

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.

The following table reconciles net loss from continuing operations on a consolidated basis, which is the directly comparable financial result determined in accordance with Generally Accepted Accounting Principles (GAAP), to adjusted net loss from continuing operations on a consolidated basis (non-GAAP financial measure).

Consolidated Adjusted Net Loss From Continuing Operations Reconciliation

(in thousands)

(unaudited)

Table 1

Three months ended,

	March 31, 2018		December 31, 2017	
	Consolidated	Per Share	Consolidated	Per Share
Reported net income (loss) from continuing operations	\$ (59,948)	\$ (0.39)	\$ 21,878	\$ 0.14
Reduction in value of assets and other items	8,092	0.05	4,202	0.02
Income taxes	(1,092)	-	(716)	-
US Tax Reform ⁽¹⁾	-	-	(76,529)	(0.49)
Adjusted net loss from continuing operations	<u>\$ (52,948)</u>	<u>\$ (0.34)</u>	<u>\$ (51,165)</u>	<u>\$ (0.33)</u>

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

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)
(unaudited)
Table 2

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><u>\$ 37,620</u></u>	<u><u>\$ 40,514</u></u>	<u><u>\$ 8,100</u></u>	<u><u>\$ 9,547</u></u>	<u><u>\$ (24,651)</u></u>	<u><u>\$ 71,130</u></u>

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	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, March 31, 2017

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated
Reported net loss from continuing operations	\$ (8,322)	\$ (49,128)	\$ (24,045)	\$ (692)	\$ (7,474)	\$ (89,661)
Interest expense, net	-	-	-	(790)	25,040	24,250
Other expense	-	-	-	-	(649)	(649)
Income taxes	-	-	-	-	(44,764)	(44,764)
Loss from operations	<u>\$ (8,322)</u>	<u>\$ (49,128)</u>	<u>\$ (24,045)</u>	<u>\$ (1,482)</u>	<u>\$ (27,847)</u>	<u>\$ (110,824)</u>
Depreciation, depletion, amortization and accretion	34,729	49,147	20,589	8,376	1,440	114,281
EBITDA	<u><u>\$ 26,407</u></u>	<u><u>\$ 19</u></u>	<u><u>\$ (3,456)</u></u>	<u><u>\$ 6,894</u></u>	<u><u>\$ (26,407)</u></u>	<u><u>\$ 3,457</u></u>