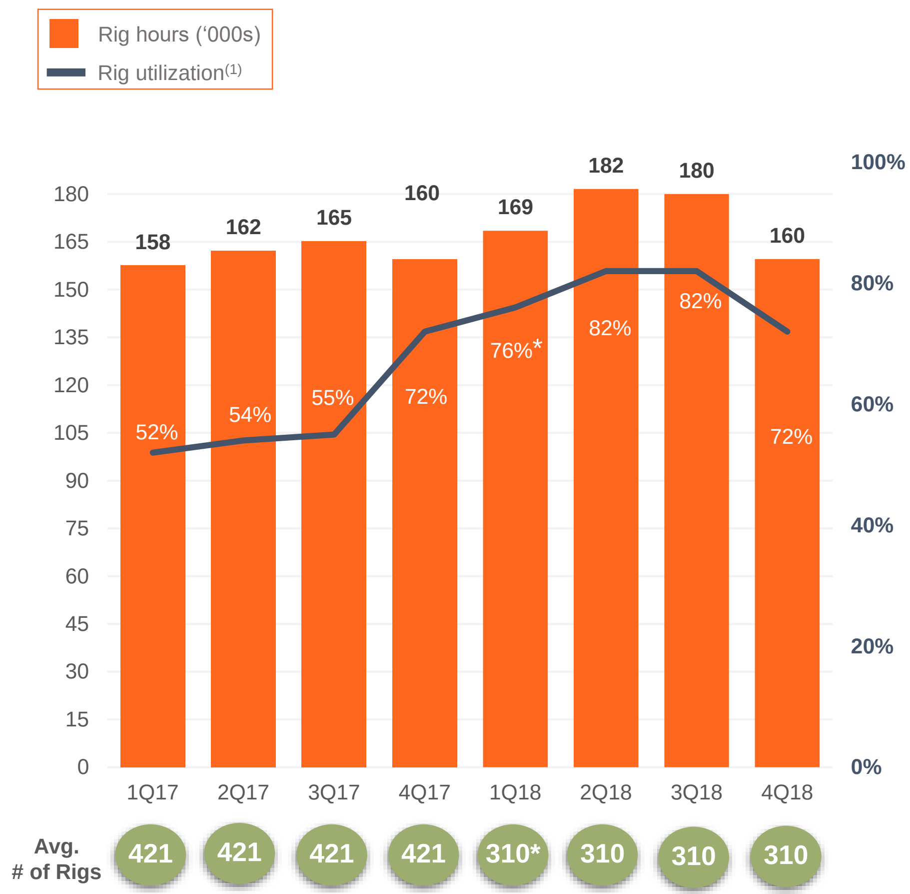

| Company Profile | As of 3/22/18 |
|---|---|
| NYSE Ticker | BAS |
| Current Share Price | $4.60 |
| Shares Outstanding | 26.9 mm |
| Market Capitalization | $123.8 mm |
| Enterprise Value | $387.5 mm |
| 30-Day Daily Trading Volume | 312,748 |

*Calculated as revenue minus direct operating costs
Note: Equipment and asset counts as of 12/31/18
1. Includes nitrogen and snubbing

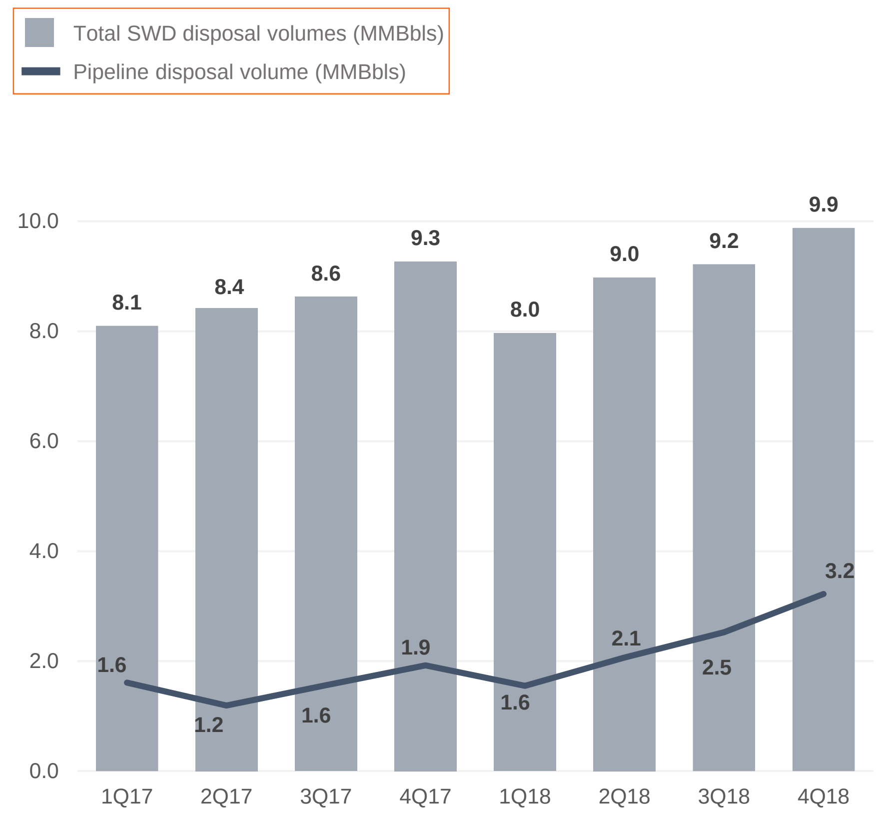
# Production Service Businesses

## Scaled Production Businesses Seeing Steadily Increasing Demand

### Well Service Rig Hours




### SWD Disposal Volumes




*Note: Results not normalized for large flowback projects in 2H17*

*Source: Company Filings*

**On December 31, 2017, we classified 111 rigs from our current fleet as "cold-stacked", reducing our total active rig fleet to 310 rigs, and removed these rigs from the active rig count*

*1. Based on a 55-hour week*

# Core Business Trends and Outlook

**Well Servicing**

- Well Servicing utilization was a seasonally strong 72% in 4Q18 despite an unusually large weather impact in October
  - Pricing remains solid, with revenue per rig hour up 3% sequentially in 4Q to $368
  - Number of 24-hour packages remains strong, with customers more committed to the stable returns of production maintenance work
  - Equipment rentals associated with completions and larger workovers can double or triple overall rate paid on jobs (booked as C&R segment revenue)

**Water Logistics**

- Transition of water disposal volumes to pipe continues, with pipelines contributing 33% of total water volumes and ~59% of SWD Permian water volumes in 4Q18
  - Margins continue to improve, up 90 bps sequentially to 29% in 4Q, continuing to increase through February
  - Recurring, long-term steady revenue with development upside

**Completion and Remedial**

- Margin decline in 4Q and early part of 1Q due to lower frac activity, weather, resulting in the stacking of three frac spreads out of eight
- Coiled tubing activity focused on drilling out frac plugs along with cementing, acid and snubbing seeing stability and positive outlook
- Segment maintenance capex should drop to 6%-7% of revenue due to lower activity as well as lower relative pressure jobs typical of the SCOOP/STACK and Mid-Continent

# Operational Update

| | 4Q18 | 3Q18 | 2Q18 |
|---|---|---|---|
| Well servicing rig hours | 159,600 | 180,300 | 181,600 |
| Well servicing utilization rate (average) | 72% | 82% | 82% |
| Number of well servicing rigs (end of period) | 310 | 310 | 310 |
| Revenue per rig hour (excluding manufacturing) | $368 | $357 | $348 |
| Fluid services truck hours | 438,500 | 448,200 | 486,800 |
| Number of fluid service trucks (average) | 837 | 870 | 903 |
| Total Disposal Water Volumes (in thousands) | 9,880 | 9,424 | 8,977 |
| Pipeline Water Volumes (in thousands) | 3,221 | 2,526 | 2,064 |
| Total pressure pumping HHP (end of period) | 513,000 | 516,500 | 516,500 |
| Active frac HHP (end of period) | 386,000 | 386,000 | 407,800 |
| Coiled tubing units (end of period) | 18 | 18 | 18 |
| Rental and fishing tool stores | 16 | 16 | 16 |

Note:

HHP is hydraulic horsepower.

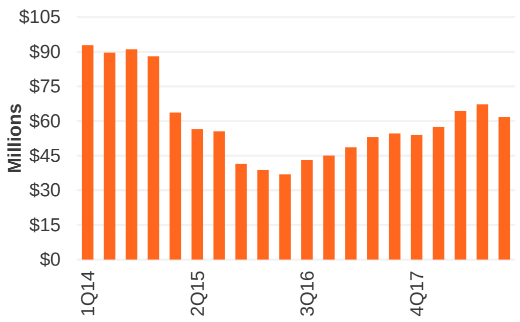


BASIC ENERGY SERVICES

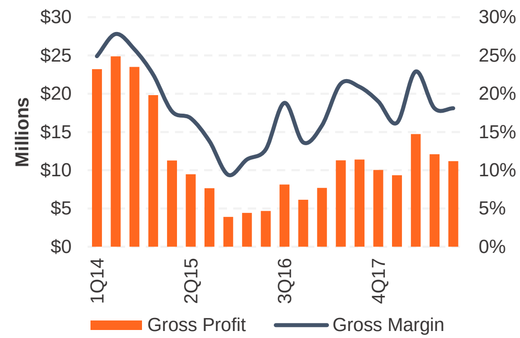
# Well Servicing

## Well Servicing Rigs Facilitate Down Hole Activity

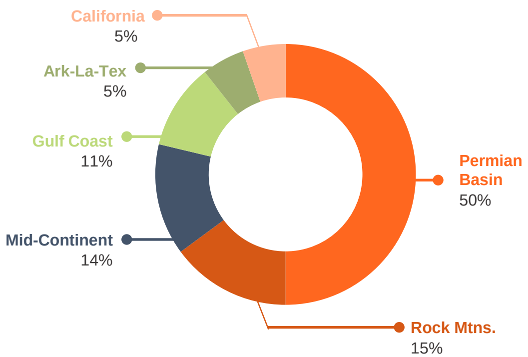
### Revenue




### Segment Direct Margin*




### 310 Rigs by Market Area**




**Workover**

Periodic major maintenance and renovation to sustain or improve production; deferred maintenance activity increasing

**Completion**

Well preparation for production after successful drilling of a well; packaged ancillary equipment is a differentiator

**Service Work**

Routine maintenance of down-hole equipment to return well to production

**P&A**

Plugging and abandonment of depleted wells

**Calculated as revenue minus direct operating costs*

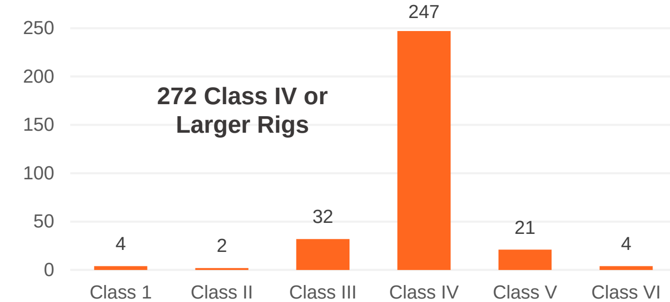
***As of 12/31/18; on 12/31/17, we classified 111 rigs from our current fleet as “cold-stacked”, reducing our total active rig fleet to 310 rigs, and removed these rigs from the active rig count*

# Well Servicing Fleet Overview

## Fleet Metrics

- 310 Well Service Rigs
- Fleet ranges from 200HP-900HP rigs
  - 272 rigs or 88% of the fleet are late model Class IV (102’ Mast or taller / 210k lb hook load capacity or greater), Class V, and Class VI rigs
  - All Class IV and V rigs are capable of longer lateral horizontal projects
- 87% of the Class IV / V / VI and 79% of the total fleet are Taylor brand rigs

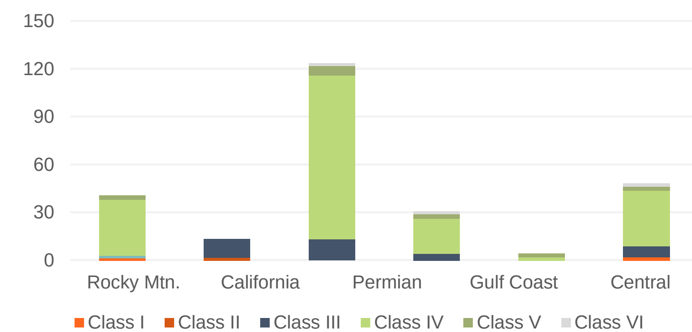
## Fleet Distribution by Class




**As of 12/31/2018*

## Active Rig Class by Region

**Larger, late model equipment deployed in most active basins**



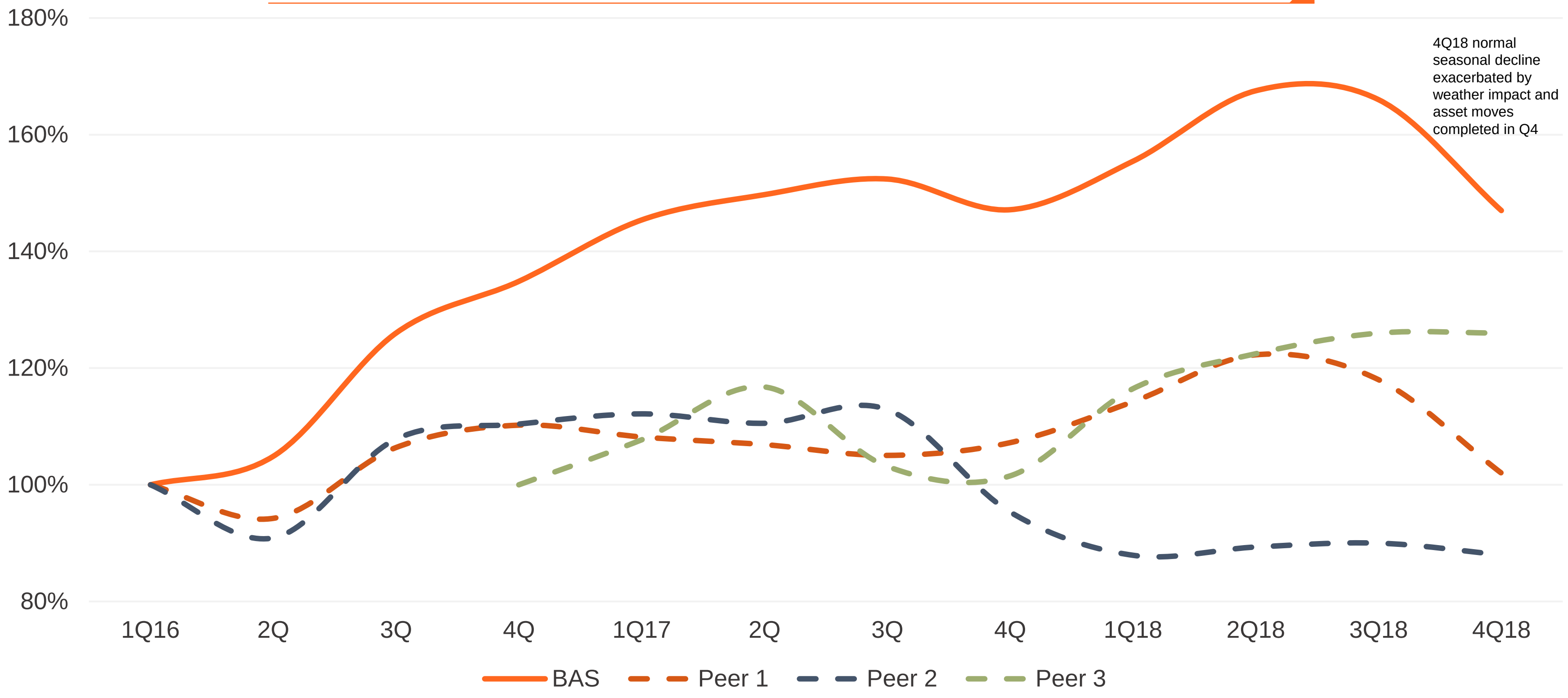

**As of 12/31/2018*

**On December 31, 2017, we classified 111 rigs from our current fleet as “cold-stacked”, reducing our total active rig fleet to 310 rigs, and removed these rigs from the active rig count*

# Well Service Company of Choice

## BAS operates the largest domestic fleet of active high-spec well service rigs

### Quarterly Rig Hours Indexed to 1Q16 vs Public US Peers

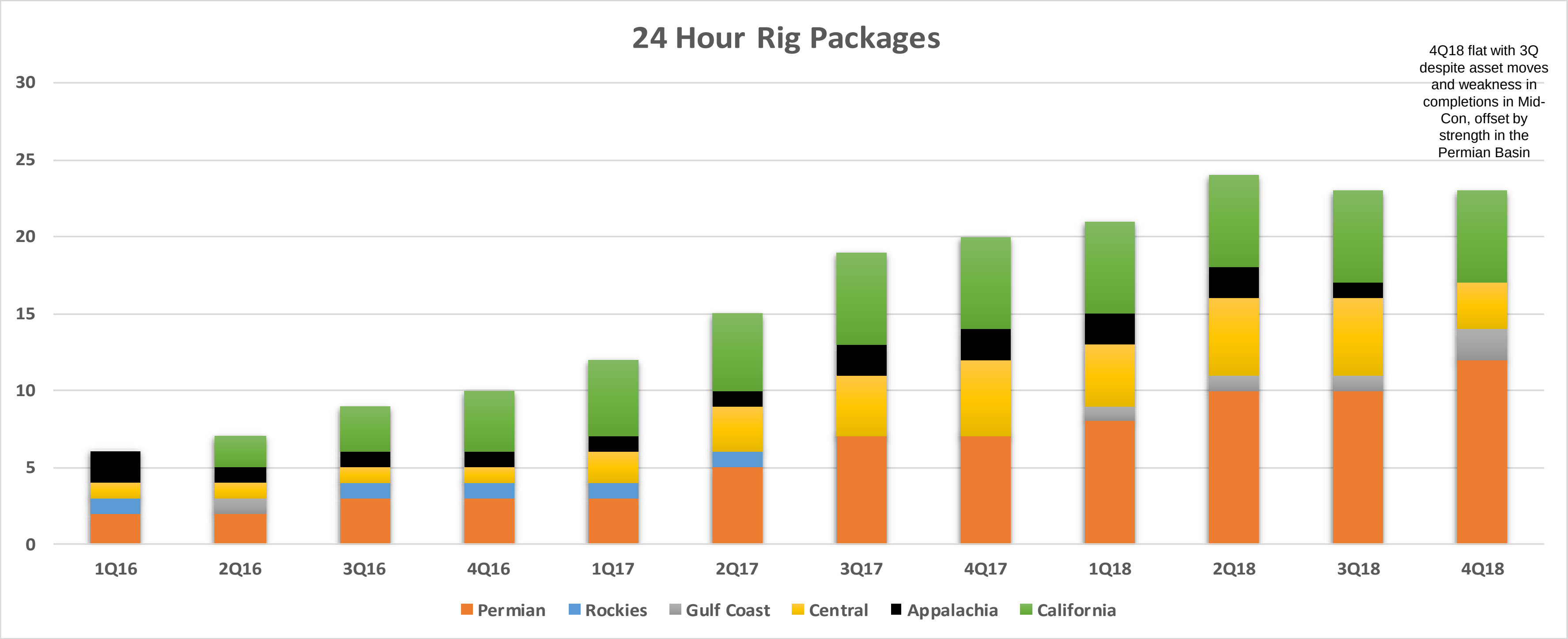



*Source: Public filings, Company press releases*
*Note: Peer 3 hourly rig data indexed to 4Q16, earliest date for which that data is available*

# Well Servicing is Rapidly Becoming a 24-Hour Operation

## 24 Hour Rig Packages

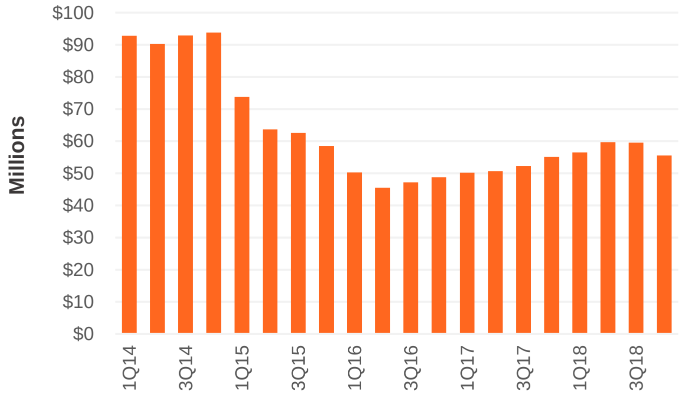
- Bundling of Basic's rental and fishing tools with a 24-hour well service job has been well received by customers
  - Packages vary and include additional Basic crew, hydraulic catwalk, 10k pump, swivel and/or snubbing and BOP



# Water Logistics

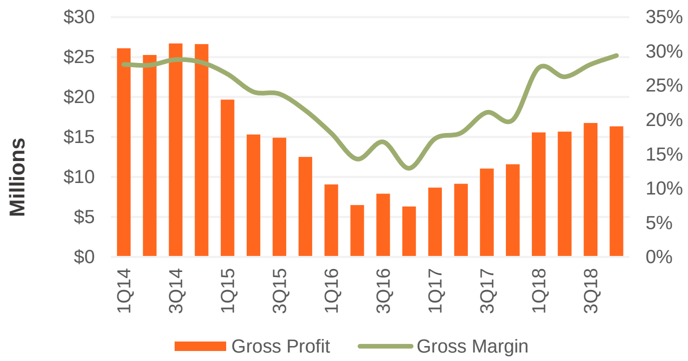
## Basic's Integrated Fluid Service Business Anchored by Access to an Expansive SWD Network

### Revenue

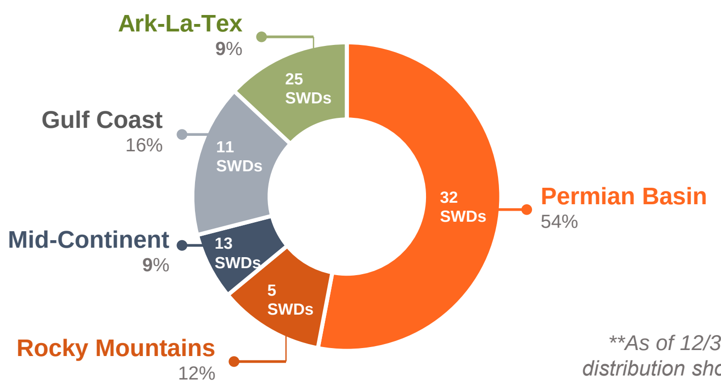



- One of the largest networks of SWDs in the industry
- Water sourcing and storage
- SWD design and installation
- Integrated truck fleet and SWD portfolio also connected to third-party pipeline network
- Pipeline design and infrastructure construction
- Water recycling and chemical treatment programs

### Segment Direct Margin*




### 86 SWDs & 823 Trucks by Market Area**




***As of 12/31/18; truck distribution shown as %'s*

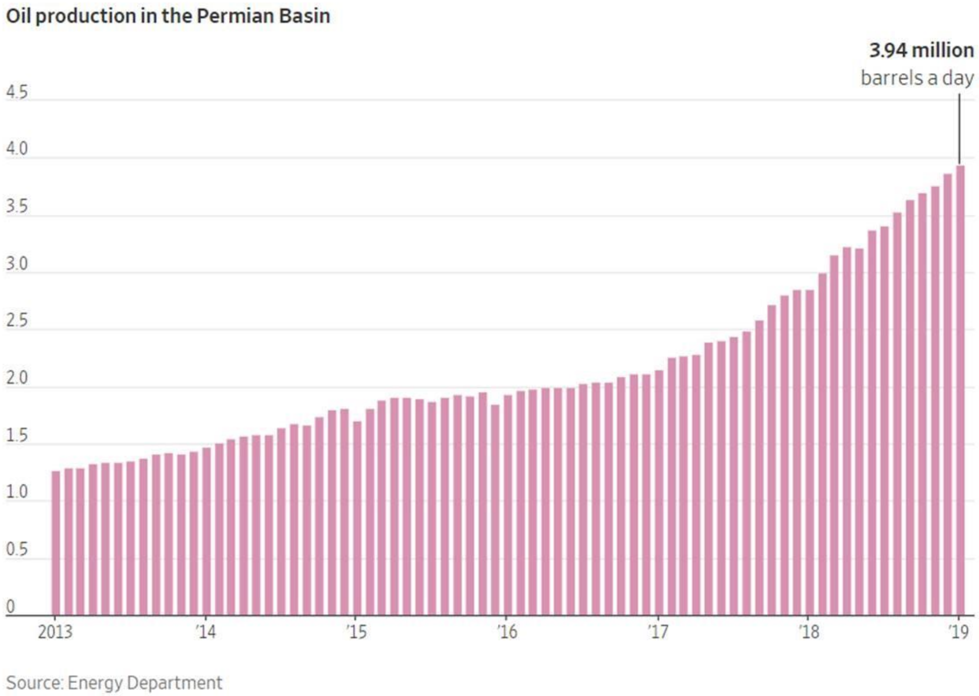
**Calculated as revenue minus direct operating costs*

# The Permian Basin Water Story
## *Our Primary Midstream Market*

"The Permian produced an average of more than 3.9 million barrels per day as of January, according to the Energy Information Administration. Analytics firm IHS Markit estimates ***Permian production could top 5 million barrels a day in 2023, surpassing Iraq."***
(*The Wall Street Journal*, March 2019)

Assuming water disposal volumes with 5 million barrels of oil a day production =>> disposal volumes using a 4:1 residual water to oil ratio would yield 20 million barrels of disposal requirements, up from ~15 million barrels per day in 2019.

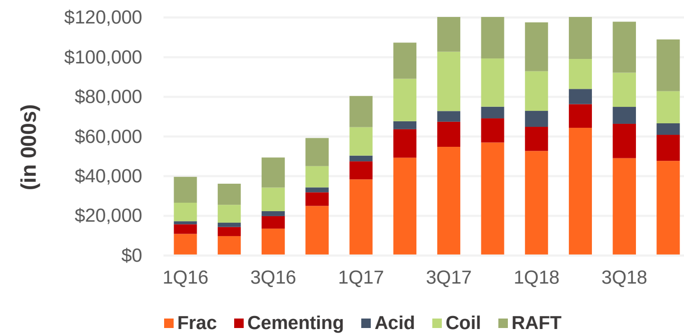
*Source: management estimates, industry research.*



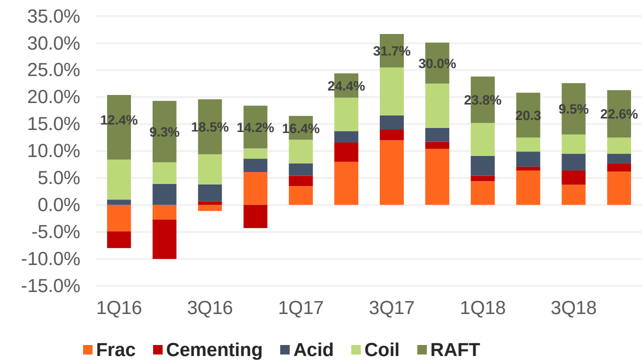
# Specialized Completion & Production Services

- Support drilling, workover and production processes
- Fishing tools and rental equipment for drilling and workover processes, including 24-hour packages
- Coiled tubing and nitrogen services for completion, remedial and P&A applications
  - 18 coiled tubing units, including 10, 2” diameter or larger
- Snubbing services to allow “live-well” completion and workover operations
- Tubular services
- Pumping services for cementing, acidizing, squeeze-cementing (workover), fracturing and re-fracturing activities
  - ~513k total HHP
    - ~386k HHP devoted to frac
    - ~127k HHP for acid/cementing/other
  - Repositioned Permian frac fleets to the Mid-Continent providing Basic with scale in an attractive market
  - Three of eight spreads currently stacked, with ability to reactivate quickly with minimal expense

### C&RS Revenue by Service Line




### Segment Direct Margin Progression*



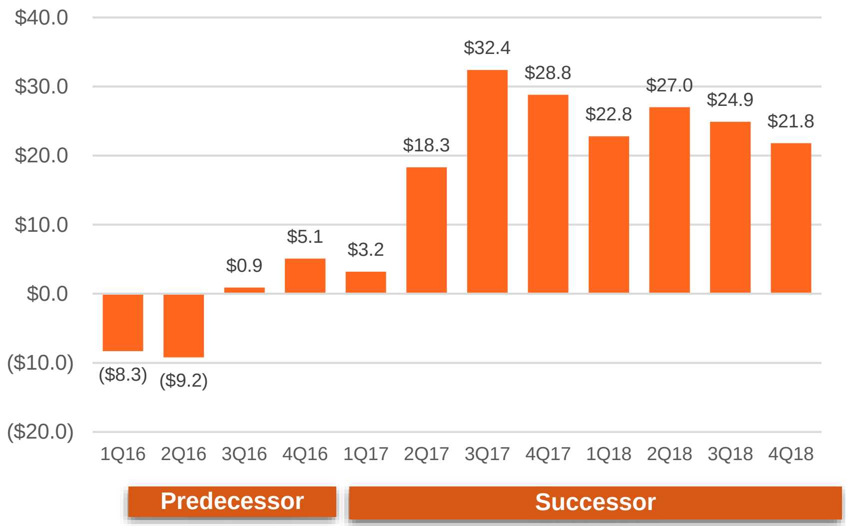

*Note: Equipment and asset counts as of 12/31/18*
**Calculated as revenue minus direct operating costs*

# Financial Overview

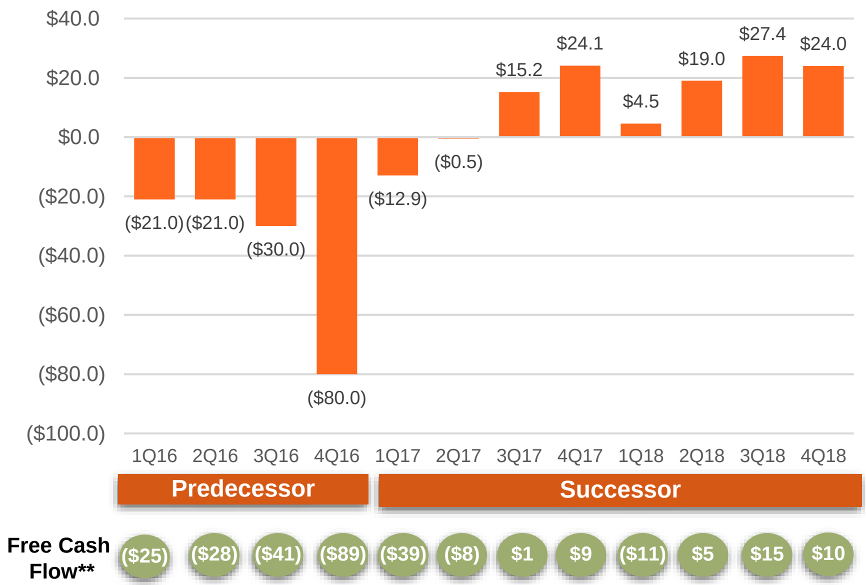
# CapEx and Liquidity Update

- Capital expenditures (including capital leases) for 4Q18 totaled $19.6 million
  - Maintenance/sustaining expenditures were $17.9 million
  - Expansion projects and other totaled $1.7 million
- At December 31, 2018, our cash balance was $90.3 million, with total liquidity of $159.9 million
- With fewer trucks needed due to focus on pipeline volumes, the Company is effectively de-levering, with capital leases declining from $85 mm as of 6/30/18 to $61 mm as of 12/31/18
  - Expect to reduce capital leases by another $4.5 mm in 1Q19, and $14 mm in 2019, less any additions

## Adjusted EBITDA*




## Cash Flow From Operations




*Source: Company filings*
*Note: Dollars in millions*
**See Appendix for reconciliation of Adjusted EBITDA to nearest comparable GAAP measure*
***Free Cash Flow calculated as Cash Flow From Operations less the Purchase of Property and Equipment, excluding capital leases*

# 2019 Outlook

- A tale of two halves:
  - 1H '19 – weak start from sub-$50/bbl oil environment and uncertainty
  - 2H '19 – recovery in primary liquids basins w/+$60/bbl prices full year
  - Full year – certain secular trends continuing: **Water! Water! Water!**
  - Core segments continuing increase / Pumping services challenged
- We expect the first quarter revenue to be down 11%-14% from fourth quarter levels
  - Well Services and Water Logistics should see a sequential increase in revenue of low- to mid-single digits during Q1; pricing to remain steady to increasing slightly toward the latter part of the first quarter
    - The 24-hour rig package count to remain stable with 4Q levels
  - Production services revenue will be offset by Completion and Remedial segment after the stacking of three spreads along with additional customer self-sourcing of sand
- The first quarter exit rate should equal that of the third quarter of 2018 with full year results to match or exceed 2019
  - In 2019, Well Service and Water Logistics segments should see typical incremental margins or stronger, offset partially by the payroll tax reset that occurs in the first quarter of the year
  - Completion and Remedial should see typical decremental margins on the lower revenue expectation during 1Q19, with frac spreads able to be reactivated on short notice at minimal expense
- Growth capex spend is leveraged to 1H19 impacting RAFT in 2H19
  - 2/3 of that spend going to longer-lived water assets that should begin to see midstream-type payback in 2020 and beyond

# Basic Investment Highlights

- Diversified service offerings for U.S. oil and natural gas producers
- Modern and maintained fleet routinely outperforms on reliability; vertically-integrated well service business
- The largest active high-spec well service rig fleet and one of the largest networks of SWDs in the Permian and other prolific U.S. oil basins
- Production Services currently experiencing strong momentum in activity levels
- Experienced management team with long-lasting customer relationships
- Providing a safe work environment is a top priority



BASIC ENERGY SERVICES

# Appendix

# Non-GAAP Reconciliation

| (in millions) | Three Months Ended | |
|---|---|---|
| | 12/31/18 | 12/31/17 |
| Net Loss | ($46.7) | ($20.3) |
| Adjustments | | |
| Income Tax Provision (Benefit) | 0.0 | (0.3) |
| Loss on Extinguishment of Debt | 26.4 | 0.0 |
| Interest Expense | 10.7 | 10.3 |
| Depreciation & Amortization | 32.3 | 31.4 |
| **EBITDA** | **$22.7** | **$21.1** |
| Adjustments: | | |
| (Gain) Loss on Sale of Assets | (6.5) | 0.9 |
| Non-cash stock compensation | 5.0 | 6.3 |
| Due Diligence for Business Development | 0.0 | 0.5 |
| Impairment Expense | 0.2 | 0.0 |
| Strategic Consulting | 0.3 | 0.0 |
| **Adjusted EBITDA** | **$21.8** | **$28.8** |

This presentation contains references to the non-GAAP financial measure of earnings (net income) before interest, taxes, depreciation and amortization, or “EBITDA.” This presentation also contains references to the non-GAAP financial measure of earnings (net income) before interest, taxes, depreciation, amortization, retention expense, due diligence for M&A activities, restructuring costs,, and the gain or loss on disposal of assets or “Adjusted EBITDA.” EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP.

# Non-GAAP Reconciliation

| (in millions) | December 31, 2018 | |
|---|---|---|
| | Three Months Ended | Twelve Months Ended |
| Net cash provided by operating activities | $24.0 | $75.0 |
| Payments for sustaining and replacing property and equipment (capital expenditures) | (13.7) | (51.8) |
| **Free cash flow** | **$10.3** | **$23.2** |
| Net cash used in investing activities | ($9.7) | ($50.9) |
| Net cash provided (used) in by financing activities | $0.1 | ($20.0) |

This presentation contains references to the non-GAAP financial measure of free cash flow, which is defined as net cash provided by operating activities in a period minus capital expenditures for sustaining and replacement projects made in that period. Management believes that free cash flow, which measures our ability to generate cash from operations, is an important financial measure. It should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP.

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