

Non-GAAP Financial Measures

From time to time, management may publicly disclose certain “non-GAAP financial measures” in our earnings releases, financial presentations or earnings conference calls. These non-GAAP measures may include Adjusted EBITDA and adjusted income (loss) from operations on consolidated basis and by segment. The Company provides reconciliations to the nearest GAAP measure for these and other non-GAAP measures on a quarterly basis.

These non-GAAP measures are not in accordance with, or a substitute for, measures prepared in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations that would be reflected in measures determined in accordance with GAAP.

These financial measures are provided to enhance investors’ overall understanding of the Company’s current financial performance. In addition, because the Company has reported certain non-GAAP measures in the past, the Company believes the inclusion of non-GAAP measures provides consistency in the Company’s financial reporting.

The following tables reconcile net loss from continuing operations on consolidated basis and by segment, which are directly comparable financial results determined in accordance with GAAP, to Adjusted income/loss from continuing operations and Adjusted EBITDA on consolidated basis and by segment (non-GAAP financial measures).

Consolidated Adjusted Net Loss From Continuing Operations Reconciliation
(in thousands)
(unaudited)

	Three months ended,					
	December 31, 2017		September 30, 2017		December 31, 2016	
	Consolidated	Per Share	Consolidated	Per Share	Consolidated	Per Share
Reported net income (loss) from continuing operations	\$ 21,878	\$ 0.14	\$ (57,189)	\$ (0.37)	\$ (166,259)	\$ (1.10)
Reduction in value of assets and other items	4,202	0.02	9,953	0.06	73,150	0.48
Income taxes	(716)	-	(3,287)	(0.02)	(18,529)	(0.12)
US Tax Reform ⁽¹⁾	(76,529)	(0.49)	-	-	-	-
Adjusted net loss from continuing operations	<u>\$ (51,165)</u>	<u>\$ (0.33)</u>	<u>\$ (50,523)</u>	<u>\$ (0.33)</u>	<u>\$ (111,638)</u>	<u>\$ (0.74)</u>

(1) Recorded in Income Taxes in the consolidated statement of operations.

Reconciliation of Adjusted Income (Loss) from Operations and Adjusted EBITDA by Segment
(in thousands)
(unaudited)

Three months ended, December 31, 2017

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net income (loss) from continuing operations	\$ (1,016)	\$ (12,734)	\$ (6,464)	\$ 4,116	\$ 37,976	\$ 21,878
Reduction in value of assets and other items	1,356	2,846	-	-	-	4,202
Interest expense, net	-	-	-	(940)	25,716	24,776
Other expense	-	-	-	-	822	822
Income taxes	-	-	-	-	(87,762)	(87,762)
Adjusted income (loss) from operations	<u>\$ 340</u>	<u>\$ (9,888)</u>	<u>\$ (6,464)</u>	<u>\$ 3,176</u>	<u>\$ (23,248)</u>	<u>\$ (36,084)</u>
Depreciation, depletion, amortization and accretion	31,207	51,199	18,884	4,846	1,429	107,565
Adjusted EBITDA	<u><u>\$ 31,547</u></u>	<u><u>\$ 41,311</u></u>	<u><u>\$ 12,420</u></u>	<u><u>\$ 8,022</u></u>	<u><u>\$ (21,819)</u></u>	<u><u>\$ 71,481</u></u>

Three months ended, September 30, 2017

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net income (loss) from continuing operations	\$ 1,165	\$ (22,717)	\$ (12,770)	\$ 5,806	\$ (28,673)	\$ (57,189)
Reduction in value of assets and other items	-	1,838	-	8,115	-	9,953
Interest expense, net	-	-	-	(926)	30,022	29,096
Other expense	-	-	-	-	970	970
Income taxes	-	-	-	-	(28,203)	(28,203)
Adjusted income (loss) from operations	<u>\$ 1,165</u>	<u>\$ (20,879)</u>	<u>\$ (12,770)</u>	<u>\$ 12,995</u>	<u>\$ (25,884)</u>	<u>\$ (45,373)</u>
Depreciation, depletion, amortization and accretion	31,839	48,131	19,333	8,029	1,419	108,751
Adjusted EBITDA	<u><u>\$ 33,004</u></u>	<u><u>\$ 27,252</u></u>	<u><u>\$ 6,563</u></u>	<u><u>\$ 21,024</u></u>	<u><u>\$ (24,465)</u></u>	<u><u>\$ 63,378</u></u>

Three months ended, December 31, 2016

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net income (loss) from continuing operations	\$ (24,501)	\$ (66,032)	\$ (25,240)	\$ (54,689)	\$ 4,203	\$ (166,259)
Reduction in value of assets and other items	13,861	2,721	11,012	45,266	290	73,150
Interest expense, net	-	-	13	(884)	25,300	24,429
Other expense	-	-	-	-	(519)	(519)
Income taxes	-	-	-	-	(56,402)	(56,402)
Adjusted income (loss) from operations	<u>\$ (10,640)</u>	<u>\$ (63,311)</u>	<u>\$ (14,215)</u>	<u>\$ (10,307)</u>	<u>\$ (27,128)</u>	<u>\$ (125,601)</u>
Depreciation, depletion, amortization and accretion	35,256	49,937	22,116	9,155	1,490	117,954
Adjusted EBITDA	<u><u>\$ 24,616</u></u>	<u><u>\$ (13,374)</u></u>	<u><u>\$ 7,901</u></u>	<u><u>\$ (1,152)</u></u>	<u><u>\$ (25,638)</u></u>	<u><u>\$ (7,647)</u></u>