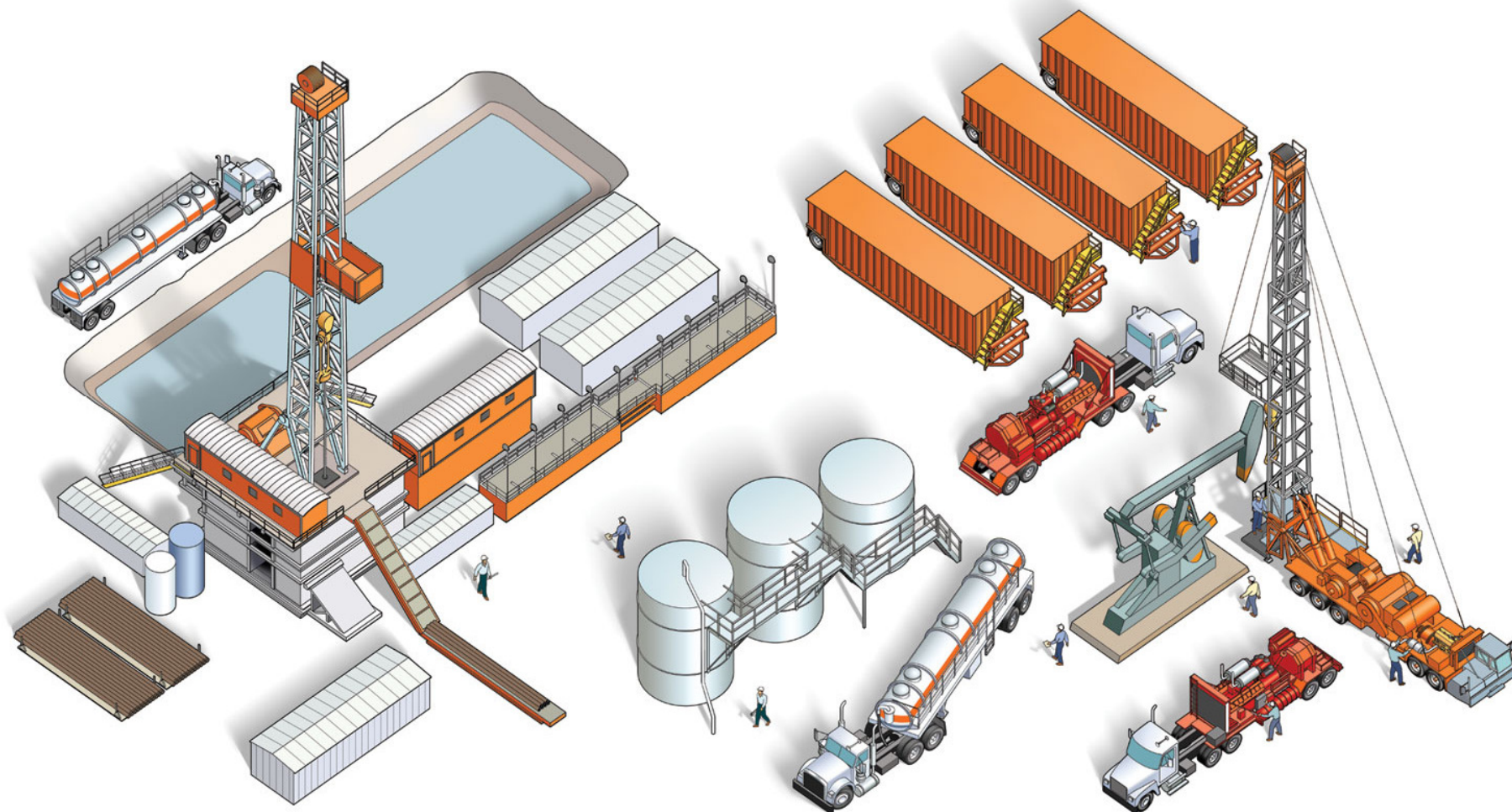


OUR LIFE'S WORK IS THE LIFE OF THE WELL™



*Howard Weil Energy Conference*  
March 20, 2013  
New Orleans, LA



# 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.

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

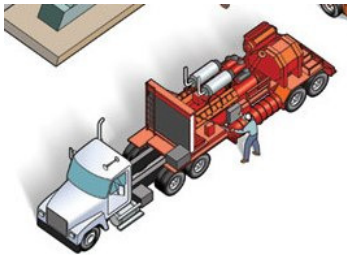
- ▶ a decline in or substantial volatility of oil and gas prices, and any related changes in expenditures by its customers;
- ▶ the effects of future acquisitions on its business;
- ▶ changes in customer requirements in markets or industries it serves;
- ▶ competition within its industry;
- ▶ general economic and market conditions;
- ▶ its access to current or future financing arrangements;
- ▶ its ability to replace or add workers at economic rates; and
- ▶ environmental and other governmental regulations.

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, 2012 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.

# Overview of Basic Energy Services

## Completion & Remedial Services

- ▶ 2012 revenue = \$586mm
- ▶ 291k HHP pumping
- ▶ 20 rental stores
- ▶ 34 snubbing units
- ▶ 14 coiled tubing units
- ▶ 50 service points



- Pumping services for cementing, fracturing, acidizing, and well cleanout
- Fishing tools and specialized equipment for drilling and workover operations
- Snubbing and coiled tubing services for completions and workovers

**43% of revenue**

## Fluid Services

- ▶ 2012 revenue = \$352mm
- ▶ 962 trucks
- ▶ 3,500 frac tanks
- ▶ 72 disposal wells
- ▶ 49 service points

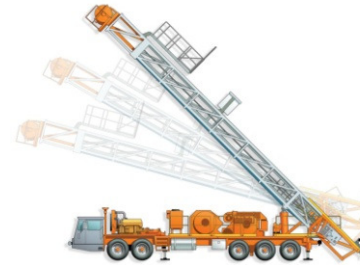


- Sale/Transport/Storage/Disposal
  - Water used in fracturing
  - Frac flowback
  - Produced salt water
  - Other fluids used in drilling and workover operations
- Hot oiling to remove obstructions
- Frac water heating
- Miscellaneous services

**26% of revenue**

## Well Servicing

- ▶ 2012 revenue = \$376mm
- ▶ 425 rigs
- ▶ 45 service points

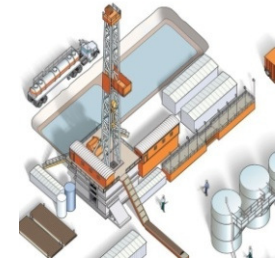


- Routine maintenance to return well to production
- Workover to sustain or improve production
- Well preparation for production post drilling
- Plugging and abandonment

**27% of revenue**

## Contract Drilling

- ▶ 2012 revenue = \$60mm
- ▶ 12 drilling rigs
- ▶ Located in West Texas and Southeastern New Mexico



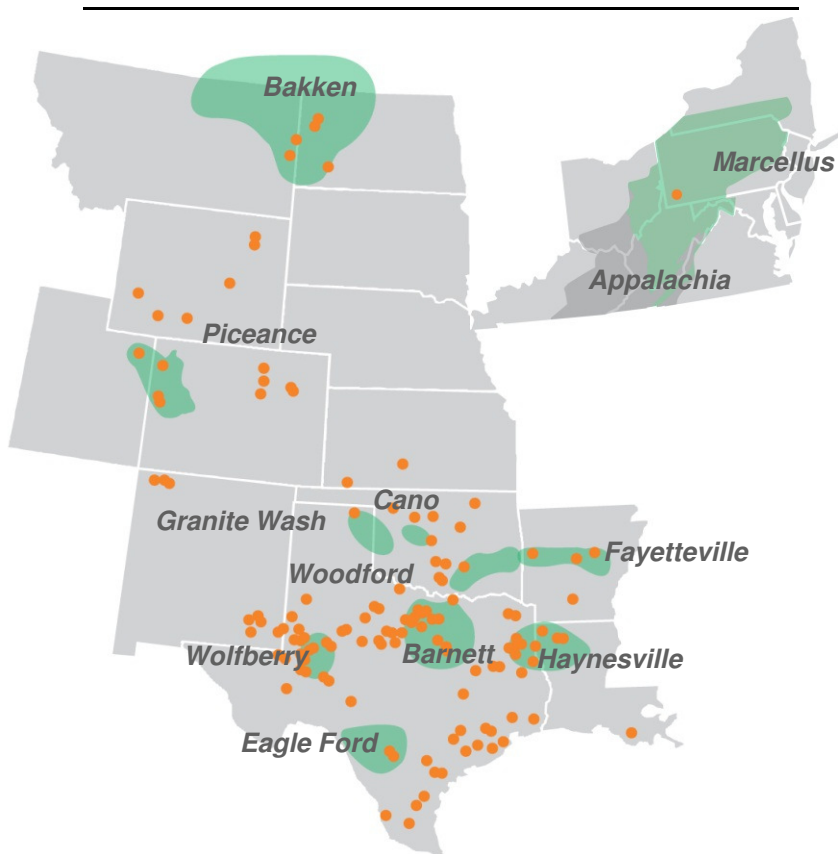
- 1,200HP rigs capable of deeper and horizontal drilling (Bone Springs, Avalon, et al.)
- 1,000HP rigs targeted to "Wolfberry" vertical play
- Lower HP (shallow) rigs focused on infill drilling programs

**4% of revenue**

# Extensive Footprint in Prolific Basins

- ▶ Portfolio approach – expanding suite of services within several active geographic regions
- ▶ Significant exposure to major oil and gas markets – 70% revenue exposure to oil and liquids activity
- ▶ Core operations in established oil and gas markets provide more stable demand
- ▶ Expansion opportunities in developing markets

**Operating Map**



Service Yard

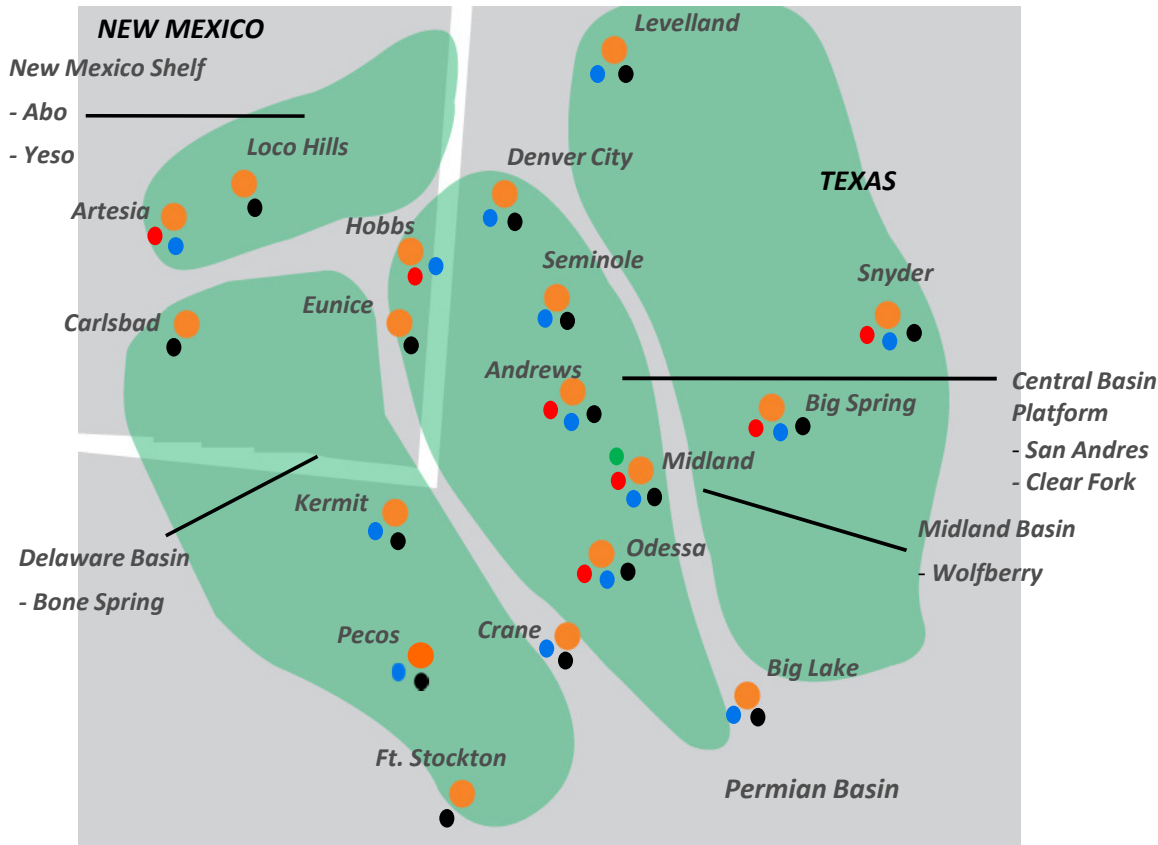
**Basic's Presence**

	Well Count	% Oil	Recent Drilling	Basic's Assets	
			Rig Count	WS Rigs	Trucks
Permian Basin	150,000+	80%	434	194	427
South Texas/ Gulf Coast	45,000+	50%	266	49	152
Mid-Continent	260,000+	65%	254	53	82
Ark-La-Tex	70,000+	45%	71	35	179
Rocky Mountains	100,000+	35%	301	58	122
Appalachian	185,000+	15%	115	8	-

Sources: Drilling rig count represents active rigs with depth range greater than 5,000 feet in the representative regions from the February 28, 2013 *Land Rig Newsletter Biweekly Report*.

# Significant Presence in the Permian Basin

## Leading Permian Presence



### Legend of Type of Operations

- Well Servicing Rigs
- Fluid Trucks / Frac Tanks / SWDs
- Rental & Fishing Stores
- Pumping

- ▶ Basic's presence in the Permian Basin dates to its founding in 1992
- ▶ Provides a significant market for the full range of services the Company offers
  - 194 well servicing rigs
  - 12 drilling rigs
  - 427 fluid services trucks
  - 1,223 frac tanks
  - 26 SWDs
  - 9 rental & fishing tool stores
  - 36,000 HHP of pumping capacity
- ▶ Represents approximately 40% of Basic's current revenue stream
- ▶ Drilling economics are competitive with any major U.S. Basin
  - Low breakeven price; multiple pay zones
  - Approximately 25% of the US land drilling rigs are located in the Permian Basin

## *Diversified Customer Base*

*Top Ten Customers for 2012 Represented 37% of Revenues*

*Apache*

*Berry Petroleum*

*Chesapeake Energy*

*BP America*

*ExxonMobil*

*Whiting Petroleum*

*Anadarko Petroleum*

*EOG Resources*

*Pioneer Natural Resources*

*OXY USA*

**Basic has over 2,000 active customers**

## ***Current Investment Strategy***

### ▶ **Capital Expenditures**

- ▶ 2013 capital spending expected to be \$185 million
- ▶ Annual base maintenance/sustaining capital expenditures now about \$125 million
- ▶ Expansion capital directed mainly towards additional salt water disposal facilities
- ▶ Our capital spending plans will be adjusted based on market conditions as 2013 progresses

### ▶ **Acquisitions**

- ▶ Strategy will continue to focus on opportunities with
  - ▶ Premium equipment
  - ▶ Minimal integration issues
  - ▶ Compelling valuations
- ▶ Two acquisitions completed in February 2013
  - ▶ Acquired operating assets of Atlas Equipment Company for \$13 million with \$9 million contingent earn-out agreement
    - ▶ Four mobile water treatment plants used for de-watering heavy mud
  - ▶ Acquired operating assets of Petroleum Water Solutions for \$3.3 million with \$3.3 contingent earn-out agreement
    - ▶ Provides electrocoagulation and filtration services to treat produced salt water and frac flowback water
- ▶ Transactions in the \$10 to \$50 million range would be paid for through operating cash flow
- ▶ Larger transactions would require a combination of cash and stock

### ▶ **Stock Repurchase Program**

- ▶ Reinstated 2008 stock repurchase program in late May 2012

## ***Most Recent Near-Term Commentary and Guidance***

### **Q1 2013 Outlook**

- ▶ Revenues increase by 2%-3% sequentially
- ▶ Profit margins impacted by the reset of unemployment taxes which will offset the higher utilization levels
- ▶ Two small acquisitions will close in late February that will broaden our capabilities in the growing water processing/re-cycling market

### **Full Year 2013 Outlook**

- ▶ Revenues similar to what we achieved in 2012
- ▶ Do not expect our customers to substantially start their 2013 capital spending until early Q2 2013
- ▶ Improvement in pricing is not expected but increasing utilization will advance profit margins as we progress through the year
- ▶ Projected to generate free cash flow

### **Near-term Strategy**

- ▶ Retain market share, maximize utilization and control costs
- ▶ Selective deployment of capital
- ▶ Maintain liquidity
- ▶ ***Be ready to take advantage of displacements or improvements within our markets***

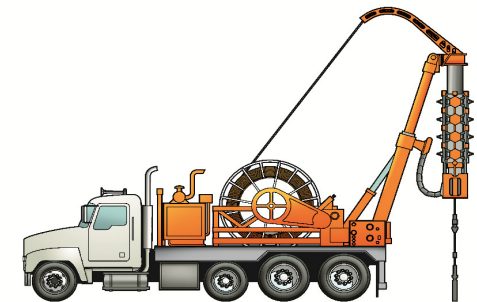
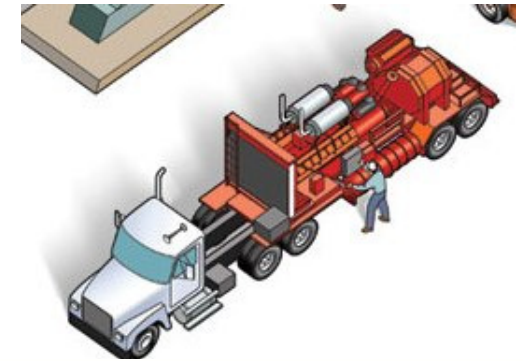


# Segment Overviews

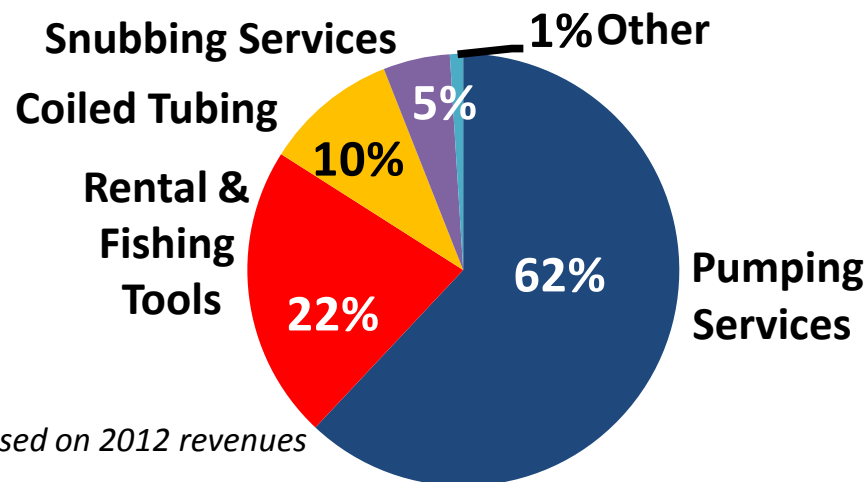
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# Specialized Completion & Remedial Services

- ▶ **Provides support to drilling, workover and production processes**
  - ▶ *Pumping services for cementing, acidizing, squeeze-cementing (workover), fracturing and re-fracturing*
  - ▶ *Fishing tools and rental equipment for drilling and workover processes*
  - ▶ *Snubbing services to allow “live-well” completion and workover operations*
  - ▶ *Coil tubing and nitrogen services for completion, remedial and P&A applications*
  - ▶ *Cased-hole wireline services for tool deployment, perforating and re-perforating*
  - ▶ *Underbalanced circulating systems for drilling, remedial and well clean-out operations*
- ▶ **Focused on smaller markets traditionally underserved by major competitors**

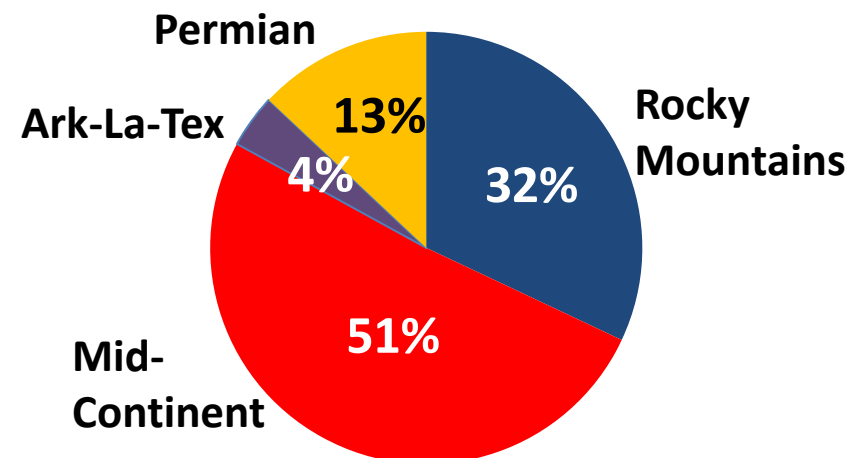


**Revenue by Service Line <sup>1</sup>**

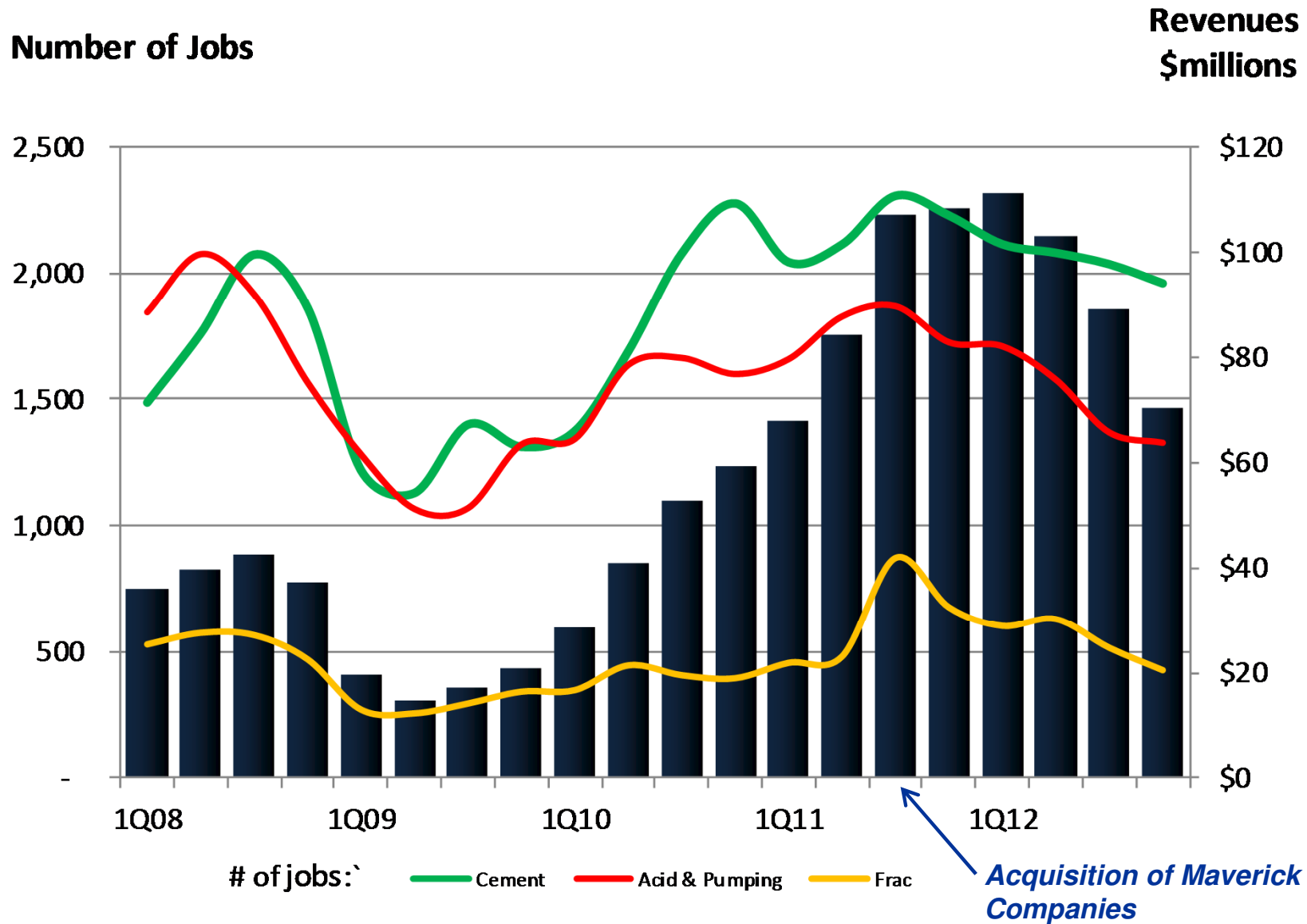


<sup>1</sup> Based on 2012 revenues

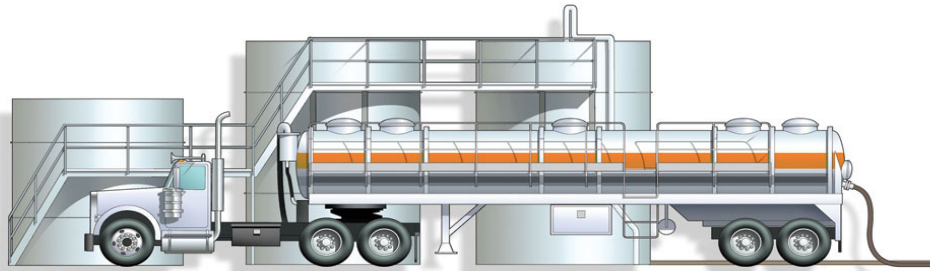
**Pumping HHP by Market Area**



# BAS Quarterly Pumping Services Jobs and Revenue

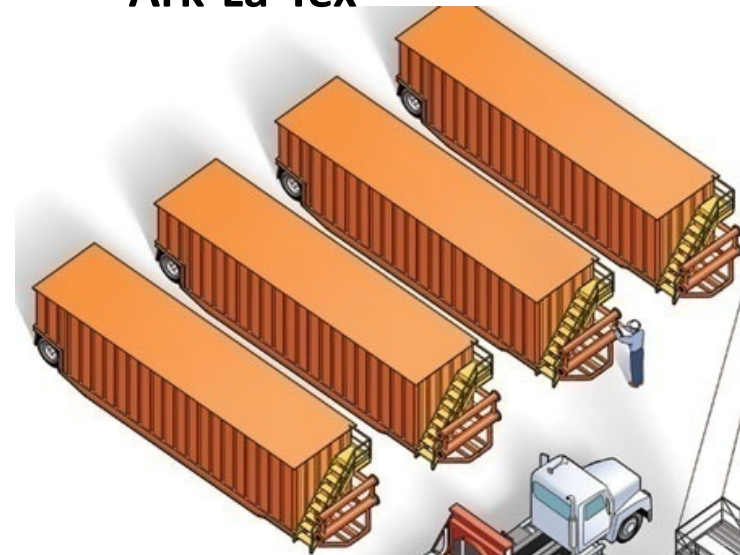
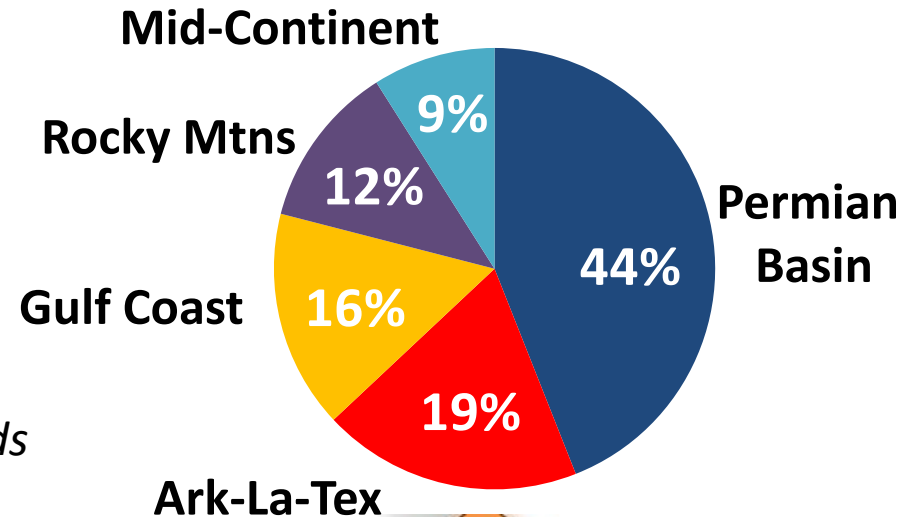


# Basic Provides a Full Range of Fluid Handling



- ▶ *Transportation and disposal of salt water produced as a by-product of oil and gas production*
- ▶ *Sale, transportation, storage and disposal of fluids used in fracturing, workover and drilling activity*
- ▶ *Rental of portable frac and test tanks used in fracturing, workover, drilling and industrial applications*
- ▶ *Oilfield (state-regulated, non-hazardous) wastewater disposal wells*
- ▶ *Fresh & brine water source wells in the Permian Basin*
- ▶ *Well site construction services*

## 962 Trucks by Market Area



**Fluid services market continues to be competitive**

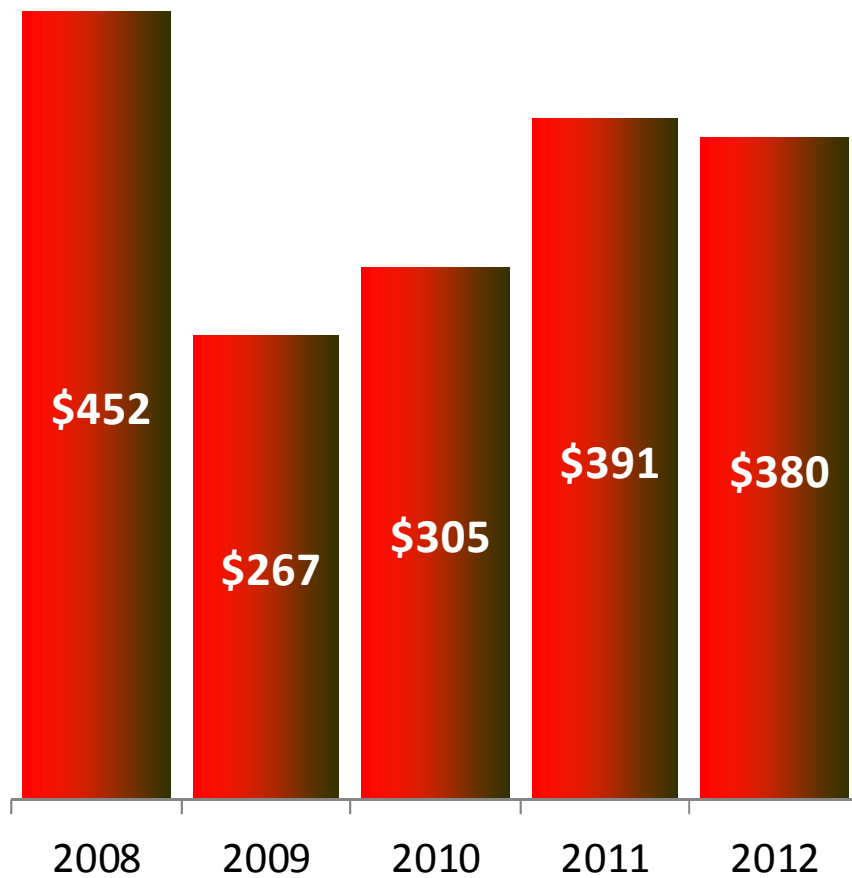
# BAS Fluid Services Capabilities in the Life of the Well

Service/Phase in Well Life	Drilling	Completion	Production & Maintenance	Workover	P&A
Fluid Sales					
<i>Fresh Water</i>	•	•			
<i>Weighted Fluid</i>		•		•	•
Transportation					
<i>Vacuum Trucks</i>	•	•	•	•	•
<i>Flowline</i>		•			
Storage (Frac Tanks)	•	•		•	•
Skim Oil		•	•		
Disposal Facilities					
<i>by truck</i>		•	•		
<i>by pipeline</i>		•	•		
Kill Trucks (pressure control)		•		•	
Hot Oil Services			•		
Frac Water Heating		•			
De-watering	•	•			
Water recycling	•	•	•		
Solids Disposal	•	•	•		

# Fluid Service Revenue per Truck Trends

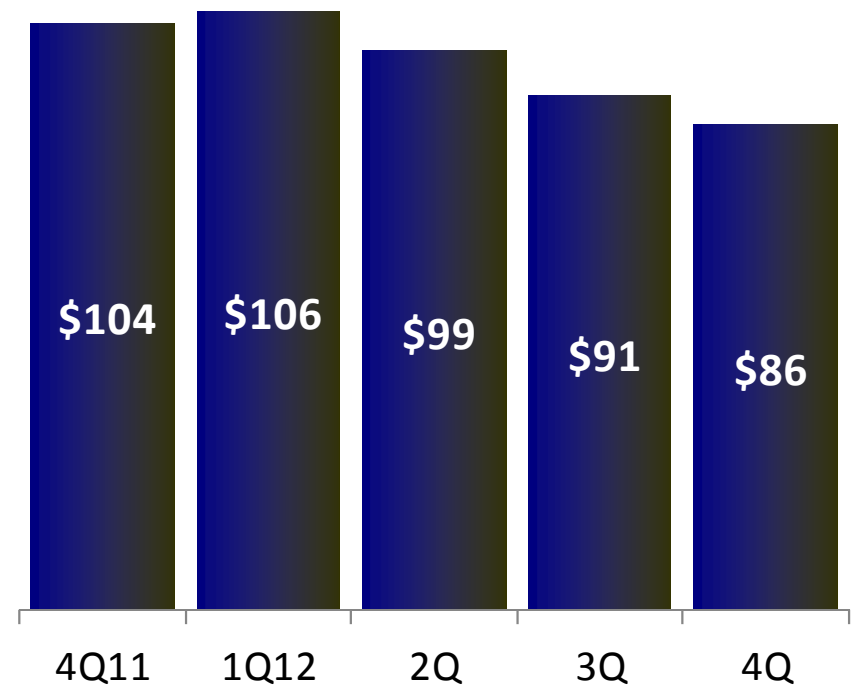
**Revenue Per Fluid Service Truck**

\$000s



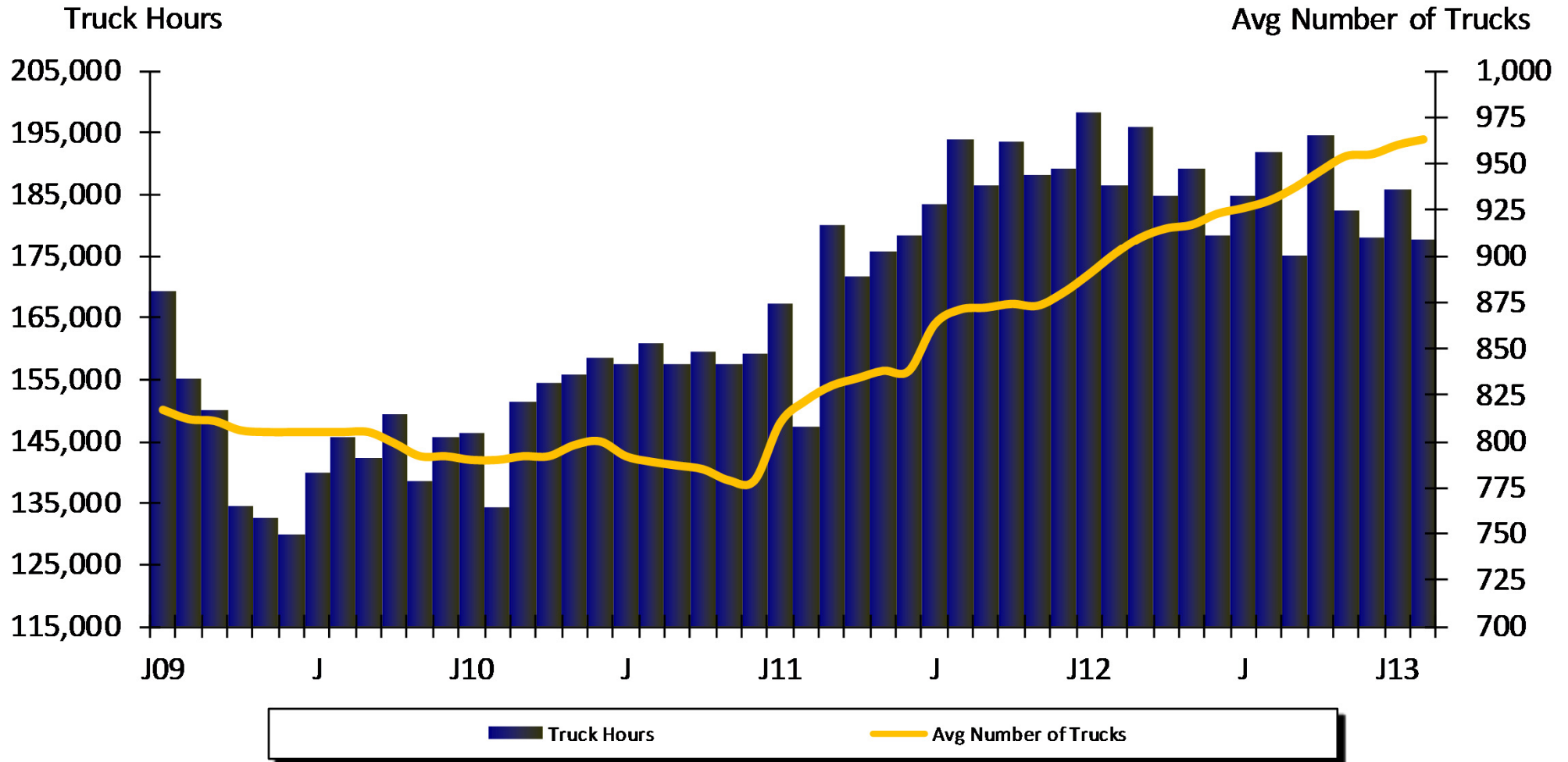
**Recent Revenue per Truck Trend**

\$000s



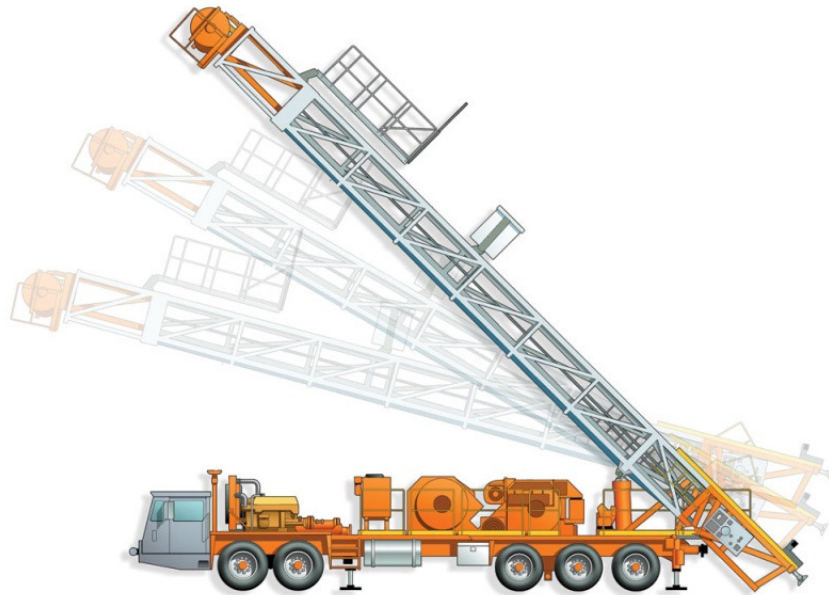
**Lower non-trucking revenue driving declining revenue per truck in recent quarters**

# Fluid Service Truck Hours

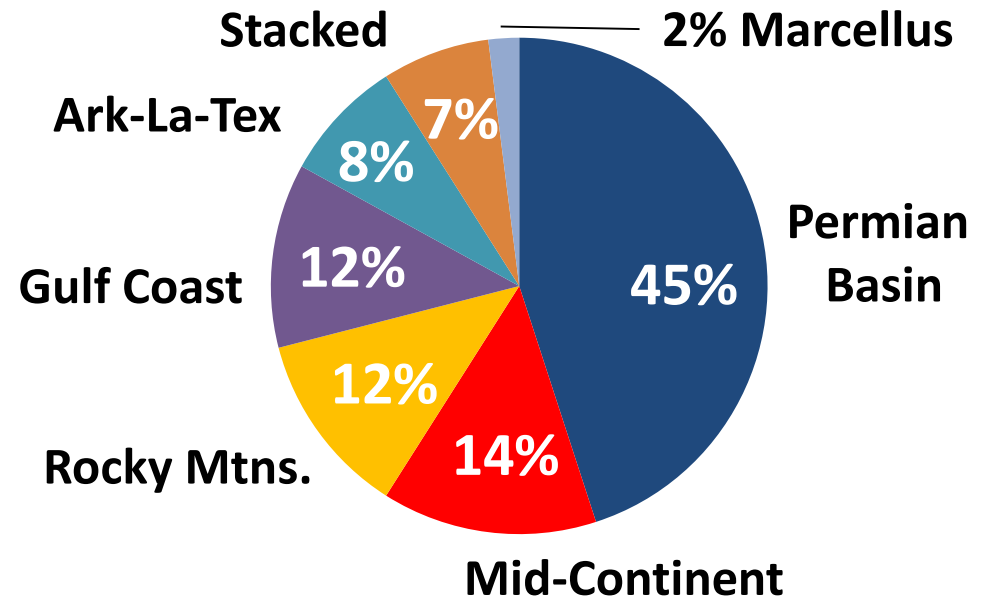


**Expect to add about 35 trucks in 2013**

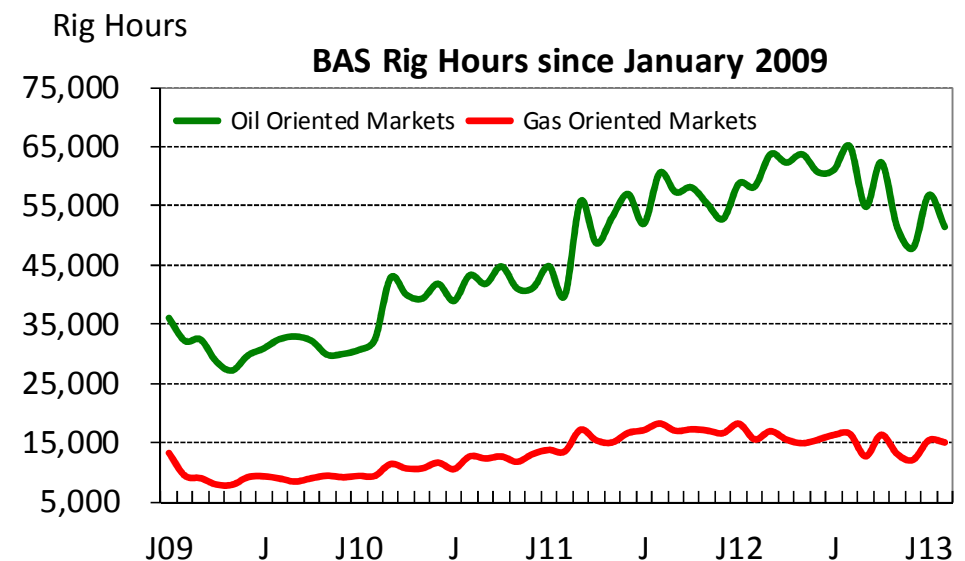
# Well Servicing Rigs Facilitate Down Hole Activity



425 Rigs by Market Area



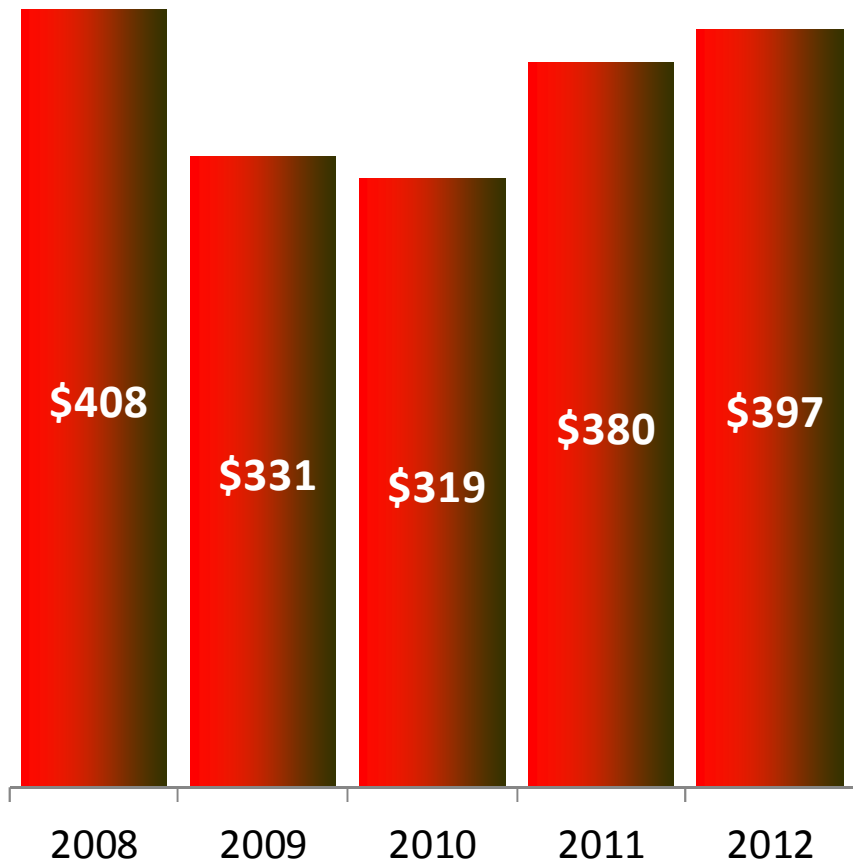
- ▶ **Service Work** - routine maintenance of down-hole equipment to return well to production
- ▶ **Workover** - periodic major maintenance and renovation to sustain or improve production
- ▶ **Completion** - well preparation for production after successful drilling of well
- ▶ **P&A** - plugging and abandonment of depleted wells



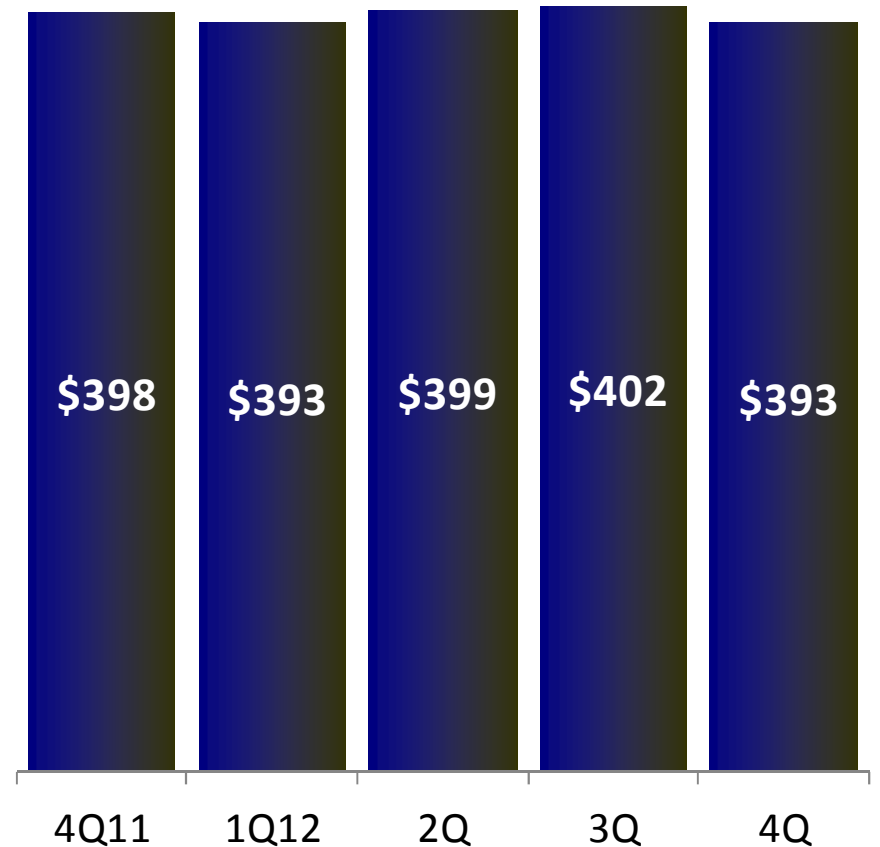


# Well Servicing Revenue per Rig Hour Trends

**Revenue Per Well Servicing Rig Hour**

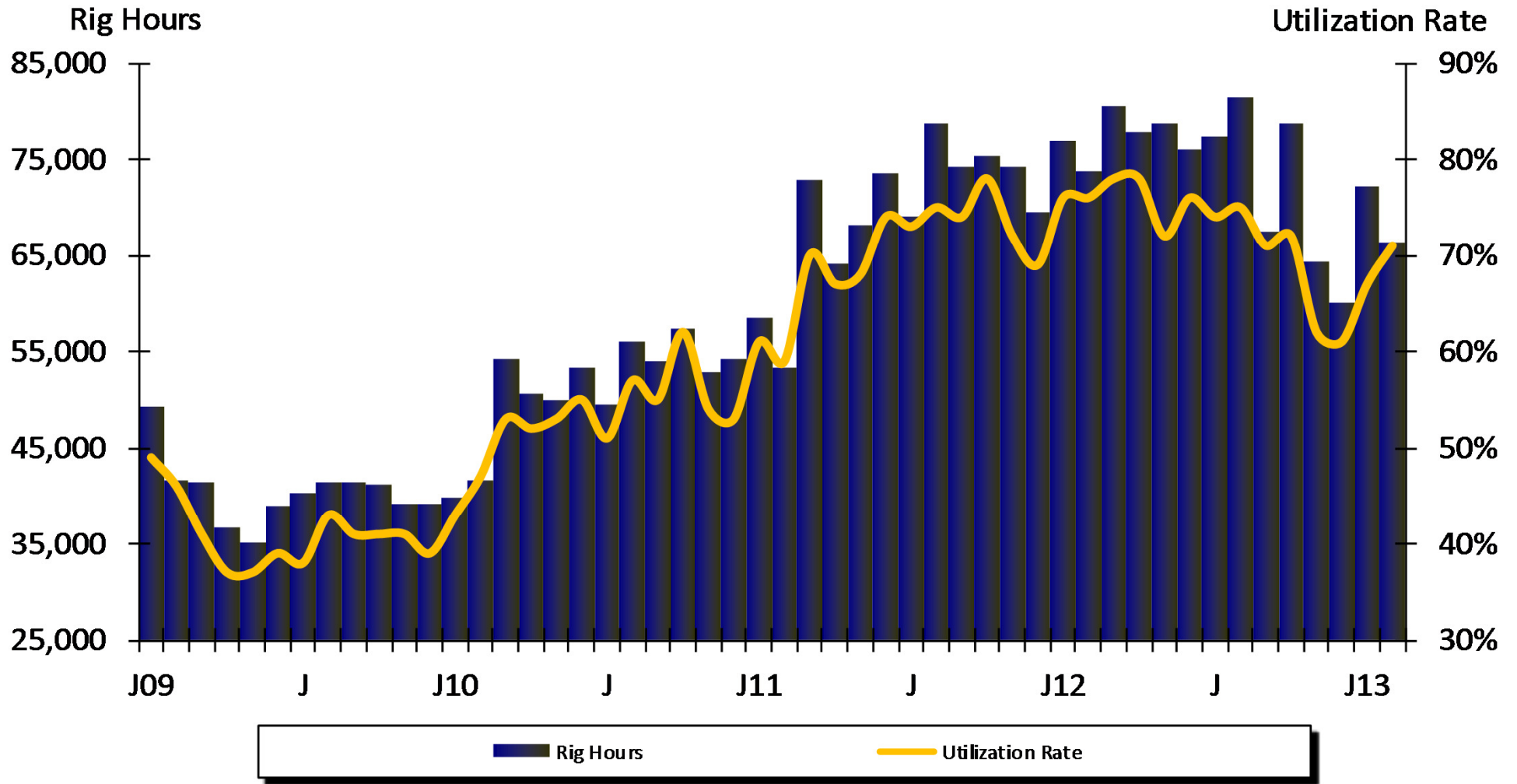


**Recent Revenue per Rig Hour Trend**



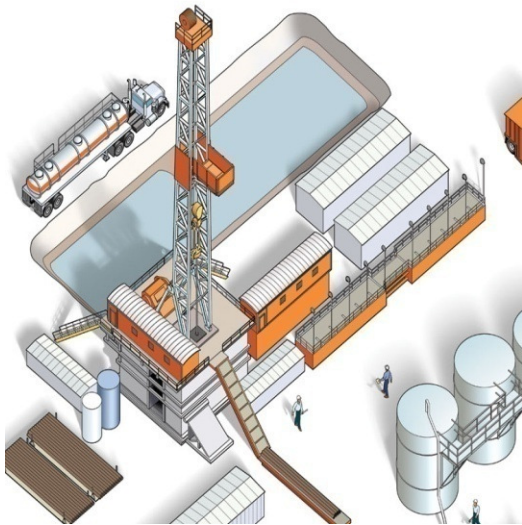
**Revenue per rig hour has remained stable in recent quarters**

# Well Servicing Rig Utilization Rates



Activity levels in oil and liquid-directed markets continue to drive demand

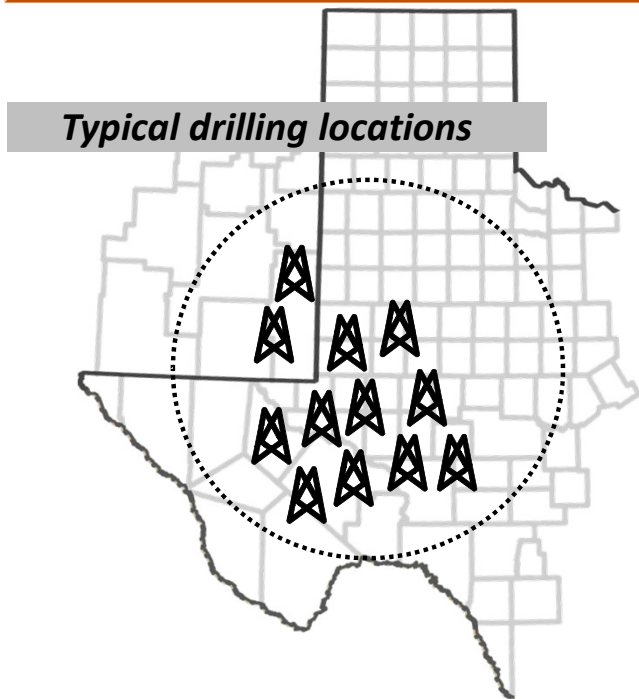
# Contract Drilling Diversifies Service Offering



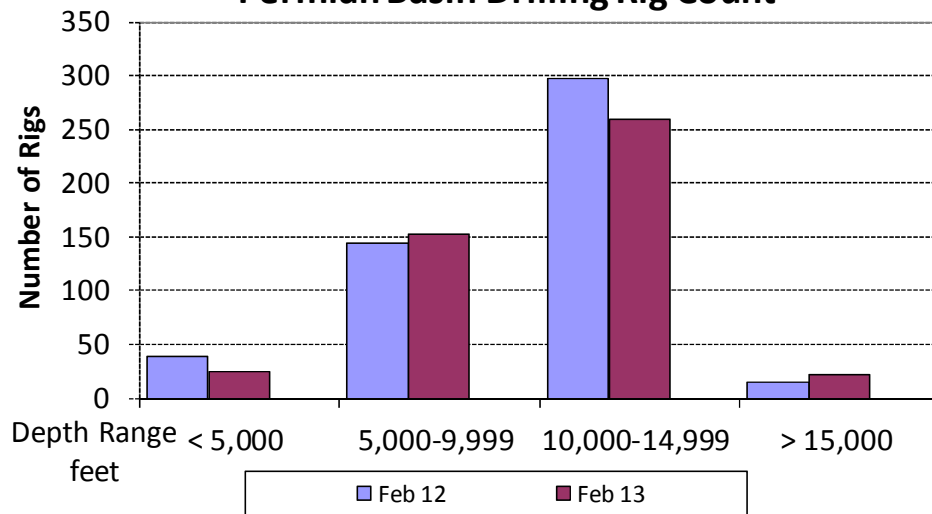
## Fleet of 12 drilling rigs in the Permian Basin

- ▶ Two 1,200HP SCR rigs (to 16,000 feet and horizontal)
- ▶ Three 1,000HP super single rigs (8,000 to 12,000 feet vertical)
- ▶ Six “shallow-depth” mechanical rigs focused on infill drilling programs (8,000 feet and less)
- ▶ One “pre-set” casing rig

## Permian Basin Market Area



Permian Basin Drilling Rig Count



Source: Drilling rig count from the February 28, 2013 *Land Rig Newsletter Biweekly Report*.

# Financial Overview

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# Summary Financials

\$ in millions, except per share data

	2008	2009	2010	2011	2012
Revenues	\$ 1,005	\$ 527	\$ 728	\$ 1,243	\$ 1,375
Segment profit <i>% of revenue</i>	\$ 392 39%	\$ 137 26%	\$ 221 30%	\$ 477 38%	\$ 472 34%
Adjusted EBITDA <sup>1</sup> <i>% of revenue</i>	\$ 277 28%	\$ 34 6%	\$ 114 16%	\$ 335 27%	\$ 306 <sup>8</sup> 22%
Net income	\$ 83 <sup>2</sup>	\$ (84) <sup>4</sup>	\$ (45) <sup>5</sup>	\$ 78 <sup>6</sup>	\$ 33 <sup>8</sup>
Diluted EPS	\$ 2.00 <sup>2</sup>	\$ (2.13) <sup>4</sup>	\$ (1.14) <sup>5</sup>	\$ 1.88 <sup>6</sup>	\$ 0.80 <sup>8</sup>
Cash flow from operations	\$ 201 <sup>3</sup>	\$ 89	\$ 49	\$ 279 <sup>7</sup>	\$ 318 <sup>8</sup>
Capital expenditures (cash):					
Property & equipment	\$ 92	\$ 43	\$ 64	\$ 222	\$ 171
Acquisitions, net of cash acquired	\$ 111	\$ 8	\$ 50	\$ 218	\$ 85

<sup>1</sup> See reconciliation of Adjusted EBITDA to net income on last page of presentation.

<sup>2</sup> Excludes \$7 million of after-tax merger related income, net of expense, and a \$22 million after-tax goodwill impairment charge.

<sup>3</sup> Excludes \$12 million of pretax of merger related income, net of expenses.

<sup>4</sup> Excludes \$167 million after-tax goodwill impairment charge and \$2 million after-tax charge for loss on early retirement of debt.

<sup>5</sup> Excludes \$2 million gain on bargain purchase of an acquisition in the second quarter of 2010.

<sup>6</sup> Excludes \$28 million charge for refinancing of \$225 million Senior Secured Notes due 2014, \$1.5 million gain on sale of an office complex in 1Q and \$4 million tax impact in related to refinancing of bonds in 1Q.

<sup>7</sup> Includes federal income tax refund of \$80 million.

<sup>8</sup> Includes after-tax charges of \$5 million for corporate relocation costs, \$5 million charge for refinancing of \$225 million Senior Noted due 2016, \$4 million for 2006-2010 sales tax audit assessment and a \$2 million credit for other special charges.

# Enhanced Balance Sheet and Liquidity

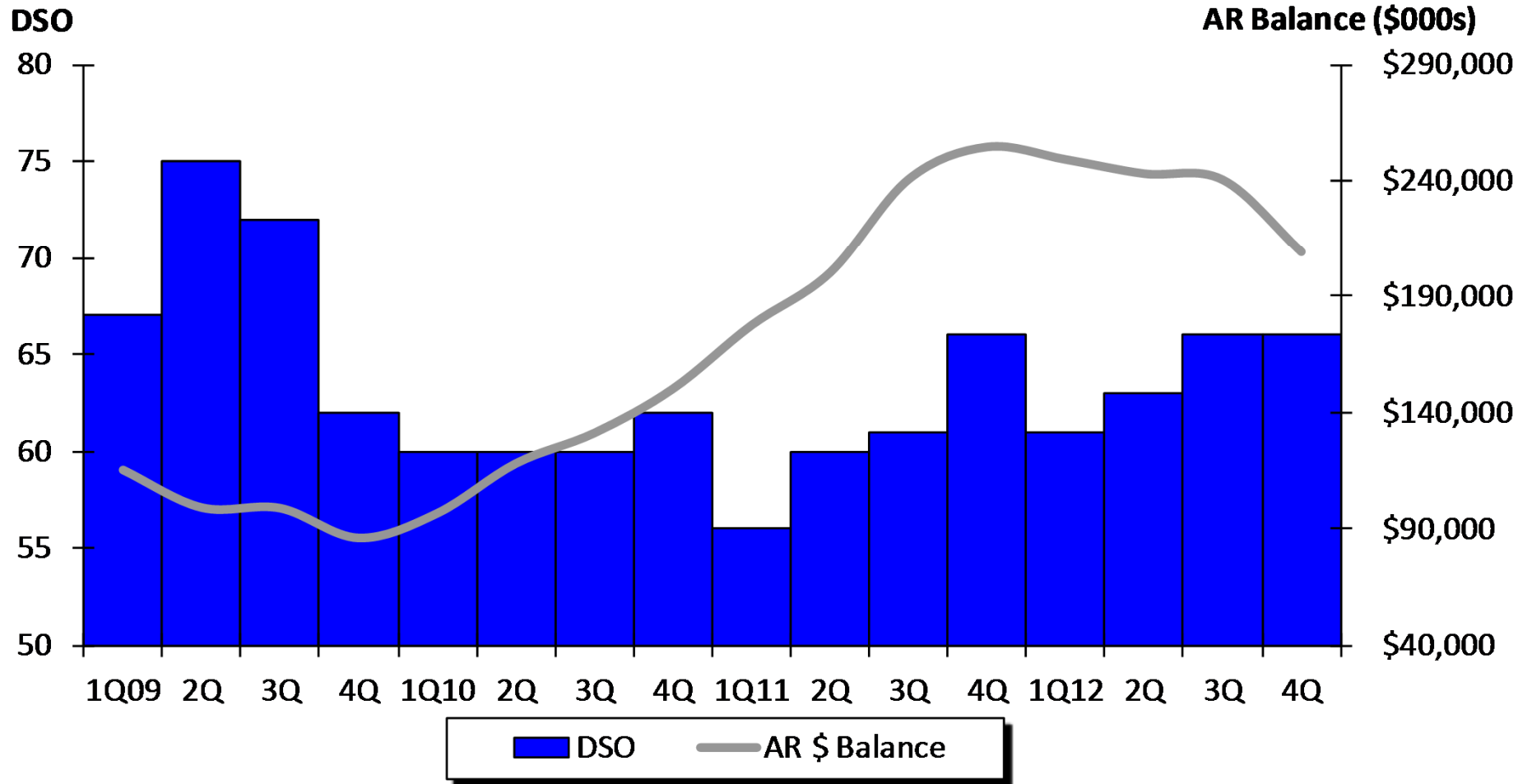
## Capitalization as of December 31, 2012

\$ in millions	Cash and cash equivalents		<u>\$</u>	<u>135</u>
	7.75% Senior Notes due 2022	B2/B+	\$	300
	7.75% Senior Notes due 2019	B2/B+		477
	\$250 million revolver			-
	Other debt and capital leases			<u>106</u>
	<b>Total debt</b>		<b>\$</b>	<b>883</b>
	Shareholders' Equity			<u>374</u>
	<b>Total Capitalization</b>		<b>\$</b>	<b>1,257</b>
	Net debt		\$	748
	Total liquidity <sup>2</sup>		\$	363
	Adjusted EBITDA / Interest Expense			4.6 x
	Total Debt / Adjusted EBITDA			2.9 x
	Net Debt / Adjusted EBITDA			2.4 x
	Debt / Capitalization			70%

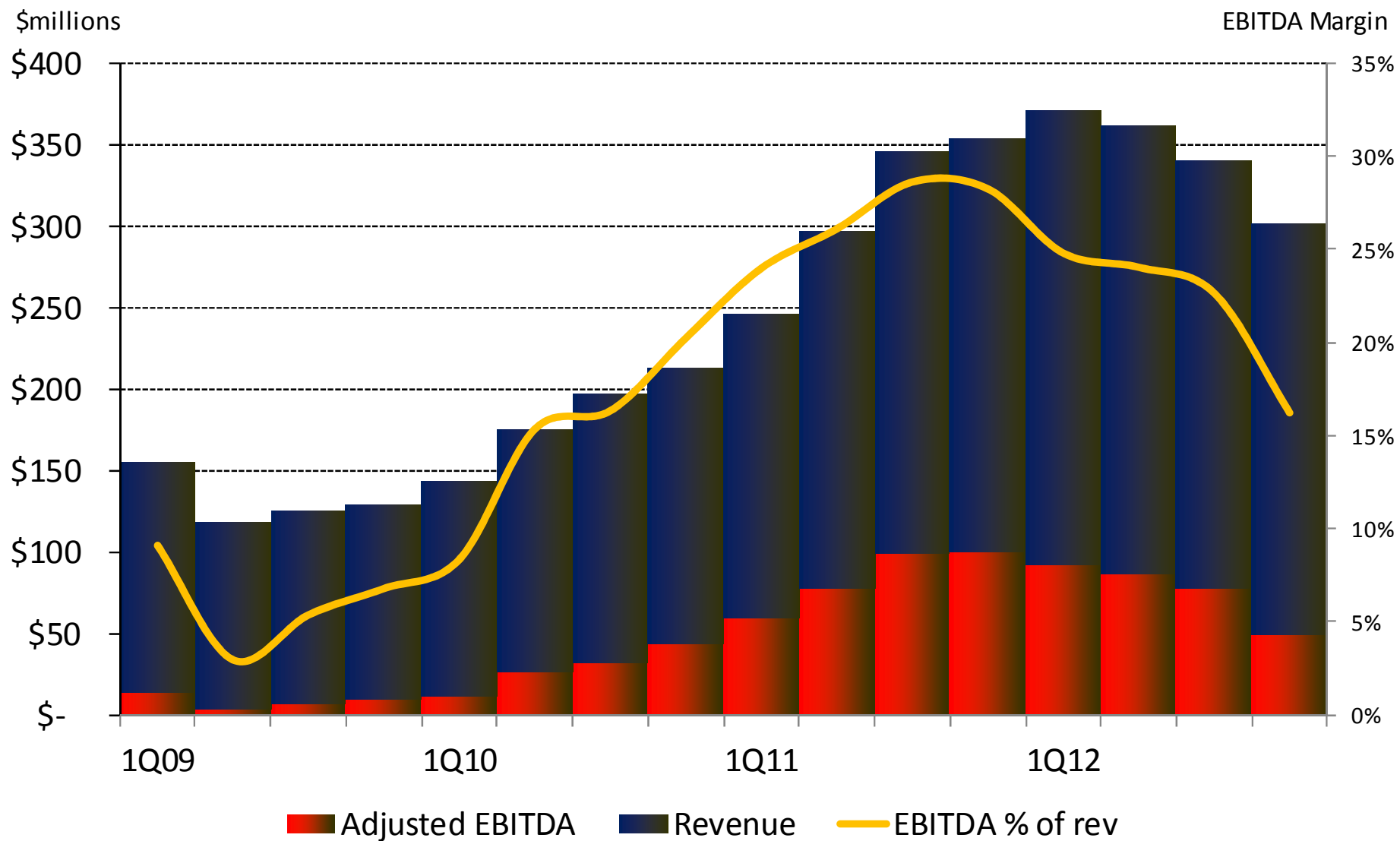
<sup>1</sup> Includes cash balance plus \$250 million revolver less \$ 22 million used for letters of credit for insurance collateral.

**No required notes principal repayments until 2019**

# Focus on Credit and Collections Optimizes DSO



# Quarterly Financial Performance

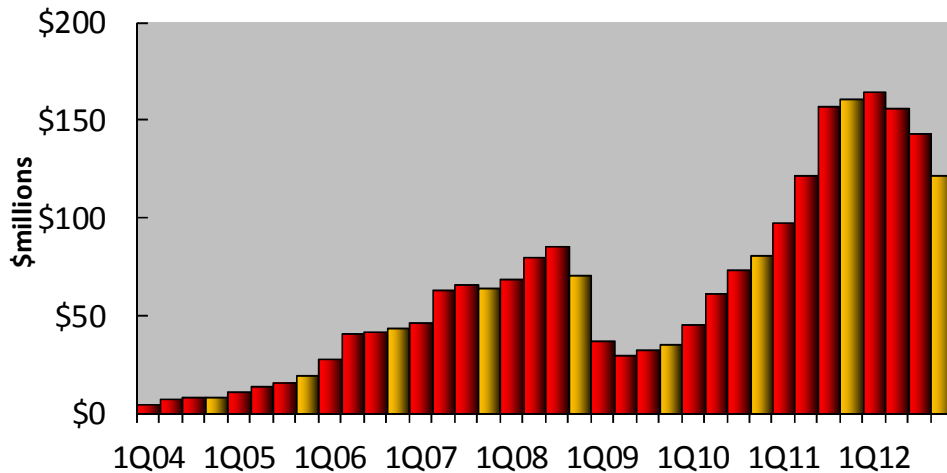




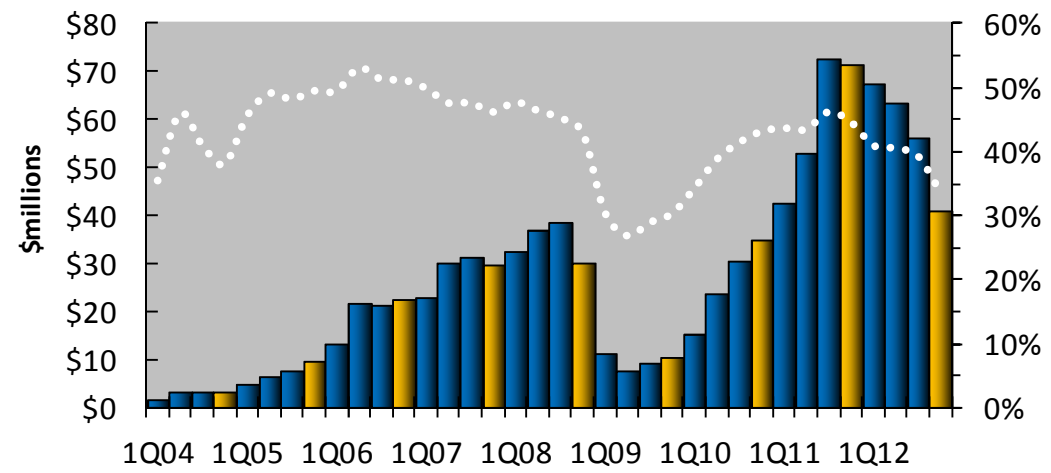
# Quarterly Segment Data

## Completion & Remedial Services

### Revenues



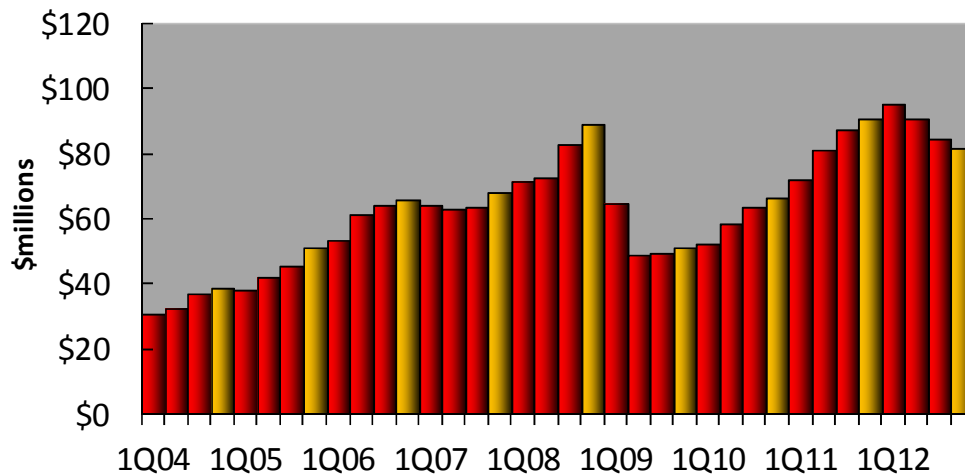
### Segment Profit



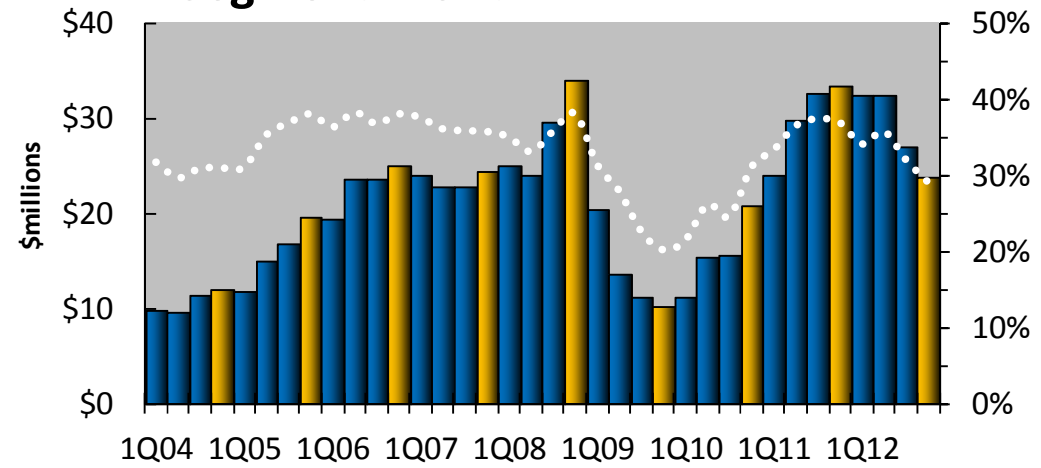
■ \$     ..... % of rev

## Fluid Services

### Revenues



### Segment Profit

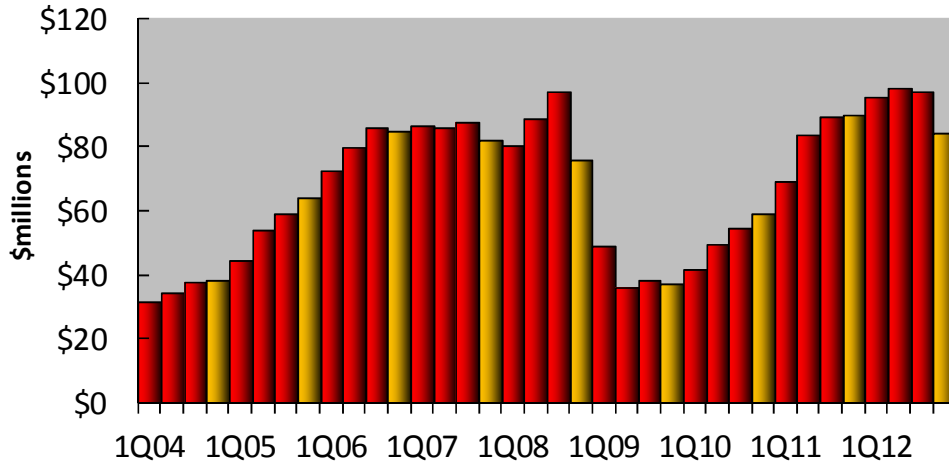


■ \$     ..... % of rev

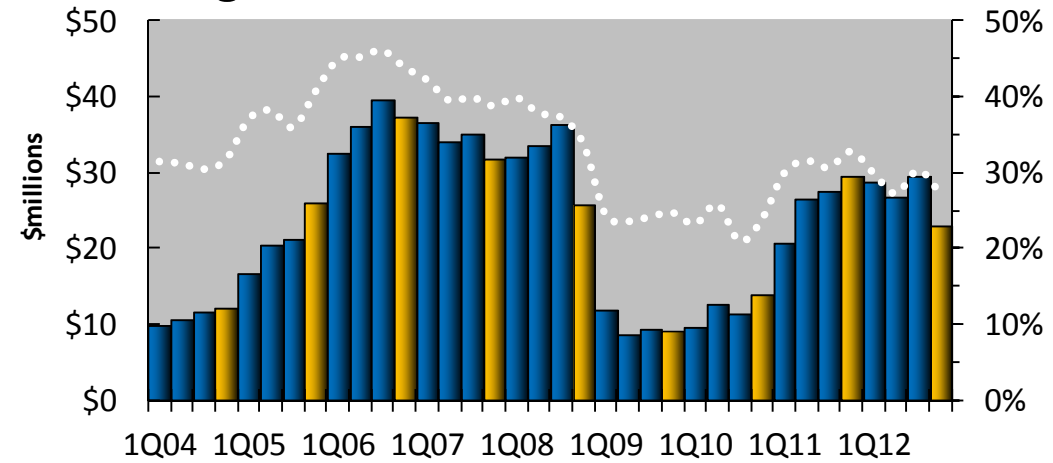
# Quarterly Segment Data

## Well Servicing

### Revenues

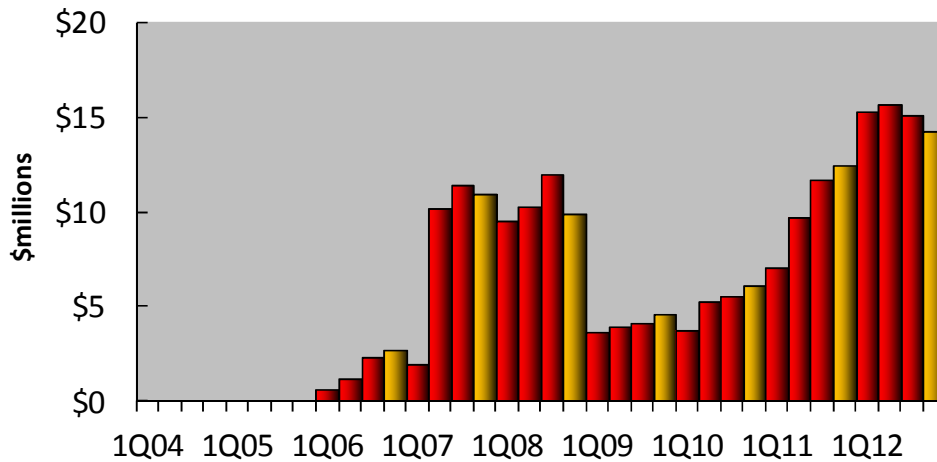


### Segment Profit

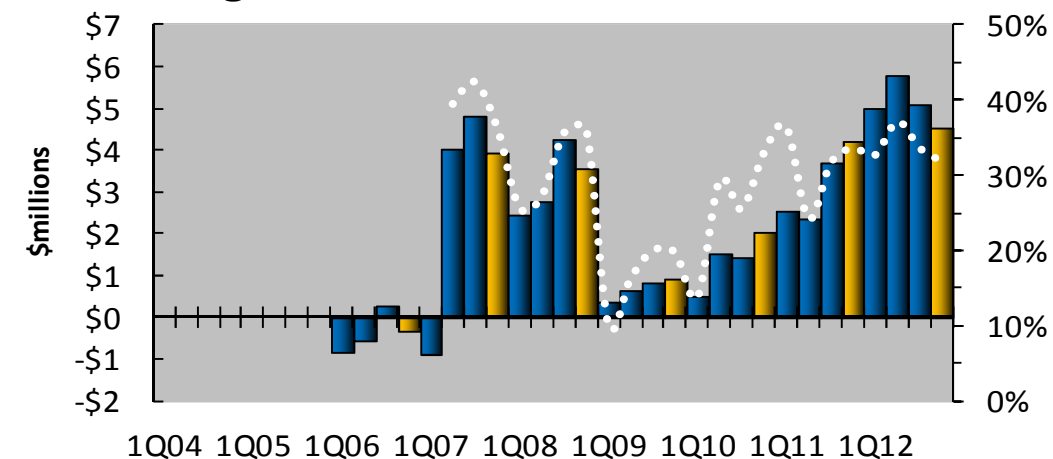


## Contract Drilling

### Revenues



### Segment Profit



■ \$     ..... % of rev

■ \$     ..... % of rev

# Basic Investment Highlights

## ***Diversified Service Offerings***

- ▶ 4 business segments, balanced across the life cycle of the well
- ▶ Geographic and business line diversity

## ***Leading Liquids-Focused***

- ▶ Located in basins with high liquid yields and attractive economics
- ▶ 70% oil focused
- ▶ Leading Permian Basin market position

## ***Modern Fleet Matched to Market***

- ▶ Equipment in each segment upgraded/replaced to maintain capabilities and efficiencies
- ▶ Broad capabilities to match market requirements
- ▶ In-house manufacturing, maintenance and refurbishment facilities

## ***Proven Management and Ability to Weather Cycles***

- ▶ Demonstrated ability to manage through the cycles
- ▶ Flexible cost structure

# Explanatory Information

**Adjusted EBITDA means earnings before interest, taxes, depreciation, amortization., gain or loss of disposal of assets and any non-recurring items. Adjusted EBITDA is used as an supplemental financial measure by our management and directors and by external users of our financial statements, such as investors, to assess:**

- the financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- the ability of our assets to generate cash sufficient to pay interest on our indebtedness; and
- our operating performance and return on invested capital as compared to those of other companies in the well services industry, without regard to financing methods and capital structure.

**Adjusted EBITDA has limitations as an analytical tool and should not be considered an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with generally accepted accounting principles (GAAP). Adjusted EBITDA excludes some, but not all, items that affect net income, and these measures may vary among other companies. Limitations to using Adjusted EBITDA as an analytical tool include:**

- EBITDA does not reflect our current or future requirements for capital expenditures or capital commitments;
- EBITDA does not reflect changes in, or cash requirements necessary to service interest or principal payments on, our debt;
- EBITDA does not reflect income taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness a comparison measure.

## Adjusted EBITDA Reconciliation to Net Income (Loss)

\$millions	Year ended December 31,					
	2007	2008	2009	2010	2011	2012
<b>Net income (loss)</b>	\$ 88	\$ 68	\$ (254)	\$ (43)	\$ 47	\$ 21
Income taxes	\$ 53	\$ 55	\$ (88)	\$ (25)	\$ 32	\$ 11
Net interest expense	\$ 25	\$ 25	\$ 32	\$ 46	\$ 52	\$ 62
Depreciation & amortization	\$ 93	\$ 119	\$ 133	\$ 135	\$ 154	\$ 187
Terminated merger income	\$ -	\$ (12)	\$ -	\$ -	\$ -	\$ -
Loss on early retirement of debt	\$ -	\$ -	\$ 3	\$ -	\$ 49	\$ 8
Gain on bargain purchase	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ (1)
Corporate relocation costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8
Sales and use tax assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7
(Gain) loss of disposal of assets	\$ -	\$ -	\$ 3	\$ 3	\$ 1	\$ 3
Goodwill impairment	\$ -	\$ 23	\$ 204	\$ -	\$ -	\$ -
<b>Adjusted EBITDA</b>	<b>\$ 259</b>	<b>\$ 277</b>	<b>\$ 34</b>	<b>\$ 114</b>	<b>\$ 335</b>	<b>\$ 306</b>