

## 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 income/loss from continuing operations on a consolidated basis, adjusted income/loss from operations and Adjusted EBITDA 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.

Free cash flow is defined as net cash provided by or used in operating activities less capital expenditures. Management uses free cash flow as a measure of progress on its capital efficiency and cash flow initiatives.

**Free Cash Flow Reconciliation**  
**For the three and six months ended June 30, 2018**  
**(in thousands)**

	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2018
Net cash provided by operating activities	\$ 64,373	\$ 39,415
Less: capital expenditures	(54,107)	(119,841)
Free cash flow (deficit)	<u>\$ 10,266</u>	<u>\$ (80,426)</u>

The following table reconciles net income/loss from continuing operations by segment, which is the directly comparable financial results determined in accordance with Generally Accepted Accounting Principles (GAAP), to adjusted income/loss from operations and adjusted EBITDA by segment (non-GAAP financial measures).

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

**Three months ended, June 30, 2018**

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated □
Reported net income (loss) from continuing operations	\$ 15,001	\$ 7,511	\$ (7,124)	\$ 6,768	\$ (47,593)	\$ (25,437)
Interest expense, net	-	-	-	(971)	25,865	24,894
Other expense	-	-	-	-	2,382	2,382
Income taxes	-	-	-	-	(3,970)	(3,970)
Income (loss) from operations	<u>\$ 15,001</u>	<u>\$ 7,511</u>	<u>\$ (7,124)</u>	<u>\$ 5,797</u>	<u>\$ (23,316)</u>	<u>\$ (2,131)</u>
Depreciation, depletion, amortization and accretion	28,590	47,423	14,303	6,273	1,384	97,973
EBITDA	<u>\$ 43,591</u>	<u>\$ 54,934</u>	<u>\$ 7,179</u>	<u>\$ 12,070</u>	<u>\$ (21,932)</u>	<u>\$ 95,842</u>

**Three months ended, March 31, 2018**

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated □
Reported net income (loss) from continuing operations	\$ 7,967	\$ (10,043)	\$ (14,092)	\$ 2,273	\$ (46,053)	\$ (59,948)
Restructuring and other costs	12	2,902	2,912	500	1,766	8,092
Interest expense, net	-	-	-	(956)	25,843	24,887
Other expense	-	-	-	-	1,735	1,735
Income taxes	-	-	-	-	(9,355)	(9,355)
Adjusted income (loss) from operations	<u>\$ 7,979</u>	<u>\$ (7,141)</u>	<u>\$ (11,180)</u>	<u>\$ 1,817</u>	<u>\$ (26,064)</u>	<u>\$ (34,589)</u>
Depreciation, depletion, amortization and accretion	29,641	47,655	19,280	7,730	1,413	105,719
Adjusted EBITDA	<u>\$ 37,620</u>	<u>\$ 40,514</u>	<u>\$ 8,100</u>	<u>\$ 9,547</u>	<u>\$ (24,651)</u>	<u>\$ 71,130</u>

**Three months ended, June 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	\$ (10,533)	\$ (14,367)	\$ (14,850)	\$ 1,982	\$ (24,271)	\$ (62,039)
Interest expense, net	-	-	-	(911)	24,244	23,333
Other expense	-	-	-	-	2,156	2,156
Income taxes	-	-	-	-	(30,011)	(30,011)
Income (loss) from operations	<u>\$ (10,533)</u>	<u>\$ (14,367)</u>	<u>\$ (14,850)</u>	<u>\$ 1,071</u>	<u>\$ (27,882)</u>	<u>\$ (66,561)</u>
Depreciation, depletion, amortization and accretion	33,619	44,621	20,193	8,255	1,431	108,119
EBITDA	<u>\$ 23,086</u>	<u>\$ 30,254</u>	<u>\$ 5,343</u>	<u>\$ 9,326</u>	<u>\$ (26,451)</u>	<u>\$ 41,558</u>