



**INVESTOR MEETINGS**

**FEBRUARY 2017**

# Forward-looking Statements



This presentation contains various forward-looking statements and information that are based on management's current expectations and assumptions about future events. Forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "expect," "anticipate," "plan," "intend," "seek," "will," "should," "goal" and other words that convey the uncertainty of future events and outcomes. Forward-looking information includes, among other matters, statements regarding the Company's anticipated performance, quality of assets, rig utilization rate, capital spending by oil and gas companies, and the Company's international operations.

Although the Company believes that the expectations and assumptions reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations and assumptions will prove to have been correct. Such statements are subject to certain risks, uncertainties and assumptions, including general economic and business conditions and industry trends, levels and volatility of oil and gas prices, the continued demand for drilling services or production services in the geographic areas where we operate, decisions about exploration and development projects to be made by oil and gas exploration and production companies, the highly competitive nature of our business, technological advancements and trends in our industry and improvements in our competitors' equipment, the loss of one or more of our major clients or a decrease in their demand for our services, future compliance with covenants under our senior secured revolving credit facility and our senior notes, operating hazards inherent in our operations, the supply of marketable drilling rigs, well servicing rigs, coiled tubing and wireline units within the industry, the continued availability of drilling rig, well servicing rig, coiled tubing and wireline unit components, the continued availability of qualified personnel, the success or failure of our acquisition strategy, including our ability to finance acquisitions, manage growth and effectively integrate acquisitions, the political, economic, regulatory and other uncertainties encountered by our operations, and changes in, or our failure or inability to comply with, governmental regulations, including those relating to the environment.

Should one or more of these risks, contingencies or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. Many of these factors have been discussed in more detail in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2016. Other unpredictable or unknown factors that the Company has not discussed in this presentation or in its filings with the Securities and Exchange Commission could also have material adverse effects on actual results of matters that are the subject of the forward-looking statements. All forward-looking statements speak only as the date on which they are made and the Company undertakes no duty to update or revise any forward-looking statements. We advise investors to use caution and common sense when considering our forward-looking statements.

# Pioneer Energy Services – Diversified Services



## COMPANY OVERVIEW

**TTM REVENUE<sup>1</sup>: \$277 MILLION**

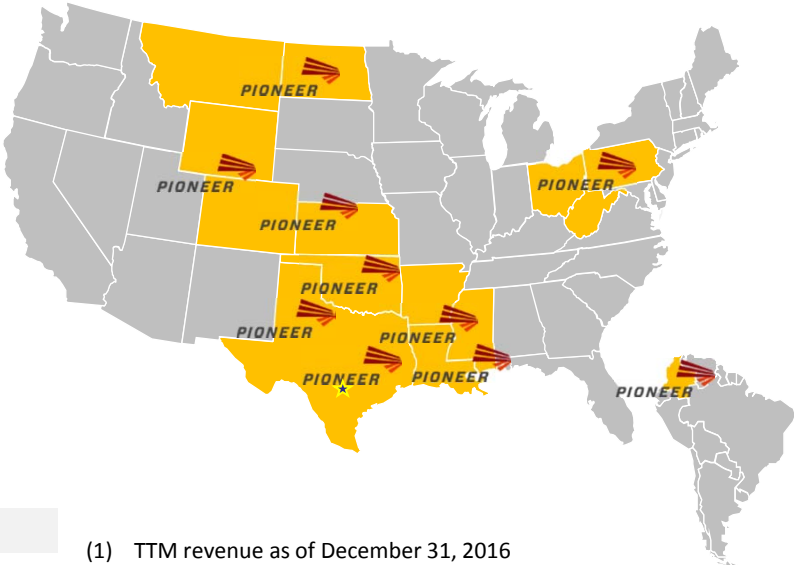
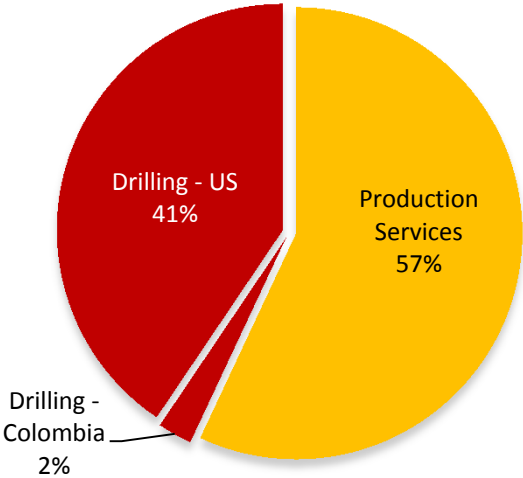
**MARKET CAPITALIZATION<sup>2</sup>: \$437 MILLION**

**ENTERPRISE VALUE<sup>2</sup>: \$772 MILLION**

**SERVICE LINES: LAND DRILLING, WELL SERVICING, WIRELINE, COILED TUBING**

**EMPLOYEES: 1,817**

## % of TTM REVENUE



## PRODUCTION SERVICES

Well Servicing	125 Rigs
Wireline	114 Units
Coiled Tubing	17 Units

## DRILLING SERVICES

Drilling Services - US	16 Rigs
Drilling Services – Colombia	8 Rigs
<b>Total Drilling</b>	<b>24 Rigs</b>

(1) TTM revenue as of December 31, 2016  
 (2) Market Capitalization as of February 23, 2017; debt and cash as of December 31, 2016

# Recent Updates



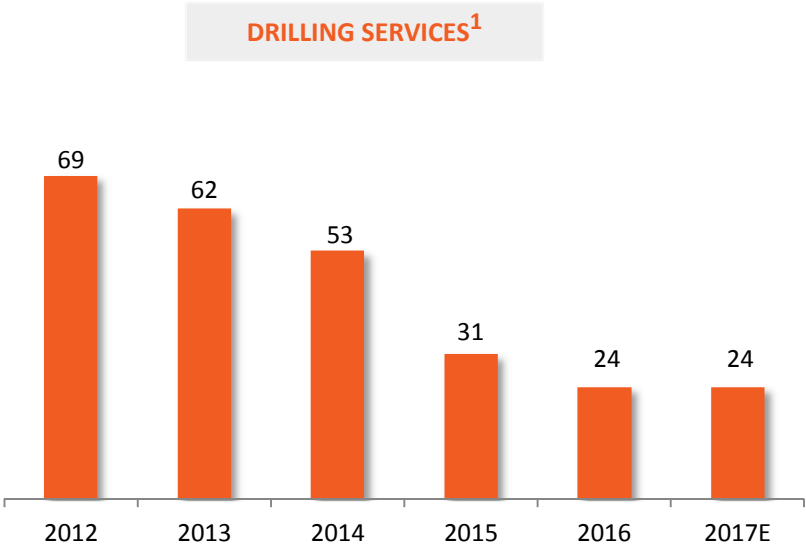
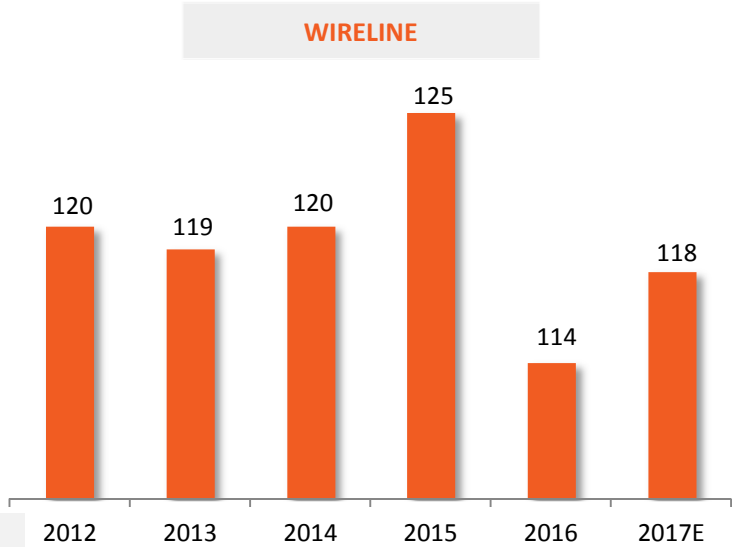
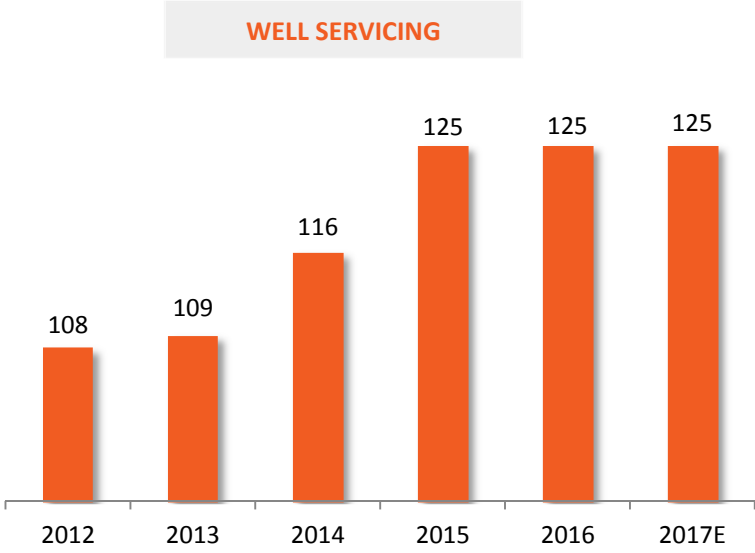
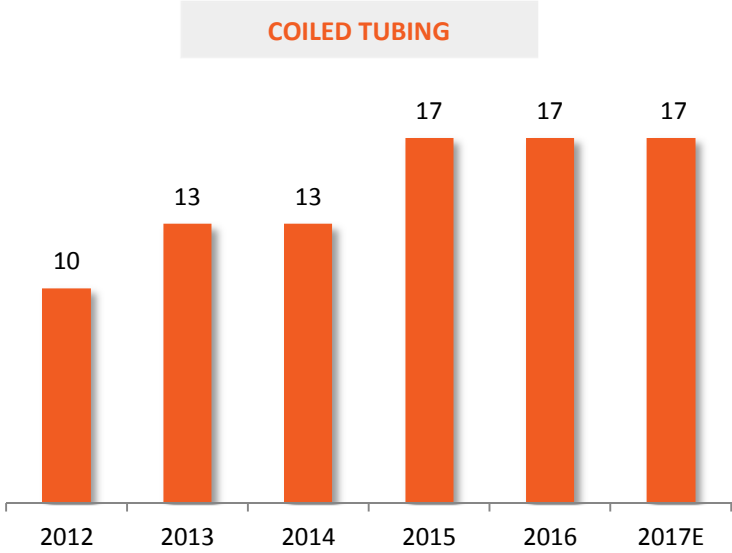
## Drilling

- U.S. drilling fleet 100% high-spec and 100% contracted
- Average drilling margin per day in Colombia exceeded average margins in the U.S. in January

## Production Services

- Projecting 25% to 30% revenue growth in Production Services Segment in the first quarter of 2017:
  - Well Servicing utilization averaging 45% in February as compared to 42% in January and 40% in the fourth quarter of 2016
  - Coiled Tubing utilization improving including a pick up in 2 3/8" and 2 5/8" size coil
  - Wireline marketed fleet up by 10 units from the fourth quarter of 2016 and have four new completion-oriented units on order

# Fleet Composition

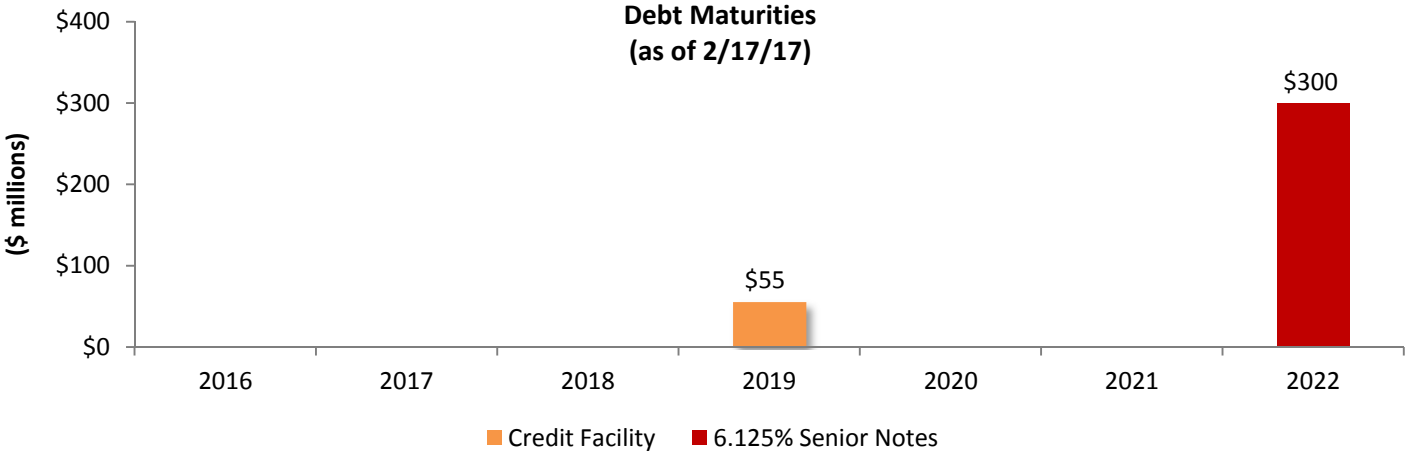


(1) Since year-end 2011, added 15 AC rigs and disposed of 55 non-AC rigs which includes six designated as held-for-sale as of 12/31/16  
 Note: all counts are as of year-end

# Balance Sheet and Cash Flow Management



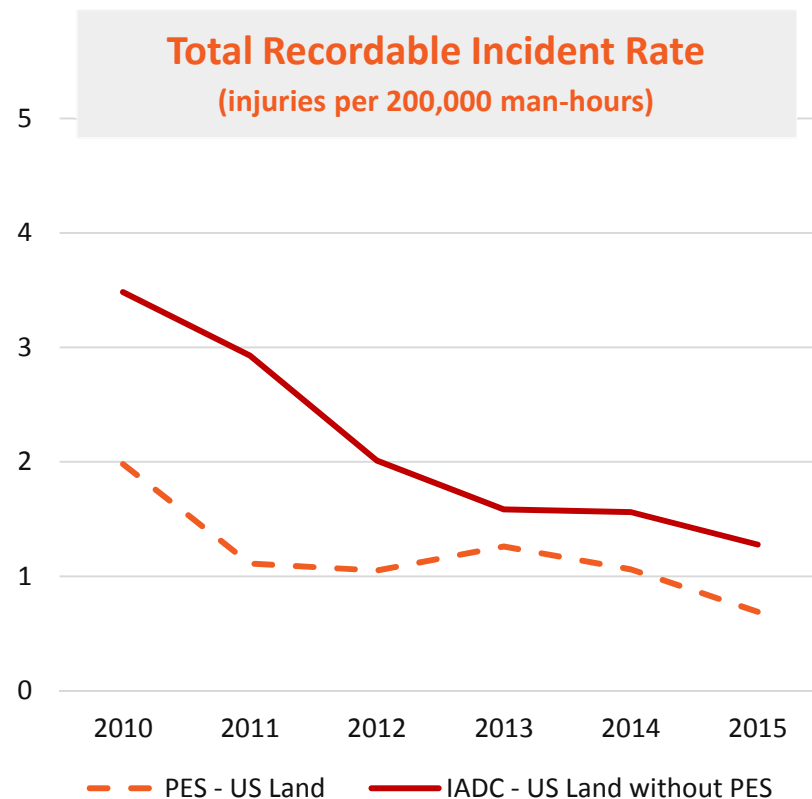
- Completed equity offering in December 2016 with net proceeds of \$65.4 million applied to outstanding borrowings under the credit facility
- Reduced total debt approximately \$200 million since the first quarter of 2013
- Amended the revolving credit facility in the second quarter of 2016
  - Minimum EBITDA covenant introduced from the fourth quarter of 2016 through the second quarter of 2017
  - Adjusted Senior Debt to EBITDA (ratio excludes unsecured debt) and Interest Coverage ratios through maturity
  - Total commitments of \$150 million





## Industry-Leading Safety

- For many years, Pioneer has been a leader safety. Our commitment to industry-leading safety helps us retain high-quality employees, broaden our client base, and reduce operating costs.
- Pioneer recognized by IADC as the safest land contract driller in 2015 of the top 15 busiest contractors



Source: IADC

**Production Services**  
(Annual AESC Safety Awards)

2016

**1<sup>st</sup> place** – Coiled Tubing (Division IV)

**3<sup>rd</sup> place** – Wireline (Division IV)

2015

**1<sup>st</sup> place** – Wireline (Division IV)

**3<sup>rd</sup> place** – Well Servicing (Division IV)

2014

**2<sup>nd</sup> place** – Well Servicing (Division V)

2013

**1<sup>st</sup> place** – Well Servicing (Division V)



# PRODUCTION SERVICES



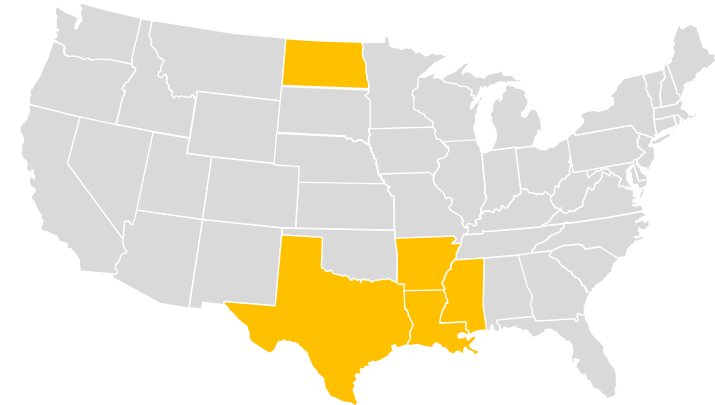
# Well Servicing



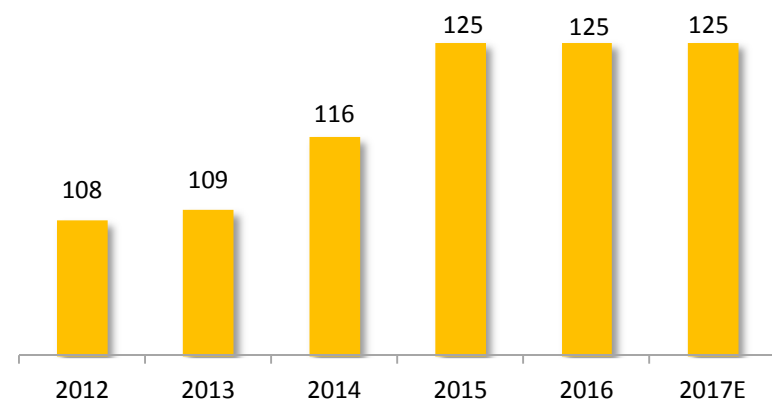
## SERVICE OVERVIEW

- Of the top-tier well servicing providers, Pioneer has the:
  - **Highest average hourly rate**
  - **Highest average horsepower fleet** with all rigs either **550hp** or **600hp**
  - **Highest percentage of taller mast rigs** with all masts either **104', 112', 116', or 121'** in height
- **100% of rigs** are capable of working in the **unconventional plays**
- Established in the **Bakken, Eagle Ford, Fayetteville**, and along the **Texas/Louisiana Gulf Coast**

## OPERATING LOCATIONS



## FLEET GROWTH<sup>1</sup>



(1) Year-end rig count

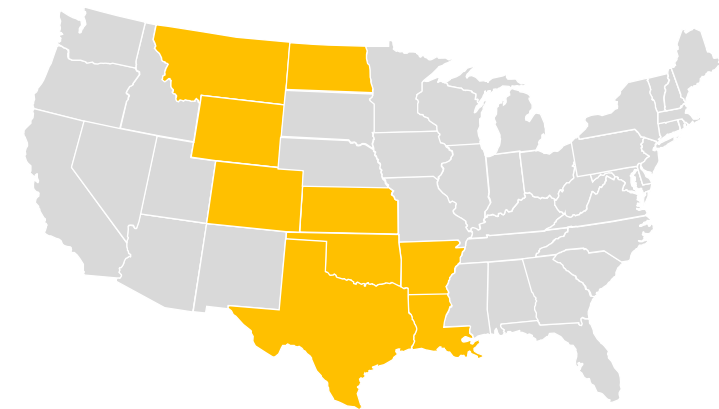
# Wireline



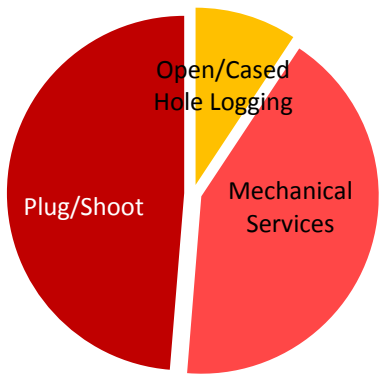
## SERVICE OVERVIEW

- **Leading market share position** in a number of key geographic markets
- Majority of revenue derived from cased-hole operations that include **perforating, logging, and pipe recovery**
- Established in the **Bakken, Eagle Ford, Niobrara, Mississippian, and onshore/offshore Louisiana**

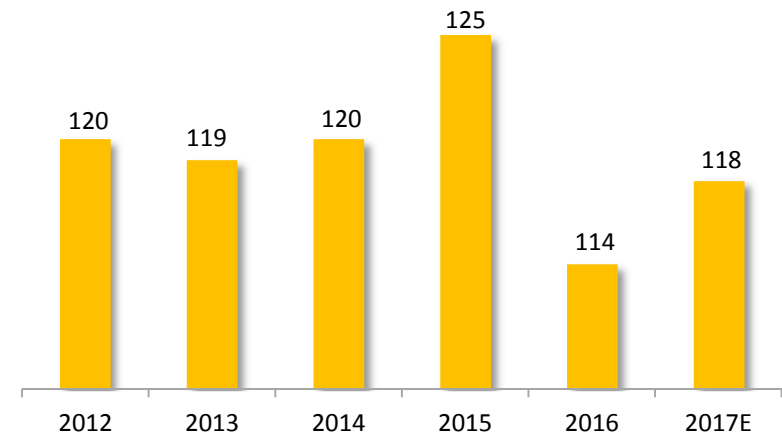
## OPERATING LOCATIONS



## DIVERSIFIED SERVICE OFFERINGS<sup>1</sup>



## FLEET GROWTH<sup>2</sup>



(1) Based on Q4 2016 revenue  
 (2) Year-end unit count

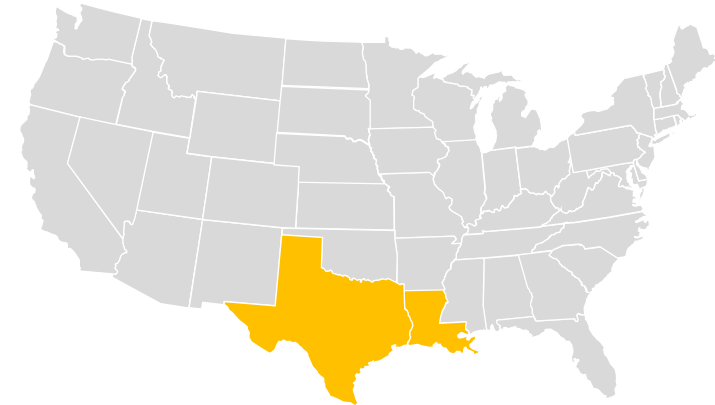
# Coiled Tubing



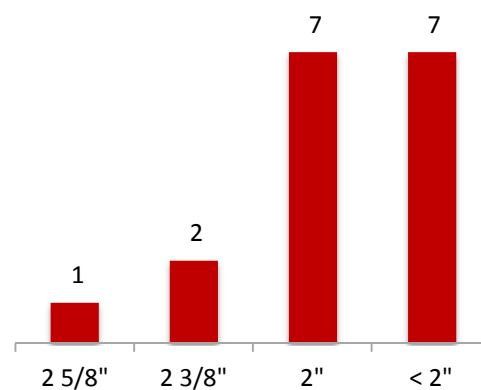
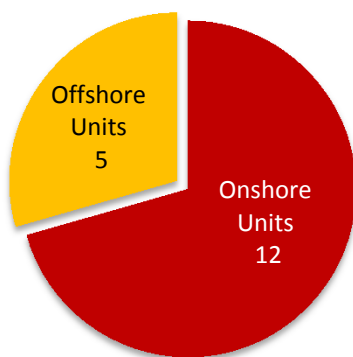
## SERVICE OVERVIEW

- Significant player in the *offshore* coiled tubing market
- Fleet currently provides an array of services with coil capabilities ranging from **1 1/4" to 2 5/8"** coiled tubing
- Established in the *Eagle Ford* and *onshore/offshore Louisiana*

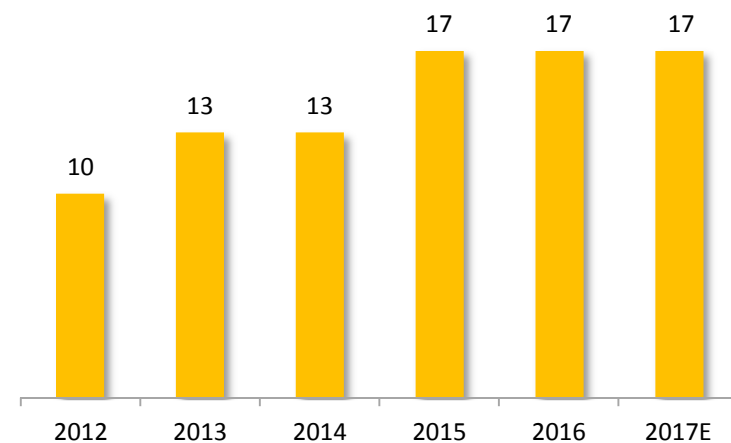
## OPERATING LOCATIONS



## UNIT COUNT<sup>1</sup>: 17



## FLEET GROWTH<sup>2</sup>



(1) Coil unit size is based on most common configuration; all units are capable of running 2" and <2" coil

(2) Year-end rig count



# DRILLING SERVICES

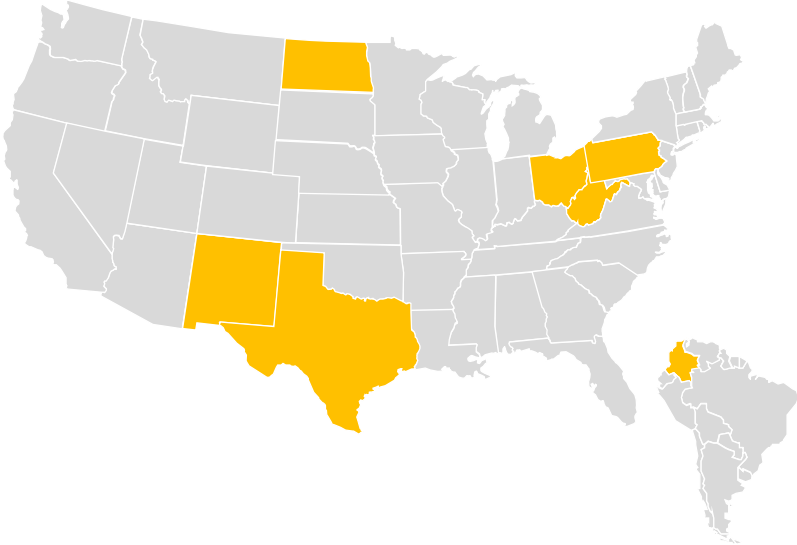
# Drilling Services



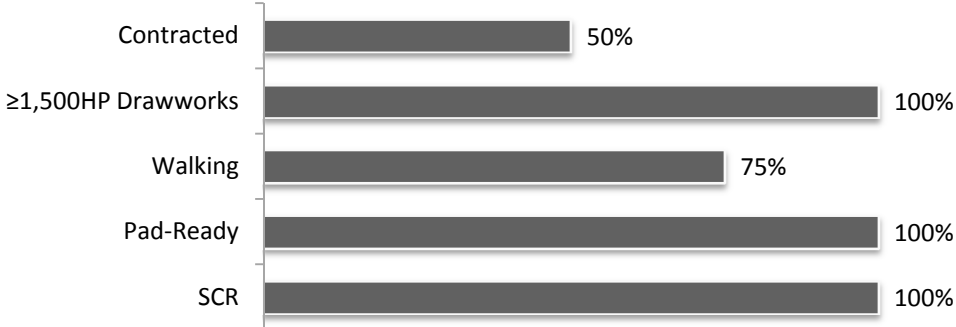
## FLEET CHARACTERISTICS

## OPERATING LOCATIONS

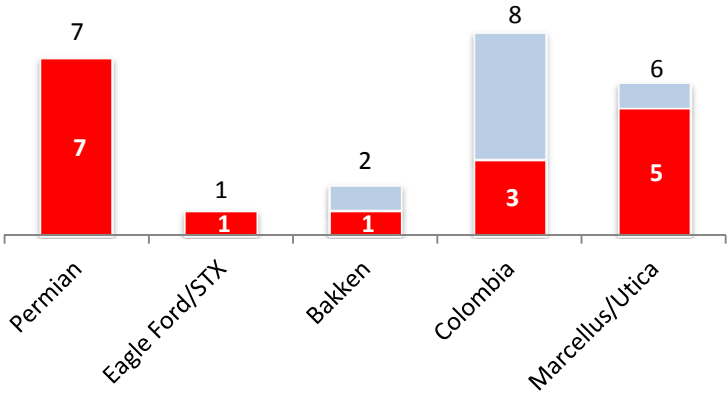
U.S. FLEET



COLOMBIA FLEET



## TOTAL RIG FLEET UTILIZATION



\*red indicates active rigs



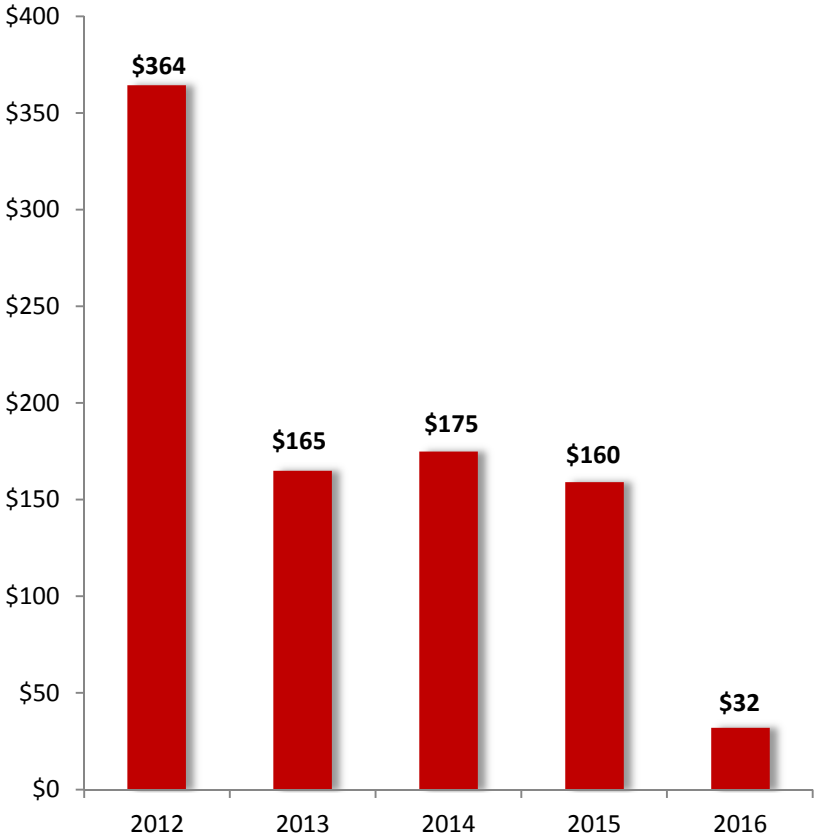
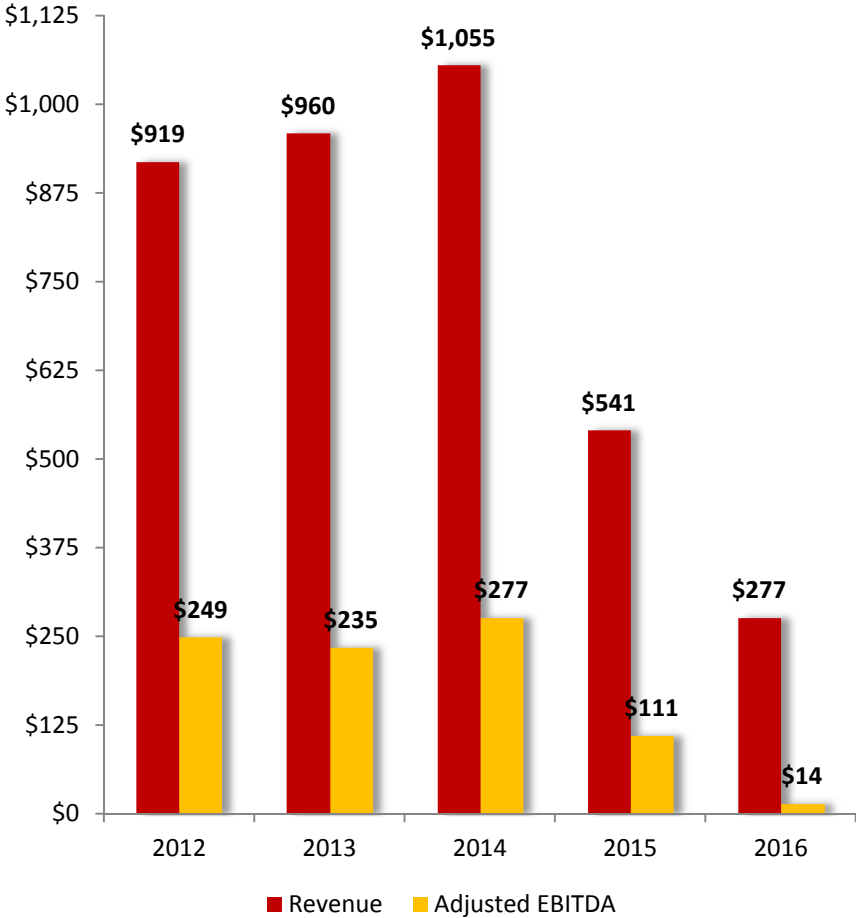
# FINANCIAL PERFORMANCE

# Historical Financial Results



REVENUE / ADJUSTED EBITDA (\$ millions)

CAPEX SPEND (\$ millions)



Note: All data points reflect calendar year and trailing twelve months information derived from 10-K and 10-Q filings. Please refer to Reconciliation of Adjusted EBITDA to Net Income

# Liquidity and Capital Structure



December 31<sup>st</sup>, 2016

(\$ millions)

Actual

Cash	\$	10.2
Senior Secured Revolving Credit Facility due 2019		46.0
6.125% Senior Unsecured Notes due 2022		300.0
Other <sup>1</sup>		(6.5)
<b>Total Debt</b>	<b>\$</b>	<b>339.5</b>
Shareholders' Equity		281.4
<b>Total Capitalization</b>	<b>\$</b>	<b>620.9</b>

(1) Unamortized debt issuance costs



# Reconciliation of Net Income to Adjusted EBITDA



Adjusted EBITDA represents income (loss) before interest expense, income tax (expense) benefit, depreciation and amortization, loss on extinguishment of debt, impairments, and the Colombian Net Equity Tax. Adjusted EBITDA is a non-GAAP measure that our management uses to facilitate period-to-period comparisons of our core operating performance and to evaluate our long-term financial performance against that of our peers. We believe that this measure is useful to investors and analysts in allowing for greater transparency of our core operating performance and makes it easier to compare our results with those of other companies within our industry. Adjusted EBITDA should not be considered (a) in isolation of, or as a substitute for, net income (loss), (b) as an indication of cash flows from operating activities or (c) as a measure of liquidity. In addition, Adjusted EBITDA does not represent funds available for discretionary use. Adjusted EBITDA may not be comparable to other similarly titled measures reported by other companies. A reconciliation of net income (loss) as reported to Adjusted EBITDA is included in the tables below:

	Year-Ending December 31,				
(\$ in millions)	2012	2013	2014	2015	2016
<b>Net Income (Loss)</b>	<b>30.0</b>	<b>(35.9)</b>	<b>(38.0)</b>	<b>(155.1)</b>	<b>(128.4)</b>
Depreciation & Amortization	164.7	187.9	183.4	150.9	114.3
Net Interest	37.0	48.3	38.8	21.2	25.9
Loss on Extinguishment of Debt	-	-	31.2	2.2	0.3
Impairment Expense	1.1	54.3	73.0	129.2	12.8
Income Tax Expense (Benefit)	16.4	(19.8)	(11.3)	(37.6)	(10.7)
<b>Adjusted EBITDA</b>	<b>249.3</b>	<b>234.7</b>	<b>277.1</b>	<b>110.8</b>	<b>14.2</b>

	Q1	Q2	Q3	Q4	TTM
(\$ in millions)	2016	2016	2016	2016	
<b>Net Income (Loss)</b>	<b>(27.7)</b>	<b>(30.0)</b>	<b>(34.6)</b>	<b>(36.1)</b>	<b>(128.4)</b>
Depreciation & Amortization	29.8	28.9	28.7	26.9	114.3
Net Interest	6.3	6.4	6.7	6.6	25.9
Impairment Expense	-	-	4.3	8.6	12.8
Loss on Extinguishment of Debt	-	0.3	-	-	0.3
Income Tax Expense (Benefit)	(2.0)	(2.0)	(1.7)	(5.1)	(10.7)
<b>Adjusted EBITDA</b>	<b>6.4</b>	<b>3.6</b>	<b>3.3</b>	<b>0.9</b>	<b>14.2</b>



***PIONEER***

Pioneer Energy Services