
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**RULE 13e-3 TRANSACTION STATEMENT UNDER SECTION 13(e)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)**

Parker Drilling Company

(Name of the Issuer and Name of Person Filing Statement)

Common Stock, \$0.01 par value per share
(Title of Class of Securities)

701081507

(CUSIP Number of Class of Securities)

Jennifer F. Simons
Vice President, General Counsel and Secretary
Parker Drilling Company
5 Greenway Plaza, Suite 100
Houston, Texas 77046
(281) 406-2000

(Name, Address and Telephone Number of Persons Authorized to Receive Notices and Communications on Behalf of Persons Filing Statement)

Copies to:

Daniel Fisher
Akin Gump Strauss Hauer Feld LLP
One Bryant Park
Bank of America Tower
New York, NY 10036
(212) 872-1000

This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

Calculation of Filing Fee

Transaction Valuation (*)	Amount of Filing Fee (**)
\$1,123,380	\$137

(*) Calculated solely for purposes of determining the filing fee. This amount assumes the acquisition of 37,466 shares of common stock for \$30.00 per share in cash in lieu of issuing fractional shares to holders of less than 100 shares of common stock after the proposed reverse/forward stock split.

(**) The filing fee is calculated in accordance with Rule 0-11(b) by multiplying the Transaction Valuation of \$1,123,380 by 0.0001212.

- Check the box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:
Form or Registration No.:
Filing Party:
Date Filed:

RULE 13e-3 TRANSACTION STATEMENT

INTRODUCTION

This Rule 13e-3 Transaction Statement on Schedule 13E-3 (this “**Schedule 13E-3**”) is being filed with the Securities and Exchange Commission (the “**SEC**”) pursuant to Section 13(e) of the Securities and Exchange Act of 1934, as amended (the “**Exchange Act**”), by Parker Drilling Company (the “**Company**”), a Delaware corporation.

The Company proposes to hold a special meeting of its stockholders to consider amendments to the Company’s amended and restated certificate of incorporation to effect a 1-for-100 reverse stock split (the “**Reverse Stock Split**”) of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), followed immediately by a 100-for-1 forward stock split of the Company’s Common Stock (the “**Forward Stock Split**” and, together with the Reverse Stock Split, the “**Stock Splits**”). As a result of the Stock Splits, each share of the Company’s Common Stock held by a stockholder of record owning immediately prior to the effective time of the Stock Split fewer than 100 shares will be converted into the right to receive \$30.00 in cash, without interest (the “**Cash Payment**”), and such stockholders would no longer be stockholders of the Company (the “**Cashed Out Stockholders**”). Stockholders owning 100 or more shares immediately prior the effective time of the Stock Splits (the “**Continuing Stockholders**”) would not be entitled to receive any cash for their fractional share interests resulting from the Reverse Stock Split, if any. The Forward Stock Split, which would immediately follow the Reverse Stock Split, would reconvert whole shares and fractional share interests held by the Continuing Stockholders back into the same number of shares of the Company’s Common Stock held by such Continuing Stockholders immediately prior to the effective time. As a result of the Forward Stock Split, the total number of shares of the Company’s Common Stock held by a Continuing Stockholder would not change as a result of the Transaction.

The primary purpose of the Stock Splits is to enable the Company to reduce the number of record holders of its common stock below 300, which is the level at which public reporting is required with the SEC. The Stock Splits are being undertaken as part of the Company’s plan to suspend its duty to file periodic and current reports and other information with the SEC under the Exchange Act. Each of the Finance and Strategic Planning Committee of the Board of Directors (the “**Finance and Strategic Planning Committee**”) and the Company’s Board of Directors (the “**Board**”) has determined that the costs of being a public reporting company outweigh the benefits thereof. The actions the Company would take to suspend, and events that occur as a result of such actions that would have the effect of suspending, the Company’s reporting obligations under the Exchange Act, including effectuating the Stock Splits, delisting the Company’s Common Stock from trading on the New York Stock Exchange, terminating the registration of the Company’s Common Stock under Sections 12(b) and 12(g) of the Exchange Act and suspending of the Company’s reporting obligations under Section 15(d) of the Exchange Act, are collectively referred to herein as the “**Transaction**”. After giving effect to the Transaction, the Company will no longer be subject to the reporting requirements under the Exchange Act or other requirements applicable to a public company, including requirements under the Sarbanes-Oxley Act of 2002 and the listing standards of any national securities exchange.

This Schedule 13E-3 is being filed with the SEC concurrently with the filing of the Company’s preliminary proxy statement on Schedule 14A (the “**Proxy Statement**”) pursuant to Regulation 14A under the Exchange Act. The information contained in the Proxy Statement, including all annexes thereto, is expressly incorporated herein by reference and the responses to each item of this Schedule 13E-3 are qualified in their entirety by reference to the information contained in the Proxy Statement. As of the date hereof, the Proxy Statement is in preliminary form and is subject to completion or amendment. This Schedule 13E-3 will be amended to reflect such completion or amendment of the Proxy Statement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in the Proxy Statement.

Item 1. Summary Term Sheet

The information set forth in the Proxy Statement under the caption “SUMMARY TERM SHEET” is incorporated herein by reference.

Item 2. Subject Company Information

(a) *Name and Address.* The name of the subject company is Parker Drilling Company, a Delaware corporation. The Company’s principal executive offices are located at 5 Greenway Plaza, Suite 100, Houston, Texas 77046. The Company’s telephone number is (281) 406-2000.

(b) *Securities.* The subject class of equity securities to which this Schedule 13E-3 relates is the Company’s Common Stock, of which 15,044,739 shares were outstanding as of September 5, 2019.

(c) *Trading Market and Price.* The information set forth in the Proxy Statement under “INFORMATION ABOUT THE COMPANY — Market Price of Common Stock” is incorporated herein by reference.

(d) *Dividends.* The information set forth in the Proxy Statement under “INFORMATION ABOUT THE COMPANY — Dividends” is incorporated herein by reference.

(e) *Prior Public Offerings.* The Company has conducted two underwritten public offerings within the three years preceding the date of the filing of this Schedule 13E-3, each of which were conducted on February 23, 2017.

The Company issued 500,000 shares of 7.25% Series A Mandatory Convertible Preferred Stock, par value \$1.00 per share (the **Old Preferred Shares**), for \$100 per share. The Company received total net proceeds of \$50.0 million, after underwriting discount and offering expenses.

The Company issued 12,000,000 shares of common stock, par value \$0.16 2/3 per share (the **Old Common Shares**) and, together with the Old Preferred Shares, the **Old Shares**), for \$2.10 per share. The Company received total net proceeds of \$25.20 million, after underwriting discount and offering expenses.

In accordance with the Amended Joint Chapter 11 Plan of Reorganization of Parker Drilling Company and its Debtor Affiliates (as amended, modified or supplemented from time to time, the **Plan**), all Old Shares were canceled and have no further force or effect as of March 26, 2019, the effective date of the Plan.

(f) *Prior Stock Purchases.* None.

Item 3. Identity and Background of Filing Person

(a) *Name and Address.* The filing person, the Company, is also the subject company, with its address and telephone number provided in Item 2(a) above. The name of each director and executive officer is set forth below.

<u>Name</u>	<u>Position</u>
Eugene Davis	Independent Director and Chairman
Patrick Bartels	Independent Director
Michael Faust	Independent Director
Barry L. McMahan	Independent Director
L. Spencer Wells	Independent Director
Zaki Selim	Independent Director
Gary G. Rich	Director, President and Chief Executive Officer
Michael W. Sumruld	Senior Vice President and Chief Financial Officer
Jon-Al Duplantier	President, Rental Tools and Well Services
Bryan R. Collins	President of Drilling Operations
Jennifer F. Simons	Vice President, General Counsel and Secretary

The address of each director and executive officer of the Company is c/o Parker Drilling Company, 5 Greenway Plaza, Suite 100, Houston, Texas 77046 and the telephone number for each of them is (281) 406-2000.

(b) *Business and Background of Entities.* Not applicable.

(c) *Business and Background of Natural Persons.* The information set forth in the Proxy Statement under “INFORMATION ABOUT THE COMPANY — Directors and Executive Officers” is incorporated herein by reference.

Neither the Company nor, to the Company’s knowledge, the Company’s directors or executive officers, has been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or has been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Item 4. Terms of the Transaction

(a) *Material Terms.* The information set forth in the Proxy Statement under “SUMMARY TERM SHEET” and “SPECIAL FACTORS” is incorporated herein by reference.

(c) *Different Terms.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction,” “—Effects of the Transaction (including the Stock Splits),” “Fairness of the Stock Splits to effect the Transaction,” “—Material Federal Income Tax Consequences” and “—Payment for Fractional Shares” is incorporated herein by reference.

(d) *Appraisal Rights.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — No Appraisal or Dissenters’ Rights” is incorporated herein by reference.

(e) *Provisions for Unaffiliated Security Holders.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Fairness of the Stock Splits to effect the Transaction” is incorporated herein by reference.

(f) *Eligibility for Listing or Trading.* Not applicable.

Item 5. Past Contracts, Transactions, Negotiations and Agreements

(a) *Transactions.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Interests of Executive Officers, Directors and 10% Stockholders” is incorporated herein by reference.

(b) *Significant Corporate Events.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Fairness of the Stock Splits to effect the Transaction,” “—Interests of Executive Officers, Directors and 10% Stockholders” and “—Background of the Stock Splits to Effect the Transaction” is incorporated herein by reference.

(c) *Negotiations or Contacts.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Fairness of the Stock Splits to effect the Transaction,” “—Interests of Executive Officers, Directors and 10% Stockholders” and “—Background of the Stock Splits to Effect the Transaction” is incorporated herein by reference.

(e) *Agreements Involving the Subject Company's Securities*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Interests of Executive Officers, Directors and 10% Stockholders" and "— Stockholder Approval" is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals

(b) *Use of Securities Acquired*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Effective Date" is incorporated herein by reference.

(c) *Plans*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction," "— Background of the Stock Splits to Effect the Transaction," "— Effects of the Transaction (including the Stock Splits)," "— New York Stock Exchange Listing; OTC Market" and "— Fairness of the Stock Splits to effect the Transaction," is incorporated herein by reference.

Item 7. Purposes, Alternatives, Reasons and Effects

(a) *Purposes*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction" and "— Background of the Stock Splits to Effect the Transaction" is incorporated herein by reference.

(b) *Alternatives*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Background of the Stock Splits to Effect the Transaction" and "— Alternatives to the Stock Splits to Effect the Transaction" is incorporated herein by reference.

(c) *Reasons*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction," "— Background of the Stock Splits to Effect the Transaction," "— Alternatives to the Stock Splits to Effect the Transaction," and "— Fairness of the Stock Splits to effect the Transaction" is incorporated herein by reference.

(d) *Effects*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction," "— Effects of the Transaction (including the Stock Splits)," "— New York Stock Exchange Listing; OTC Market," and "— Material Federal Income Tax Consequences" is incorporated herein by reference.

Item 8. Fairness of the Transaction

(a) *Fairness*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Background of the Stock Splits to Effect the Transaction," and "— Fairness of the Stock Splits to effect the Transaction" is incorporated herein by reference.

(b) *Factors Considered in Determining Fairness*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction," "— Background of the Stock Splits to Effect the Transaction," "— Alternatives to the Stock Splits to Effect the Transaction," "— Fairness of the Stock Splits to effect the Transaction," "Reservation of Rights" and "— Fairness Opinion of Financial Advisor" is incorporated herein by reference.

(c) *Approval of Security Holders*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Fairness of the Stock Splits to effect the Transaction" and "— Stockholder Approval" is incorporated herein by reference.

(d) *Unaffiliated Representatives*. The information set forth in the Proxy Statement under "SPECIAL FACTORS — Fairness of the Stock Splits to effect the Transaction" is incorporated herein by reference.

(e) *Approval of Directors.* The Stock Splits and the Transaction were approved unanimously by the Board, including a majority of the directors of the Company who are not employees of the Company. The information set forth in the Proxy Statement under “SPECIAL FACTORS — Background of the Stock Splits to Effect the Transaction,” and “— Fairness of the Stock Splits to effect the Transaction” is incorporated herein by reference.

(f) *Other Offers.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Fairness of the Stock Splits to effect the Transaction” is incorporated herein by reference.

Item 9. Reports, Opinions, Appraisals and Negotiations

(a) *Report, Opinion or Appraisal.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Background of the Stock Splits to Effect the Transaction,” “— Fairness of the Stock Splits to effect the Transaction,” and “— Fairness Opinion of Financial Advisor” is incorporated herein by reference.

(b) *Preparer and Summary of the Report, Opinion or Appraisal.* The Finance and Strategic Planning Committee retained Houlihan Lokey Capital, Inc. (“**Houlihan Lokey**”), as its independent financial advisor, to provide financial analyses to the Finance and Strategic Planning Committee in connection with the Finance and Strategic Planning Committee’s evaluation of the Stock Splits, as well as, if requested by the Finance and Strategic Planning Committee, render an oral opinion to the Finance and Strategic Planning Committee (to be subsequently confirmed in writing), that, subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with the preparation of its opinion, as of the date thereof, the Cash Payment to be received by the Cashed Out Stockholders in the Reverse Stock Split was fair, from a financial point of view, to such Cashed Out Stockholders.

The information set forth in the Proxy Statement under “SPECIAL FACTORS — Background of the Stock Splits to Effect the Transaction,” “— Fairness of the Stock Splits to effect the Transaction,” and “— Fairness Opinion of Financial Advisor” is incorporated herein by reference.

(c) *Availability of Documents.* The full text of Houlihan Lokey’s fairness opinion, dated September 6, 2019, is attached as Annex C to the Proxy Statement. The fairness opinion of Houlihan Lokey and its financial analyses, which were provided to the Finance and Strategic Planning Committee (in its capacity as such) for its use in the evaluation of the Stock Splits, dated September 6, 2019, are each available for inspection and copying at the Company’s principal executive offices, 5 Greenway Plaza, Suite 100, Houston, Texas 77046.

Item 10. Source and Amounts of Funds or Other Consideration

(a) *Source of Funds.* “SPECIAL FACTORS — Source of Funds and Expenses” and “MEETING AND VOTING INFORMATION — Solicitation” is incorporated herein by reference.

(b) *Conditions.* None.

(c) *Expenses.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Source of Funds and Expenses” and “MEETING AND VOTING INFORMATION — Solicitation” is incorporated herein by reference.

(d) *Borrowed Funds.* None.

Item 11. Interest in Securities of the Subject Company

(a) *Securities Ownership.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Interests of Executive Officers, Directors and 10% Stockholders” and “INFORMATION ABOUT THE COMPANY — Security Ownership of Certain Beneficial Owners” is incorporated herein by reference.

(b) *Securities Transactions.* None.

Item 12. The Solicitation or Recommendation

(d) *Intent to Tender or Vote in a Going Private Transaction.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Effects of the Transaction (including the Stock Splits),” “— Interests of Executive Officers, Directors and 10% Stockholders,” and “— Stockholder Approval” is incorporated herein by reference.

(e) *Recommendation of Others.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Purpose of and Reasons for the Stock Splits and the Transaction,” “— Background of the Stock Splits to Effect the Transaction,” “— Alternatives to the Stock Splits to Effect the Transaction,” and “— Fairness of the Stock Splits to effect the Transaction” is incorporated herein by reference.

Item 13. Financial Statements

(a) *Financial Information.* The audited financial statements and unaudited interim financial statements are incorporated by reference in the Proxy Statement from the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC on March 11, 2019, as amended by Form 10-K/A filed on April 29, 2019, and the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019. The information set forth in the Proxy Statement under “SPECIAL FACTORS — Effects of the Transaction (including the Stock Splits)” and “FINANCIAL INFORMATION — Summary Historical Financial Information” is also incorporated herein by reference.

(b) *Pro forma Information.* The information set forth in the Proxy Statement under “FINANCIAL INFORMATION — Pro Forma Consolidated Financial Statements (Unaudited)” is incorporated herein by reference.

(c) *Summary Information.* The information set forth in the Proxy Statement under “FINANCIAL INFORMATION — Summary Historical Financial Information” is incorporated herein by reference.

Item 14. Persons/Assets, Retained, Employed, Compensated or Used

(a) *Solicitation or Recommendation.* The information set forth in the Proxy Statement under “MEETING AND VOTING INFORMATION — Solicitation” is incorporated herein by reference.

(b) *Employees and Corporate Assets.* The information set forth in the Proxy Statement under “SPECIAL FACTORS — Source of Funds and Expenses” and “MEETING AND VOTING INFORMATION — Solicitation” is incorporated herein by reference.

Item 15. Additional Information

(b) Not applicable.

(c) *Other Material Information.* The information contained in the Proxy Statement, including all appendices attached thereto, is incorporated herein by reference.

Item 16. Exhibits

- (a)(i) Notice of Meeting and Preliminary Proxy Statement of the Company (incorporated herein by reference to the Schedule 14A, FileNo. 001-7573, filed by the Company with the SEC on September 11, 2019).
- (a)(ii) Annual financial statements for the years ended December 31, 2018 and December 31, 2017 of the Company (incorporated by reference to the Annual Report on Form 10-K for the fiscal year ended December 31, 2018, FileNo. 001-7573, filed by the Company with the SEC on March 11, 2019).

- (a)(iii) Interim financial statements for the three months ended March 31, 2019 of the Company (incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, FileNo. 001-7573, filed by the Company with the SEC on May 9, 2019).
- (a)(iv) Interim financial statements for the six months ended June 30, 2019 of the Company (incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, FileNo. 001-7573, filed by the Company with the SEC on August 6, 2019).
- (a)(v) Press Release, dated September 10, 2019, issued by the Company (incorporated by reference to Exhibit 99.1 to the Form8-K, File No. 001-7573, filed by the Company with the SEC on September 10, 2019).
- (a)(vi) Letter to Employees, dated September 10, 2019 (incorporated by reference to Exhibit 99.2 to the Form8-K, File No. 001-7573, filed by the Company with the SEC on September 10, 2019).
- (a)(vii) Answers to Frequently Asked Questions relating to the Transaction, dated September 10, 2019 (incorporated by reference to Exhibit 99.3 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on September 10, 2019).
- (b) Not applicable.
- (c)(i) Houlihan Lokey Preliminary Financial Analyses, dated August 23, 2019, provided to the Finance and Strategic Planning Committee (in its capacity as such).
- (c)(ii) Houlihan Lokey Preliminary Financial Observations relating to potential pro-forma impacts of the Stock Splits, dated August 30, 2019, provided to the Finance and Strategic Planning Committee (in its capacity as such).
- (c)(iii) Houlihan Lokey Preliminary Financial Analyses, dated September 6, 2019, provided to the Finance and Strategic Planning Committee (in its capacity as such).
- (c)(iv) Houlihan Lokey Financial Analyses, dated September 6, 2019, provided to the Finance and Strategic Planning Committee (in its capacity as such).
- (c)(v) Fairness Opinion of Houlihan Lokey dated September 6, 2019 (incorporated herein by reference to Annex C of the Proxy Statement).
- (d)(i) Form of Parker Drilling Company 2019 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to the Form8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
- (d)(ii) Form of Restricted Stock Unit Incentive Agreement (incorporated by reference to Exhibit 10.6 to the Form8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
- (d)(iii) Form of Stock Option Incentive Agreement (incorporated by reference to Exhibit 10.7 to the Form8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
- (d)(iv) Warrant Agreement dated as of March 26, 2019, between the Company and Equiniti Trust Company (incorporated by reference to Exhibit 10.4 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
- (d)(v) Registration Rights Agreement dated as of March 26, 2019 by and among the Company and the other parties signatory thereto (incorporated by reference to Exhibit 10.3 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).

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- (d)(vi) Employment Agreement, dated as of March 26, 2019, by and between the Company and Gary Rich (incorporated by reference to Exhibit 10.8 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
 - (d)(vii) Employment Agreement, dated as of March 26, 2019, by and between the Company and Michael Sumruld (incorporated by reference to Exhibit 10.9 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
 - (d)(viii) Employment Agreement, dated as of March 26, 2019, by and between the Company and Jon-Al Duplantier (incorporated by reference to Exhibit 10.10 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
 - (d)(ix) Employment Agreement, dated as of March 26, 2019, by and between the Company and Bryan Collins (incorporated by reference to Exhibit 10.11 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on March 26, 2019).
 - (d)(x) Transition and Separation Agreement by and between the Company, Parker Drilling Management Services Ltd., and Gary Rich, dated July 11, 2019 (incorporated by reference to Exhibit 10.1 to the Form 8-K, File No. 001-7573, filed by the Company with the SEC on July 15, 2019).
 - (f) Not applicable.
 - (g) Not applicable.
 - (h) Not applicable.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

PARKER DRILLING COMPANY

By: /s/ Michael W. Sumruld
Michael W. Sumruld
Senior Vice President and Chief Financial Officer

Dated: September 11, 2019

Project Mountain

PRESENTATION TO THE FINANCE AND STRATEGIC PLANNING COMMITTEE

AUGUST 23, 2019 | CONFIDENTIAL - PRELIMINARY - SUBJECT TO FURTHER REVIEW

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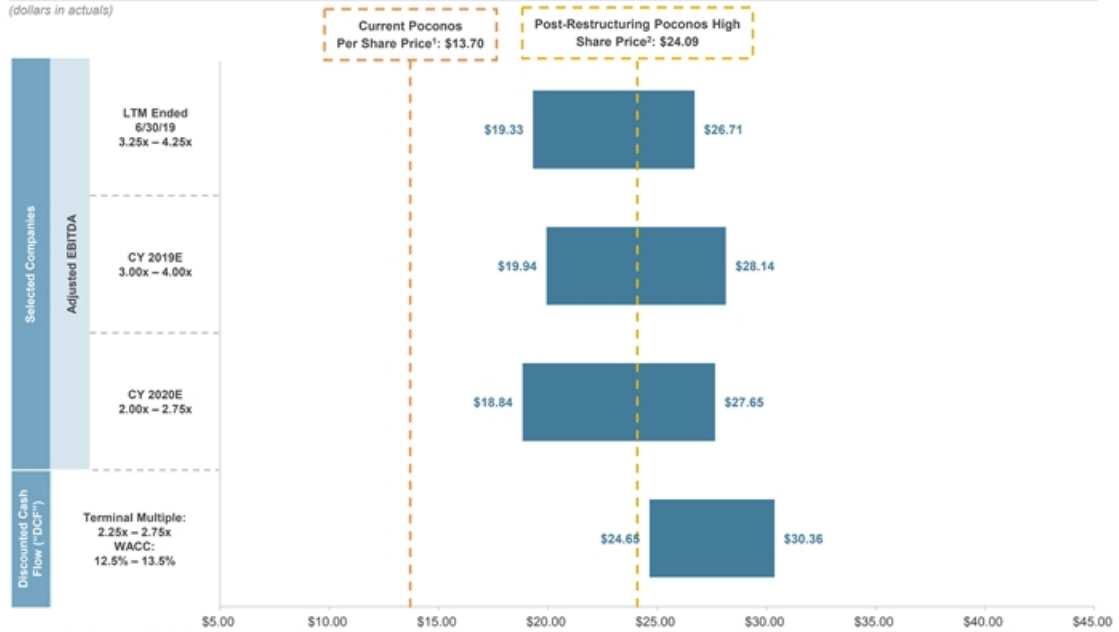
Executive Summary

- ❖ Process to date
- ❖ Public market backdrop
- ❖ Overview of preliminary financial analyses and selected key takeaways
- ❖ Key next deliverables for Houlihan Lokey
 - Interim presentation on additional considerations related to a potential transaction
 - Final presentation as to whether the consideration to be received by the cashed-out shareholders is fair; updated final presentation on additional considerations related to a potential transaction provided at the same time
- ❖ Other process items for Houlihan Lokey
 - Transaction structure due diligence; reflect terms of proposed transaction
 - Market updates
 - Projections updates, if applicable
 - Follow-up due diligence, if applicable
- ❖ Selected Finance and Strategic Planning Committee items
 - Price determination
 - Quantification of potential economic benefits of a “going-dark” transaction
 - Qualitative considerations of a potential transaction

Financial Analyses Summary

Poconos Implied Per Share Value Reference Range

(dollars in actuals)



Note: No particular weight attributed to any analysis.

Note: Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.

1. Current Poconos per share price as of 8/20/19.

2. Post-restructuring intra-day high Poconos per share price observed on 5/9/19. As of 8/20/19.

Sources: Poconos projections per Poconos management, public filings and Capital IQ.

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Trading Market Snapshot

Public Market Trading Overview

(shares outstanding and dollars in millions, except per share values and where otherwise noted)

Public Market Enterprise Value Derivation		Selected Market Information as of August 20, 2019	
Closing Stock Price August 20, 2019	\$13.70	10-Day Average Trading Price [4]	\$12.41
Common Shares Outstanding [1]	15.0	1-Month Average Trading Price [4]	\$14.47
Dilutive Shares [1] [2]	0.0	3-Month Average Trading Price [4]	\$17.68
Fully Diluted Shares	15.0	All-Time High Trading Price [5]	\$24.09
Market Value of Equity	\$206.1	All-Time Low Trading Price [5]	\$10.67
Total Debt [1]	211.1	90-Day Average Daily Trading Volume (in shares) [4]	57,528
Cash and Cash Equivalents [1] [3]	(141.1)	% of Total Shares Outstanding	0.4%
Public Market Enterprise Value	\$276.1	90-Day Average Daily Trading Value [4]	\$1.1
		% of Market Value of Equity	0.5%
		Number of Analysts Covering the Company [6]	1
		Total Public Float [7] [8]	3.7
		% of Total Shares Outstanding	24.7%

Implied Multiples	LTM (6/30/19) [7]	CY 2019E [9]	CY 2020E [9]
Enterprise Value / Revenue	0.5x	0.5x	0.4x
Enterprise Value / Adjusted EBITDA	2.5x	2.3x	2.1x

Historical VWAPs¹⁰

(dollars per share)

1-Day	3-Day	5-Day	10-Day	15-Day	20-Day	30-Day	60-Day	90-Day	3-Month	Since Re-Listing
\$13.70	\$13.33	\$12.31	\$12.13	\$13.30	\$14.13	\$15.48	\$18.96	\$19.45	\$19.03	\$19.26

1. Per the Company's Form 10-Q for the period ended 6/30/19.

2. Includes ~15.0 million shares outstanding as of 8/1/19. Potentially dilutive securities, including unvested stock options, unvested RSUs and outstanding warrants, are not yet exercisable or are out-of-the-money.

3. Includes restricted cash balance of ~\$2.0 million as of 6/30/19 returned to unrestricted cash and cash equivalents in August 2019 due to lower than expected payments for professional fees incurred in connection with corporate restructuring.

4. Per Capital IQ as of 8/20/19.

5. Reflects metric over applicable period subsequent to Poconos' corporate restructuring and re-listing on the New York Stock Exchange on 4/3/19.

6. Per Bloomberg as of 8/20/19. Excludes computerized analysts.

7. Per public filings and Company releases.

8. Excludes from public float shares held by consenting stakeholders equitized as part of corporate restructuring (Vårde Partners, Inc.; Brigade Capital Management, LP; Highbridge Capital Management LLC; and Whitebox Advisors, LLC), directors, officers and other insiders.

9. Reflects Imperial Capital estimates as of 8/20/19.

10. VWAP based on cumulative trading activity over the designated number of trading days (based on intraday trading).

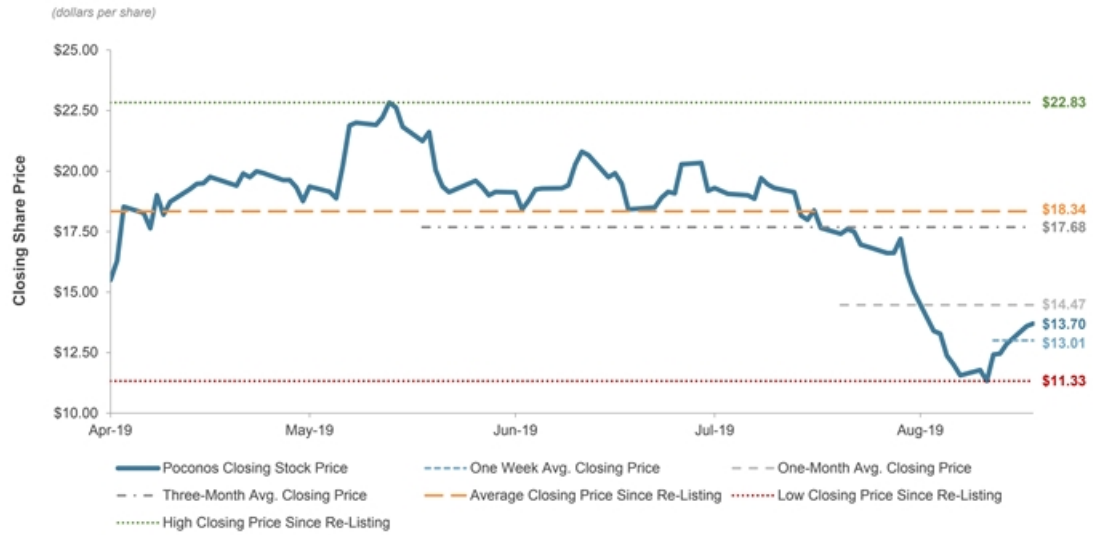
Sources: Public filings and Company releases, Capital IQ, Bloomberg and equity research.

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Stock Trading History

Selected Trading Prices Since Re-Listing

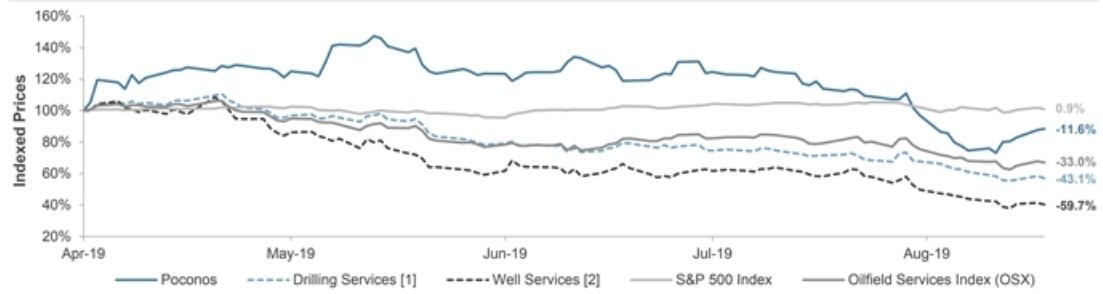
- Since the Company re-listed its shares on the New York Stock Exchange on April 3, 2019, its closing price per share has varied widely, ranging from \$22.83 on May 15, 2019 to \$11.33 on August 13, 2019.
- Recently, the Company's per share price has fallen significantly, reaching all-time lows subsequent to its emergence from restructuring amidst broader oilfield services industry conditions.



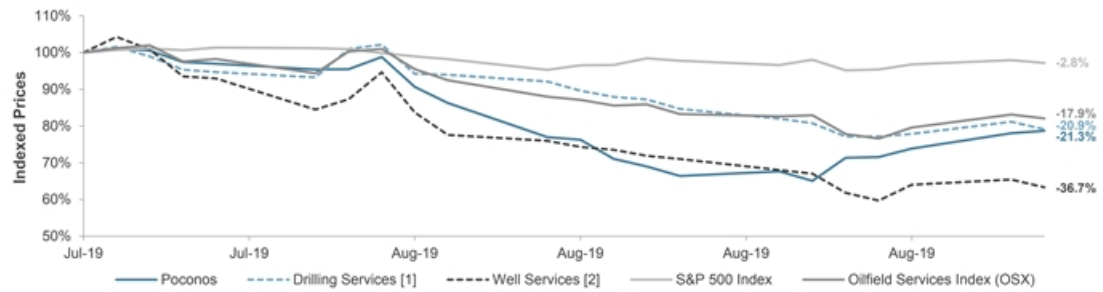
Source: Capital IQ as of 8/20/19.
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Relative Stock Performance

Relative Performance (Since April 3, 2019 Re-Listing)



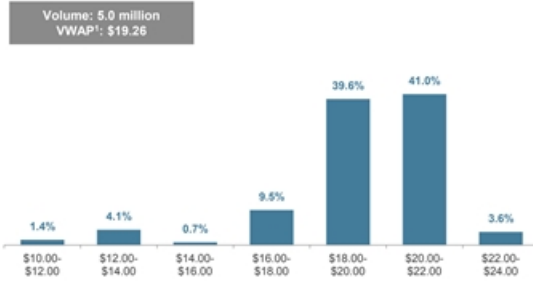
Relative Performance (Last Month)



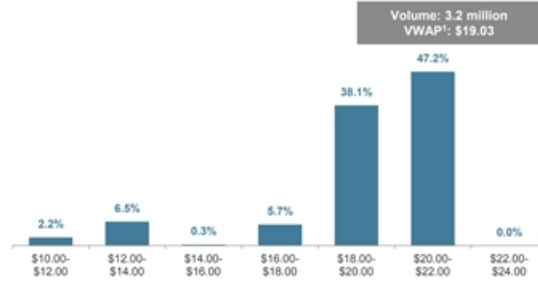
1. Drilling Services includes Ensign Energy Services Inc.; Helmerich & Payne, Inc.; Independence Contract Drilling, Inc.; Nabors Industries Ltd.; Patterson-UTI Energy, Inc.; PHX Energy Services Corp.; and Precision Drilling Corporation.
 2. Rental Tool Services includes Basic Energy Services, Inc.; Frank's International N.V.; Key Energy Services, Inc.; KLX Energy Services Holdings, Inc.; and Superior Energy Services.
 Source: Capital IQ as of 8/20/19.
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Selected Historical Trading Activity

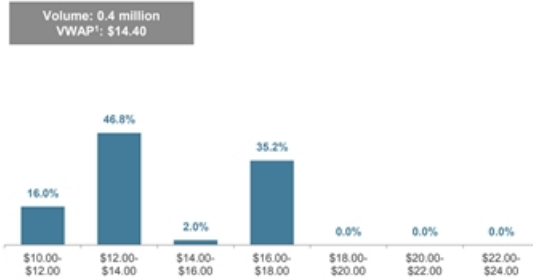
Since Re-Listing



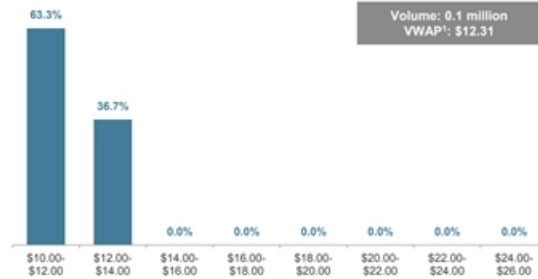
Last Three Months



Last Month



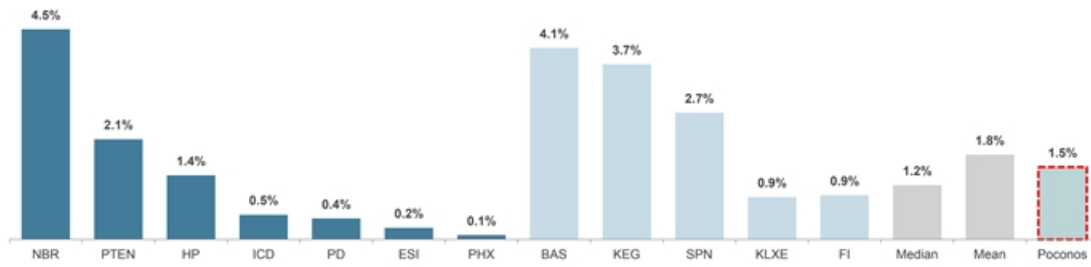
Last Week



Note: VWAP in dollars.
1. Based on VWAP over specified period (last week, last month, last three months or since re-listing).
Source: Bloomberg as of 8/20/19.
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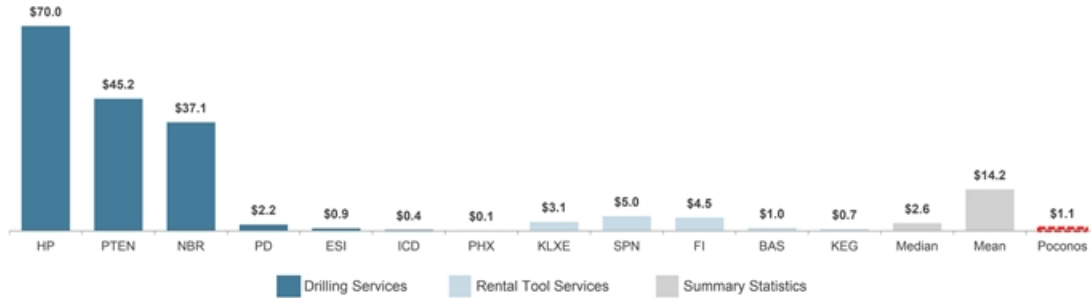
Selected Float and Trading Data

Average Daily Volume¹ / Public Float



Average Daily Traded Value²

(dollars in millions)



Note: Refer to Glossary for full company names.

1. Based on 90-day average trading volume as of 8/20/19.

2. Based on 90-day average trading value as of 8/20/19.

Sources: Capital IQ and public filings.

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Selected Equity Research Analyst Observations

- As of August 20, 2019, the Company is covered by a single designated equity research analyst, Imperial Capital's Jason Wangler. Imperial Capital currently has an Outperform rating and price target of \$34.00 per share on Poconos common stock, implying a premium of ~148.2% versus the Company's closing share price of \$13.70 as of August 20, 2019.
- Previously and until commencing Chapter 11 restructuring in December 2018, the Company was also covered by Macquarie Research.

Selected Post-Restructuring Imperial Capital Equity Research Commentary

Date of Report	Recommendation	Price Target	Share Price ¹	Comments
August 7, 2019	Outperform	\$34.00	\$12.37	<p>"We are maintaining our Outperform rating and one-year price target of \$34.00 on [Poconos] shares following Q2 CY 2019 results...The strong [reported] results allowed [the Company] to generate free cash flow during the period given a relatively low capex level."</p> <p>"The [Company] was able to generate higher-than-expected EBITDA as margins expanded sequentially alongside flattish revenue that outperformed more domestically-focused peers...The [Company] expects to see a significant reduction in revenues domestically, but due to offshore/international strength, was able to reiterate CY 2019E adjusted EBITDA guidance of \$120-130 million."</p>
July 19, 2019	Outperform	\$34.00	\$19.37	<p>"[The Company] emerged from restructuring at the end of Q1 CY 2019, so Q2 CY 2019E should be a cleaner quarter and given company guidance is expected to generate significant growth for the [Company]."</p> <p>"The [Company] was able to reduce its debt significantly through the restructuring and has ample cash on the books currently."</p>
May 23, 2019	Outperform	\$34.00	\$19.34	<p>"[The Company] laid out Q2 CY 2019E and full-year guidance on its earnings conference call on 5/8/19 that was ahead of our previous expectations."</p> <p>"The [Company's] 13.0% cost of debt on the Second Lien term loan (11.0% cash and 2.0% PIK) is significantly higher than peer companies with low debt levels, favorable metrics, and growth opportunities in place."</p> <p>"Our one-year price target of \$34 is based on the use of a 4.0x CY 2020E EV/adjusted EBITDA peer group multiple that is consistent with peers and above the sub-3.0x multiple where [the Company] currently trades."</p>
May 9, 2019	Outperform	\$25.00	\$21.88	<p>"Q1 CY 2019 results show higher-than-expected revenue and adjusted EBITDA as [the Company] focuses on growing its Rental Tools segment, higher rig utilizations, and generating free cash flow in H2 CY 2019E."</p> <p>"[The Company] ended Q1 CY 2019 with \$128 million in cash and \$210 million in debt that provides ample liquidity for [the Company] to continue moving forward with its growth initiatives. Additionally, if [the Company] is able to achieve its free cash flow aspirations in H2 2019E, we believe it could refinance the \$210 million Second Lien Term Loan that carries a high interest rate of 11.0% cash and 2.0% PIK that would lower [the Company's] borrowing costs significantly and drive incremental cash flows."</p>

1. Reflects closing share price as of applicable report date.
Sources: Bloomberg and equity research research as of 8/20/19.
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Preliminary Financial Analyses Summary

(dollars in millions)

	Selected Companies Analysis LTM Ended 6/30/19 Adjusted EBITDA		Selected Companies Analysis CY 2019E Adjusted EBITDA		Selected Companies Analysis CY 2020E Adjusted EBITDA		Discounted Cash Flow Analysis Terminal Multiple 2.25x -- 2.75x Discount Rate 12.5% -- 13.5%	
	Corresponding Base Amount	\$111.0		\$123.4		\$176.7		
Selected Multiples Range	3.25x -- 4.25x		3.00x -- 4.00x		2.00x -- 2.75x			
Implied Enterprise Value Reference Range	\$360.8 -- \$471.8		\$370.1 -- \$493.4		\$353.4 -- \$485.9		\$440.8 -- \$526.8	
Cash and Cash Equivalents as of 6/30/19 [1]	141.1 -- 141.1		141.1 -- 141.1		141.1 -- 141.1		141.1 -- 141.1	
Implied Total Enterprise Value Reference Range	\$501.9 -- \$612.9		\$511.2 -- \$634.5		\$494.5 -- \$627.1		\$582.0 -- \$668.0	
Total Debt as of 6/30/19	(211.1) -- (211.1)		(211.1) -- (211.1)		(211.1) -- (211.1)		(211.1) -- (211.1)	
Implied Total Equity Value Reference Range	\$290.8 -- \$401.8		\$300.1 -- \$423.4		\$283.4 -- \$415.9		\$370.8 -- \$456.8	
Shares Outstanding [2]	15.0 -- 15.0		15.0 -- 15.0		15.0 -- 15.0		15.0 -- 15.0	
Implied Per Share Value Reference Range	\$19.33 -- \$26.71		\$19.94 -- \$28.14		\$18.84 -- \$27.65		\$24.65 -- \$30.36	

Note: No particular weight was attributed to any analysis.

1. Includes restricted cash balance of ~\$2.0 million as of 6/30/19 returned to unrestricted cash and cash equivalents in August 2019 due to lower than expected payments for professional fees incurred in connection with corporate restructuring, per Poconos management.

2. Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.

Sources: Poconos projections per Poconos management and public filings.
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Selected Historical and Projected Financial Data

(dollars in millions)

	Calendar Year Ended December 31,			LTM Ended	Calendar Year Ending December 31,			CAGR 2018 to 2021E
	2016	2017	2018	6/30/2019	2019E	2020E	2021E	
International & Alaska Drilling	\$287.3	\$247.3	\$213.4	\$249.5	\$272.4	\$296.1	\$336.9	
U.S. (Lower 48) Drilling	5.4	12.4	11.7	26.2	44.7	39.8	48.9	
International Rental Tools Services	62.6	60.9	79.2	85.0	95.4	107.0	114.7	
U.S. Rental Tools Services	71.6	121.9	176.5	205.2	199.4	230.6	245.0	
Total Revenue	\$427.0	\$442.5	\$480.8	\$566.0	\$611.8	\$673.5	\$745.6	15.7%
Growth %		3.6%	8.7%		27.2%	10.1%	10.7%	
International & Alaska Drilling Operating Expenses	(222.8)	(206.6)	(199.3)	(227.2)	(240.9)	(234.7)	(263.9)	
U.S. (Lower 48) Drilling Operating Expenses	(19.7)	(19.5)	(19.7)	(28.2)	(40.6)	(35.2)	(39.6)	
International Rental Tools Services Operating Expenses	(69.7)	(66.6)	(75.3)	(78.6)	(83.8)	(89.6)	(92.8)	
U.S. Rental Tools Services Operating Expenses	(50.2)	(62.8)	(83.9)	(94.4)	(95.1)	(106.5)	(113.6)	
Total Operating Expenses	(362.5)	(355.5)	(378.1)	(428.5)	(460.4)	(466.0)	(509.8)	
Total Gross Profit	\$64.5	\$87.0	\$102.7	\$137.5	\$151.5	\$207.5	\$235.8	31.9%
Margin %	15.1%	19.7%	21.4%	24.3%	24.8%	30.8%	31.6%	
Corporate General & Administrative Expenses	(34.3)	(25.7)	(24.5)	(26.5)	(28.1)	(30.8)	(32.0)	
Restructuring Charges [1]	0.0	0.0	(24.0)	(63.9)	(42.5)	0.0	0.0	
Other One-Time Items [2]	(1.6)	(4.8)	(52.4)	(103.4)	(51.1)	0.0	0.0	
EBITDA	\$28.5	\$56.6	\$1.7	(\$56.2)	\$29.7	\$176.7	\$203.8	392.1%
Margin %	6.7%	12.8%	0.4%	-9.9%	4.9%	26.2%	27.3%	
Growth %		98.2%	-97.0%		NMF	NMF	15.3%	
Total Adjustments [3]	1.6	4.8	76.5	167.2	93.6	0.0	0.0	
Adjusted EBITDA	\$30.2	\$61.4	\$78.2	\$111.0	\$123.4	\$176.7	\$203.8	37.6%
Margin %	7.1%	13.9%	16.3%	19.6%	20.2%	26.2%	27.3%	
Growth %		103.5%	27.4%		57.8%	43.3%	15.3%	
Depreciation & Amortization	(139.8)	(122.4)	(107.5)	(97.4)	(87.5)	(90.0)	(102.3)	
Adjusted EBIT	(\$109.6)	(\$61.0)	(\$29.4)	\$13.7	\$35.8	\$86.7	\$101.5	NMF
Margin %	-25.7%	-13.8%	-6.1%	2.4%	5.9%	12.9%	13.6%	
Growth %		-44.4%	-51.9%		NMF	142.1%	17.1%	
Additional Financial Information								
Capital Expenditures	\$29.0	\$54.5	\$70.6	\$72.3	\$91.8	\$104.3	\$109.5	
Net Working Capital [4]	\$63.7	\$72.6	\$113.5	\$81.0	\$87.4	\$125.4	\$148.1	
Change in Net Working Capital		(\$8.9)	(\$40.9)		\$26.1	(\$38.1)	(\$22.7)	

1. Includes professional fees, backstop premium, fresh-start adjustments and other items associated with Poconos' restructuring, per Poconos management. Does not include separately disclosed reorganization items.

2. Reflects total adjustments other than restructuring charges separately disclosed above.

3. CY 2019 adjustments assume no additional adjustments incurred during remainder of CY. Total Adjustments:

4. Excludes restricted cash from computations, as applicable.

5. Consists of (i) gain on settlement of liabilities subject to compromise and (ii) fresh start revaluation gain, per Poconos management.

Asset Impairment	(\$0.0)	\$1.9	\$50.7	\$50.7	\$0.0	\$0.0	\$0.0
Loss (Gain) on Disposition of Assets	1.6	2.9	1.7	1.3	(0.3)	0.0	0.0
Restructuring Charges [1]	0.0	0.0	24.0	63.9	42.5	0.0	0.0
Reorganization Items [5]	0.0	0.0	0.0	51.4	51.4	0.0	0.0
Total Adjustments	\$1.6	\$4.8	\$76.5	\$167.2	\$93.6	\$0.0	\$0.0

Source: Poconos historical financials and projections per Poconos management.
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Selected Companies Analysis

(dollars in millions, except per share values)

	Share Price [2]	Equity Market Value [2,3]	Enterprise Value [2,3]	Enterprise Value [1] to Adjusted EBITDA		
				LTM	CY 2019E [4]	CY 2020E [4]
Drilling Services						
Ensign Energy Services Inc.	\$2.21	\$356.1	\$1,578.1	5.4x	4.9x	4.6x
Helmerich & Payne, Inc.	\$38.96	4,311.7	4,422.8	5.6x	5.5x	5.6x
Independence Contract Drilling, Inc.	\$1.10	84.6	204.6	3.7x	3.6x	2.2x
Nabors Industries Ltd. [5]	\$2.05	758.9	3,954.9	5.0x	4.8x	4.3x
Patterson-UTI Energy, Inc.	\$8.38	1,727.5	2,591.6	3.4x	4.0x	4.1x
PHX Energy Services Corp.	\$1.92	116.8	128.4	4.1x	3.8x	3.4x
Precision Drilling Corporation [5]	\$1.21	375.6	1,396.0	4.7x	4.7x	4.4x
Low				3.4x	3.6x	2.2x
High				5.6x	5.5x	5.6x
Median				4.7x	4.7x	4.3x
Mean				4.5x	4.5x	4.1x
Well Services						
Basic Energy Services, Inc. [5]	\$1.51	\$40.8	\$253.7	5.8x	4.8x	3.4x
Frank's International N.V.	\$4.58	1,044.8	874.8	NMF	14.1x	9.2x
Key Energy Services, Inc.	\$1.30	27.5	239.9	NMF	NMF	9.4x
KLX Energy Services Holdings, Inc.	\$11.68	299.2	430.9	3.7x	2.8x	2.5x
Superior Energy Services, Inc. [5]	\$0.47	75.5	696.6	2.2x	2.7x	2.4x
Low				2.2x	2.7x	2.4x
High				5.8x	14.1x	9.4x
Median				3.7x	3.8x	3.4x
Mean				3.9x	6.1x	5.4x
All Selected Companies						
Low				2.2x	2.7x	2.2x
High				5.8x	14.1x	9.4x
Median				4.4x	4.7x	4.2x
Mean				4.3x	5.1x	4.6x
Poconos [6]	\$13.70	\$206.1	\$276.1	2.5x	2.3x	2.1x

Note: No company used in this analysis for comparative purposes is identical to Poconos.

1. Enterprise Value equals equity market value + debt outstanding + preferred stock + minority interests - cash and cash equivalents.

2. Based on closing prices as of 8/20/19.

3. Based on diluted shares.

4. Multiples based on forward looking financial information may have been calendarized to Poconos' fiscal year end of December 31st.

5. Enterprise Value adjusted for market value of debt as of 8/20/19. Untraded debt or debt for which pricing information was unavailable not adjusted.

6. Based on publicly available information, analyst estimates and market data as of 8/20/19.

Sources: Bloomberg, Capital IQ and public filings.

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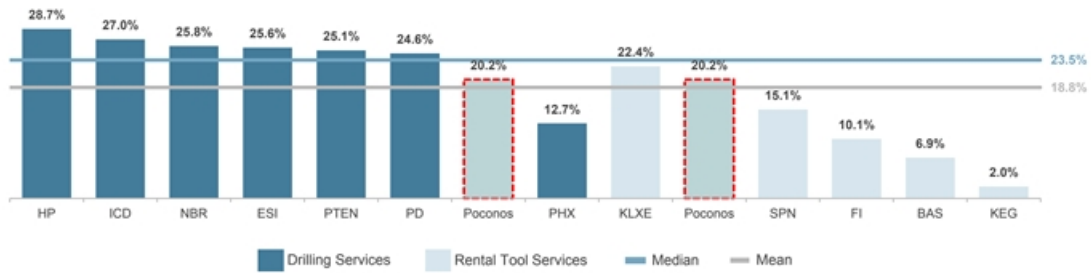
Selected Benchmarking Data

LTM Total Revenue

(dollars in millions)



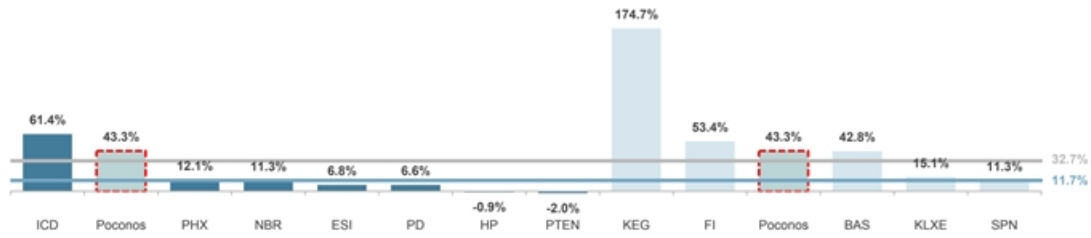
CY 2019E Adjusted EBITDA to CY 2019E Revenue



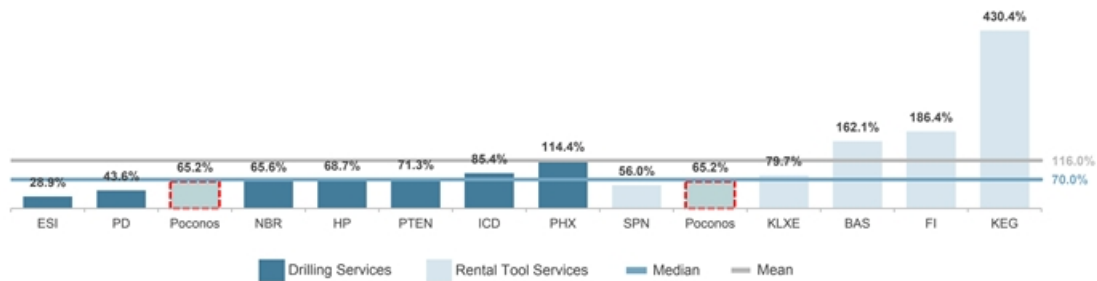
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
 Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials and projections per Poconos management.
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Selected Benchmarking Data (cont.)

CY 2019E to CY 2020E Adjusted EBITDA Growth



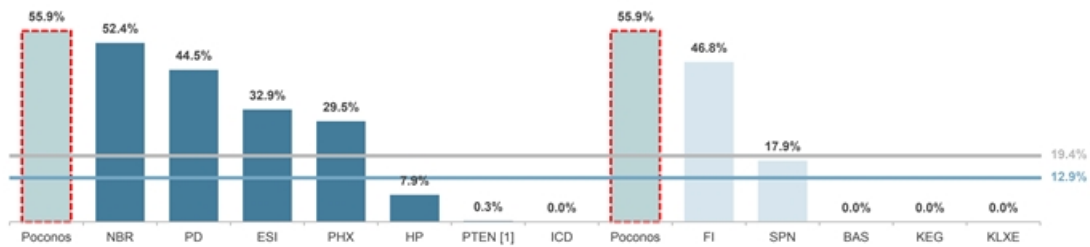
LTM Capital Expenditures to LTM Adjusted EBITDA



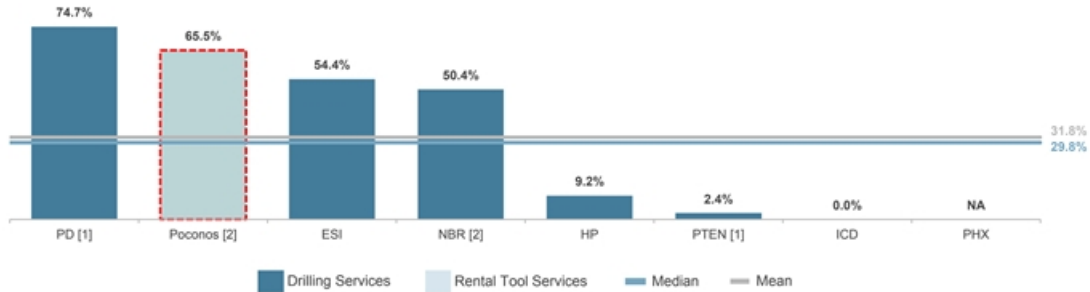
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials and projections per Poconos management.
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Selected Benchmarking Data (cont.)

LTM International Revenue to LTM Total Revenue



International Drilling Rig Count to Total Rig Count



Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.

1. Displayed information is as of 12/31/18, which reflects the latest available detail.

2. International rig count includes rigs deployed in Alaska, per public filings.

Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials per Poconos management.

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Discounted Cash Flow Analysis

(dollars in millions)

	Projected Calendar Year Ending December 31,			Terminal Value Assumptions
	2019E [1]	2020E	2021E	
Total Revenue	\$172.2	\$673.5	\$745.6	
Growth %	15.0%	10.1%	10.7%	
Total Operating Expenses	(130.4)	(486.0)	(509.8)	(509.8)
Corporate General & Administrative Expenses	(8.2)	(30.8)	(32.0)	(32.0)
Adjusted EBITDA	\$33.6	\$176.7	\$203.8	\$203.8
Margin %	19.5%	26.2%	27.3%	27.3%
Depreciation & Amortization	(24.4)	(90.0)	(102.3)	(109.5)
Adjusted EBIT	\$9.2	\$86.7	\$101.5	\$94.3
Taxes [2]	(4.2)	(9.8)	(11.9)	(21.2)
Unlevered Earnings	\$4.9	\$77.0	\$89.6	\$73.1
Depreciation & Amortization	24.4	90.0	102.3	109.5
Capital Expenditures	(29.3)	(104.3)	(109.5)	(109.5)
Change in Net Working Capital	(6.3)	(38.1)	(22.7)	(2.9)
Other Cash Flow Items [3]	11.0	15.9	11.1	0.0
Unlevered Free Cash Flows	\$4.9	\$40.5	\$70.9	\$70.2

Discount Rate	Present Value of Cash Flows (2019 - 2021)	PV of Terminal Value as a Multiple of 2021 Adjusted EBITDA			Implied Enterprise Value		
		2.25x	2.50x	2.75x	2.25x	2.50x	2.75x
12.50%	\$99.0	\$350.0	\$388.9	\$427.8	\$449.0	\$487.9	\$526.8
12.75%	\$98.7	\$348.3	\$387.0	\$425.7	\$447.0	\$485.7	\$524.4
13.00%	\$98.4	\$346.5	\$385.0	\$423.5	\$444.9	\$483.4	\$521.9
13.25%	\$98.1	\$344.7	\$383.0	\$421.4	\$442.9	\$481.2	\$519.5
13.50%	\$97.8	\$343.0	\$381.1	\$419.2	\$440.8	\$479.0	\$517.1

Discount Rate	Implied Perpetual Growth Rate [4]		
	2.25x	2.50x	2.75x
12.50%	-3.2%	-1.8%	-0.7%
12.75%	-3.0%	-1.6%	-0.5%
13.00%	-2.8%	-1.4%	-0.3%
13.25%	-2.6%	-1.2%	-0.1%
13.50%	-2.4%	-1.0%	0.1%

Discount Rate	PV of Terminal Value as a % of Enterprise Value		
	2.25x	2.50x	2.75x
12.50%	78.0%	79.7%	81.2%
12.75%	77.9%	79.7%	81.2%
13.00%	77.9%	79.6%	81.1%
13.25%	77.8%	79.6%	81.1%
13.50%	77.8%	79.6%	81.1%

Note: Present values as of 9/15/19; mid-year convention applied. Refer to WACC calculation for derivation of discount rate.

- Represents 3.5 months of projected quarterly financial information.
- Projected taxes per Poconos management. Terminal year tax rate at 22.5%, per Poconos management.
- Reflects portion of other minor operating cash flow items not attributable to change in net working capital, per Poconos management.
- Implied from corresponding discount rate and 2021E Adjusted EBITDA multiple.

Source: Poconos projections per Poconos management.

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Weighted Average Cost of Capital Calculations

	Total Debt to Total Cap (1)(2)	Dd to Total Cap (1)(3)	Dnd to Total Cap (1)(4)	Total Debt to Equity Market Value (2)(5)	Dd to Equity Market Value (3)(5)	Dnd to Equity Market Value (4)(5)	Pfd. Stock to Total Cap (1)(6)	Equity Market Value to Total Cap (1)(5)	Pfd. Stock to Equity Market Value (5)(6)
Drilling Services									
Ensign Energy Services Inc.	77.8%	72.3%	5.5%	350.4%	325.8%	24.5%	0.0%	22.2%	0.0%
Helmerich & Payne, Inc.	10.2%	10.2%	0.0%	11.4%	11.4%	0.0%	0.0%	89.8%	0.0%
Independence Contract Drilling, Inc.	60.6%	60.6%	0.0%	153.9%	153.9%	0.0%	0.0%	39.4%	0.0%
Nabors Industries Ltd. [7]	80.4%	80.4%	0.0%	408.9%	408.9%	0.0%	0.0%	19.6%	0.0%
Patterson-UTI Energy, Inc.	39.3%	39.3%	0.0%	64.8%	64.8%	0.0%	0.0%	60.7%	0.0%
PHX Energy Services Corp.	12.8%	12.8%	0.0%	14.7%	14.7%	0.0%	0.0%	87.2%	0.0%
Precision Drilling Corporation [7]	74.2%	74.2%	0.0%	287.8%	287.8%	0.0%	0.0%	25.8%	0.0%
25th Percentile	26.1%	26.1%	0.0%	39.8%	39.8%	0.0%	0.0%	24.0%	0.0%
Median	60.6%	60.6%	0.0%	153.9%	153.9%	0.0%	0.0%	39.4%	0.0%
Mean	50.8%	50.0%	0.8%	184.6%	181.0%	3.5%	0.0%	49.2%	0.0%
75th Percentile	76.0%	73.3%	0.0%	319.1%	306.8%	0.0%	0.0%	73.9%	0.0%
Well Services									
Basic Energy Services, Inc. [7]	86.7%	40.9%	45.8%	653.2%	307.9%	345.3%	0.0%	13.3%	0.0%
Frank's International N.V.	0.2%	0.2%	0.0%	0.2%	0.2%	0.0%	0.0%	99.8%	0.0%
Key Energy Services, Inc.	89.8%	7.8%	82.0%	879.5%	76.8%	802.7%	0.0%	10.2%	0.0%
KLX Energy Services Holdings, Inc.	44.7%	44.7%	0.0%	81.0%	81.0%	0.0%	0.0%	55.3%	0.0%
Superior Energy Services, Inc. [7]	91.9%	91.9%	0.0%	1132.6%	1132.6%	0.0%	0.0%	8.1%	0.0%
25th Percentile	44.7%	7.8%	0.0%	81.0%	76.8%	0.0%	0.0%	10.2%	0.0%
Median	86.7%	40.9%	0.0%	653.2%	81.0%	0.0%	0.0%	13.3%	0.0%
Mean	62.7%	37.1%	25.6%	549.3%	319.7%	229.6%	0.0%	37.3%	0.0%
75th Percentile	89.8%	44.7%	45.8%	879.5%	307.9%	345.3%	0.0%	55.3%	0.0%
All Selected Companies									
25th Percentile	32.7%	12.2%	0.0%	52.3%	52.3%	0.0%	0.0%	18.1%	0.0%
Median	67.4%	42.8%	0.0%	220.8%	117.4%	0.0%	0.0%	32.6%	0.0%
Mean	55.7%	44.6%	11.1%	336.5%	238.8%	97.7%	0.0%	44.3%	0.0%
75th Percentile	81.9%	72.8%	1.4%	470.0%	312.4%	6.1%	0.0%	67.3%	0.0%
Poconos [8]	50.6%	50.6%	0.0%	102.4%	102.4%	0.0%	0.0%	49.4%	0.0%

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Total Cap refers to total capitalization, which equals Equity Market Value + Total Debt + Pfd. Stock.

2. Total Debt refers to total debt amount based on most recent public filings as of 8/20/19.

3. Dd refers to Implied Tax-Deductible Debt, which equals the lesser of (a) 30% of Adjusted Taxable Income/Cost of Debt, or (b) Total Debt. LTM Adjusted EBITDA, based on most recent public filings as of 8/20/19, is assumed to be a valid proxy for Adjusted Taxable Income for the selected companies.

4. Dnd refers to Implied Non-Tax-Deductible Debt, which equals Total Debt minus Dd.

5. Equity Market Value based on closing price on 8/20/19 and on diluted shares as of 8/20/19.

6. Pfd. Stock refers to preferred stock, which is the amount as stated in most recent public filings as of 8/20/19.

7. Enterprise Value adjusted for market value of debt as of 8/20/19. Untraded debt or debt for which pricing information was unavailable not adjusted.

8. Based on publicly available information and market data as of 8/20/19.

Sources: Bloomberg and Capital IQ.

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Weighted Average Cost of Capital Calculations (cont.)

	Levered Beta [1]	Unlevered Beta [2]	Equity Risk Premium [3]	Size Premium [4]	Cost of Equity [5]	Cost of Debt [6]	Cost of Pfd. Stock [7]	WACC
Drilling Services								
Ensign Energy Services Inc.	1.55	0.41	6.00%	2.46%	13.6%	7.6%	NA	7.7%
Helmerich & Payne, Inc.	1.40	1.29	6.00%	1.28%	11.5%	4.7%	NA	10.7%
Independence Contract Drilling, Inc.	1.52	0.69	6.00%	5.22%	16.2%	9.6%	NA	10.9%
Nabors Industries Ltd. [8]	1.96	0.47	6.00%	1.80%	15.4%	4.5%	6.0%	5.8%
Patterson-UTI Energy, Inc.	1.65	1.10	6.00%	1.58%	13.3%	4.3%	NA	9.4%
PHX Energy Services Corp.	2.53	2.27	6.00%	5.22%	22.2%	NA	NA	NA
Precision Drilling Corporation [8]	2.69	0.85	6.00%	2.46%	20.4%	6.7%	NA	9.1%
25th Percentile	1.53	0.58			13.5%	4.5%	6.0%	8.1%
Median	1.65	0.85			15.4%	5.7%	6.0%	9.3%
Mean	1.90	1.01			16.1%	6.2%	6.0%	8.9%
75th Percentile	2.25	1.20			18.3%	7.4%	6.0%	10.4%
Well Services								
Basic Energy Services, Inc. [8]	2.14	0.31 *	6.00%	5.22%	19.9%	10.4%	NA	10.7%
Frank's International N.V.	1.47	1.47 *	6.00%	1.80%	12.5%	3.9%	NA	12.5%
Key Energy Services, Inc.	2.76	0.29 *	6.00%	5.22%	23.6%	12.4%	NA	13.3%
KLX Energy Services Holdings, Inc.	0.83	0.51 *	6.00%	5.22%	12.0%	11.5%	NA	10.6%
Superior Energy Services, Inc. [8]	2.28	0.23 *	6.00%	5.22%	20.8%	7.4%	NA	6.9%
25th Percentile	1.47	NA			12.5%	7.4%	NA	10.6%
Median	2.14	NA			19.9%	10.4%	NA	10.7%
Mean	1.90	NA			17.8%	9.1%	NA	10.8%
75th Percentile	2.28	NA			20.8%	11.5%	NA	12.5%
All Selected Companies								
25th Percentile	1.51	0.58			13.1%	4.6%	6.0%	8.4%
Median	1.81	0.85			15.8%	7.4%	6.0%	10.6%
Mean	1.90	1.01			16.8%	7.5%	6.0%	9.8%
75th Percentile	2.34	1.20			20.5%	10.0%	6.0%	10.8%
Poconos [9]	NMF	NMF	6.00%	5.22%	NMF	13.0%	NA	NMF

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Based on actual levered beta per Bloomberg 5-year weekly as of 8/20/19.

2. Unlevered Beta = Levered Beta * (1 - tax rate) * (D to Equity Market Value) + (D to Equity Market Value) + (Pfd. Stock to Equity Market Value).

3. Based on review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply-side and demand-side models and other materials.

4. Duff & Phelps Cost of Capital Navigator ("Navigator").

5. Cost of Equity = Risk-Free Rate of Return + (Levered Beta * Equity Risk Premium) + Size Premium. Risk-Free Rate of Return as of 8/20/19, based on 20-year U.S. Treasury Bond Yield.

6. Based on selected company weighted average interest rate per most recent public filings as of 8/20/19.

7. Based on selected company weighted average preferred dividend per most recent public filings 8/20/19.

8. Enterprise Value adjusted for market value of debt as of 8/20/19. Untraded debt or debt for which pricing information was unavailable not adjusted.

9. Based on publicly available information and market data as of 8/20/19.

* Excluded from low, high, median and mean data.

Sources: Bloomberg and Capital IQ.

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Weighted Average Cost of Capital Calculations (cont.)

(dollars in millions)

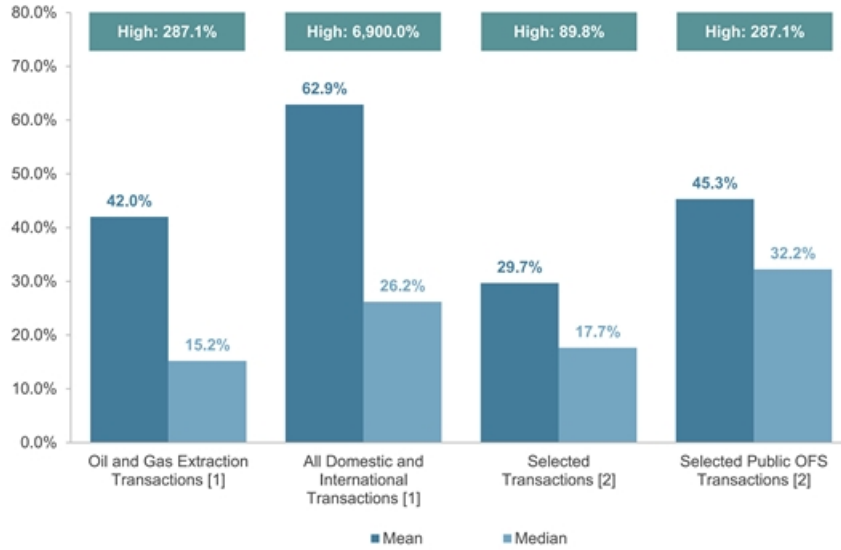
Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.84%	Poconos Adjusted Taxable Income [5]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$211.1	Computed Levered Beta [13]	1.75
Size Premium [3]	2.46%	Poconos Dd [7]	\$211.1	Cost of Equity [14]	14.8%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	37.5%		
		Dd to Total Capitalization [10]	37.5%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	59.9%		
		Dd to Equity Market Value [10]	59.9%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	62.5%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	13.0%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital				13.0%	
Selected Weighted Average Cost of Capital Range				12.6% – 13.5%	

- Risk-Free Rate of Return as of 8/20/19, based on 20-year U.S. Treasury Bond Yield.
 - Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.
 - Navigator.
 - Forward tax rate, per Poconos management.
 - Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.
 - Poconos Total Debt refers to total debt amount of Poconos as of 8/20/19.
 - Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.
 - Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.
 - Based on capital structure resulting from Poconos' (i) actual Total Debt as of 8/20/19 and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches. No preferred stock outstanding.
 - Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.
 - Based on Poconos' actual cost of debt and cost of preferred stock as of 8/20/19.
 - Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.
 - Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) + (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.
 - Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.
- Sources: Bloomberg, Capital IQ and Poconos management.
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Summary of Selected Implied Premiums Paid Observations

Based on reviewed transactions, median implied premiums paid range from 15.2% to 32.2% depending on transaction characteristics while mean implied premiums among review transactions are somewhat higher, ranging from 29.7% to 62.9%



1. Based on twelve-month lookback of applicable unaffected implied premiums, per Mergerstat Q1 2019 Control Premium Study.

2. Based on one-day implied premiums, per Capital IQ and public filings.

Sources: Mergerstat, Capital IQ and public filings.

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Glossary of Selected Terms

Definition	Description
Adjusted EBITDA	Adjusted EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization, adjusted for certain non-recurring items
Adjusted EBIT	Adjusted EBIT refers to Earnings Before Interest and Taxes, adjusted for certain non-recurring items
BAS	Basic Energy Services, Inc.
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditures
CY	Calendar Year
E	Estimated
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ESI	Ensign Energy Services Inc.
EV	Enterprise Value
FI	Frank's International N.V.
HP	Helmerich & Payne, Inc.
ICD	Independence Contract Drilling, Inc.
KEG	Key Energy Services, Inc.
KLXE	KLX Energy Services Holdings, Inc.
LTM	The most recently completed 12-month period for which financial information has been made public, other than for Poconos, in which case LTM refers to Latest 12 Months
NA	Not available

Glossary of Selected Terms (cont.)

	Definition	Description
NBR	Nabors Industries Ltd.	
NMF	Not meaningful figure	
PD	Precision Drilling Corporation	
PHX	PHX Energy Services Corp.	
PTEN	Patterson-UTI Energy, Inc.	
PV	Present Value	
SPN	Superior Energy Services, Inc.	
VWAP	Volume-Weighted Average Price	
WACC	Weighted Average Cost of Capital	

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- All budgets, projections, estimates, financial analyses, reports and other information with respect to operations (including estimates of potential cost savings and expenses) reflected in the materials have been prepared by management of the relevant party or are derived from such budgets, projections, estimates, financial analyses, reports and other information or from other sources, which involve numerous and significant subjective determinations made by management of the relevant party and/or which such management has reviewed and found reasonable. The budgets, projections and estimates (including, without limitation, estimates of potential cost savings and synergies) contained in the materials may or may not be achieved and differences between projected results and those actually achieved may be material. Houlihan Lokey has relied upon representations made by management of the Company that such budgets, projections and estimates have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management (or, with respect to information obtained from public sources, represent reasonable estimates), and Houlihan Lokey expresses no opinion with respect to such budgets, projections or estimates or the assumptions on which they are based. The scope of the financial analysis contained herein is based on discussions with the Company (including, without limitation, regarding the methodologies to be utilized), and Houlihan Lokey does not make any representation, express or implied, as to the sufficiency or adequacy of such financial analysis or the scope thereof for any particular purpose.
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Project Mountain – Additional Considerations

PRESENTATION TO THE FINANCE AND STRATEGIC PLANNING COMMITTEE

AUGUST 30, 2019 | CONFIDENTIAL - PRELIMINARY - SUBJECT TO FURTHER REVIEW

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Executive Summary

- ❖ The illustrative financial analyses and information contained in this presentation do not relate to the opinion
- ❖ The Finance and Strategic Planning Committee has requested that Houlihan Lokey provide certain additional illustrative financial analyses on certain potential impacts of a potential transaction on the Continuing Stockholders and the Company
- ❖ Overview of additional illustrative financial analyses and selected key takeaways
 - Selected illustrative accretion / dilution calculations
 - Selected post-restructured company public equity market performance
 - Selected illustrative precedent "going-dark" transactions observations
- ❖ Key next deliverables for Houlihan Lokey
 - Final presentation(s) regarding the opinion and related financial analyses
- ❖ Other process items for Houlihan Lokey
 - Transaction structure due diligence; reflect terms of proposed transaction
 - Market updates
 - Projections updates, if applicable
 - Follow-up due diligence, if applicable

The accretion/dilution calculations, financial analyses and other information included herein are provided solely for the information of the Finance and Strategic Planning Committee of the Board of Directors of the Company, are shown for illustrative purposes only and are not intended to provide any recommendations, conclusions or opinions regarding valuation, the fairness of any aspect of the Stock Splits to the Cashed-Out Stockholders, the Continuing Stockholders or the Company, or whether to effect the Stock Splits. Such illustrative calculations, financial analyses and other information are dependent on current information and assumptions provided by Poconos management that may differ materially from final Poconos management estimates or final figures associated with the Stock Splits, if consummated.

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Selected Illustrative Accretion / Dilution Calculations

Adjusted EBITDA

- The Stock Splits are accretive to Poconos' adjusted EBITDA per share in CY 2020E and CY 2021E following more marginal accretion in CY 2019E.
- This stems from the recurring nature of the Company's assumed run-rate realized cost savings relative to smaller cost savings in CY 2019E.

(shares outstanding and dollars in millions, except per share values)

	Calendar Year Ending December 31,		
	2019E	2020E	2021E
Status Quo Adjusted EBITDA [1]	\$123.4	\$176.7	\$203.8
Status Quo Diluted Shares Outstanding [2]	15.0	15.2	15.3
Status Quo Adjusted EBITDA per Share	\$8.20	\$11.65	\$13.32
Identified Public Company Cost Savings [3] [4]	0.1	0.8	0.8
Net Pre-Tax Stock Splits Cost Savings [5]	0.1	0.8	0.8
Pro Forma Adjusted EBITDA	\$123.4	\$177.5	\$204.6
Status Quo Diluted Shares Outstanding [2]	15.04	15.17	15.30
Cashed-Out Shares [6]	(0.03)	(0.03)	(0.03)
Adjusted Diluted Common Shares Outstanding	15.02	15.15	15.27
Pro Forma Adjusted EBITDA per Share	\$8.22	\$11.72	\$13.40
Implied Accretion / (Dilution) [7]	0.2%	0.6%	0.6%

Poconos management estimates subject to further refinement

- Poconos projections per Poconos management.
 - Reflects (i) diluted share count as of 6/30/19 and (ii) ratable annual vesting of ~0.4 million restricted stock units outstanding over three years following the Company's emergence from bankruptcy. For illustrative purposes, assumes the Company's share price of \$16.13 as of 8/28/19 remains unchanged following the Stock Splits and the Company's existing warrants and stock options are consequently out-of-the-money over the projection period. Per Poconos management.
 - Reflects Poconos management estimate subject to further refinement.
 - Per Poconos management, does not include potential incremental cost savings from alteration of directors and officers insurance post-Stock Splits.
 - Excludes non-recurring advisory, accounting and filing fees associated with effecting the Stock Splits estimated at \$775,000, per Poconos management.
 - Per shareholder roster provided by Poconos management. Assumes (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a reverse stock split ratio of 1:50.
 - Computed as (i) difference between Pro Forma Adjusted EBITDA per Share and Status Quo Adjusted EBITDA per Share, divided by (ii) Status Quo Adjusted EBITDA per Share.
- Sources: Poconos management and Capital IQ
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Selected Illustrative Accretion / Dilution Calculations (cont.)

Adjusted Free Cash Flow

- The Stock Splits are accretive to Poconos' adjusted free cash flow per share in CY 2019E, CY 2020E and CY 2021E.
- As accretion / dilution computations are based on a lower base amount versus those delineated on the prior page, observed implied accretion / dilution percentages are greater.

(shares outstanding and dollars in millions, except per share values)

	Calendar Year Ending December 31,		
	2019E	2020E	2021E
Adjusted EBITDA	\$123.4	\$176.7	\$203.8
Capital Expenditures	(91.8)	(104.3)	(109.5)
Status Quo Adjusted Free Cash Flow [1]	\$31.5	\$72.4	\$94.3
Status Quo Diluted Shares Outstanding [2]	15.0	15.2	15.3
Status Quo Adjusted Free Cash Flow per Share	\$2.10	\$4.77	\$6.16
Identified Public Company Cost Savings [3] [4]	0.1	0.8	0.8
Net Pre-Tax Stock Splits Cost Savings [5]	0.1	0.8	0.8
Pro Forma Adjusted Free Cash Flow	\$31.6	\$73.2	\$95.1
Status Quo Diluted Shares Outstanding [2]	15.04	15.17	15.30
Cashed-Out Shares [6]	(0.03)	(0.03)	(0.03)
Adjusted Diluted Common Shares Outstanding	15.02	15.15	15.27
Pro Forma Adjusted Free Cash Flow per Share	\$2.10	\$4.83	\$6.23
Implied Accretion / (Dilution) [7]	0.4%	1.3%	1.0%

Poconos management estimates subject to further refinement

Note: Adjusted Free Cash Flow computed as Adjusted EBITDA minus Capital Expenditures for purposes of above illustrative calculations.

1. Poconos projections per Poconos management.

2. Reflects (i) diluted share count as of 6/30/19 and (ii) ratable annual vesting of ~0.4 million restricted stock units outstanding over three years following the Company's emergence from bankruptcy. For illustrative purposes, assumes the Company's share price of \$16.13 as of 8/28/19 remains unchanged following the Stock Splits and the Company's existing warrants and stock options are consequently out-of-the-money over the projection period. Per Poconos management.

3. Reflects Poconos management estimate subject to further refinement.

4. Per Poconos management, does not include potential incremental cost savings from alteration of directors and officers insurance post-Stock Splits.

5. Excludes non-recurring advisory, accounting and filing fees associated with effecting the Stock Splits estimated at \$775,000, per Poconos management.

6. Per shareholder roster provided by Poconos management. Assumes (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a reverse stock split ratio of 1:50.

7. Computed as (i) difference between Pro Forma Adjusted Free Cash Flow per Share and Status Quo Adjusted Free Cash Flow per Share, divided by (ii) Status Quo Adjusted Free Cash Flow per Share.

Sources: Poconos management and Capital IQ.

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Selected Illustrative Accretion / Dilution Calculations (cont.)

Earnings per Share

- Poconos earnings per share is calculated to increase in CY 2020E and CY 2021E.
 - Implied accretion / dilution is not meaningful in CY 2019E due to negative forecasted net income.

(shares outstanding and dollars in millions, except per share values)

	Calendar Year Ending December 31,		
	2019E	2020E	2021E
Status Quo Net Income [1]	(\$92.1)	\$55.3	\$67.5
Status Quo Diluted Shares Outstanding [2]	15.0	15.2	15.3
Status Quo Earnings / (Loss) per Share	(\$6.12)	\$3.64	\$4.41
Identified Public Company Cost Savings [3] [4]	0.1	0.8	0.8
Net Pre-Tax Stock Splits Cost Savings [5]	0.1	0.8	0.8
Incremental Taxes [6]	(0.0)	(0.1)	(0.1)
Pro Forma Net Income	(\$92.1)	\$55.9	\$68.2
Status Quo Diluted Shares Outstanding [2]	15.04	15.17	15.30
Cashed-Out Shares [7]	(0.03)	(0.03)	(0.03)
Adjusted Diluted Common Shares Outstanding	15.02	15.15	15.27
Pro Forma Earnings / (Loss) per Share	(\$6.13)	\$3.69	\$4.46
Implied Accretion / (Dilution) [8]	NMF	1.4%	1.2%

Poconos management estimates subject to further refinement

- Poconos projections per Poconos management.
 - Reflects (i) diluted share count as of 6/30/19 and (ii) ratable annual vesting of ~0.4 million restricted stock units outstanding over three years following the Company's emergence from bankruptcy. For illustrative purposes, assumes the Company's share price of \$16.13 as of 8/28/19 remains unchanged following the Stock Splits and the Company's existing warrants and stock options are consequently out-of-the-money over the projection period. Per Poconos management.
 - Reflects Poconos management estimate subject to further refinement.
 - Per Poconos management, does not include potential incremental cost savings from alteration of directors and officers insurance post-Stock Splits.
 - Excludes non-recurring advisory, accounting and filing fees associated with effecting the Stock Splits estimated at \$775,000, per Poconos management.
 - Reflects (i) periodic effective tax rates based on actual cash taxes projected for each period, per Poconos management, multiplied by (ii) Net Pre-Tax Stock Splits Cost Savings.
 - Per shareholder roster provided by Poconos management. Assumes (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a reverse stock split ratio of 1:50.
 - Computed as (i) difference between Pro Forma Earnings / (Loss) per Share and Status Quo Earnings / (Loss) per Share, divided by (ii) Status Quo Earnings / (Loss) per Share. Not meaningful figure in CY 2019E due to negative status quo and pro forma net income.
- Sources: Poconos management and Capital IQ.

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Selected Post-Restructured Company Market Observations

Selected Oilfield Services Company Performance Post Chapter 11 Emergence

(dollars in millions)



Date of Chapter 11 Filing		July 20, 2016
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$1,687.3 million
	Secured Obligations	~\$1,372.8 million
	Unsecured Obligations	~\$314.4 million
Date of Emergence from Chapter 11		January 6, 2017
Share Price Return Since Re-Listing (January 12, 2017)		-76.7%

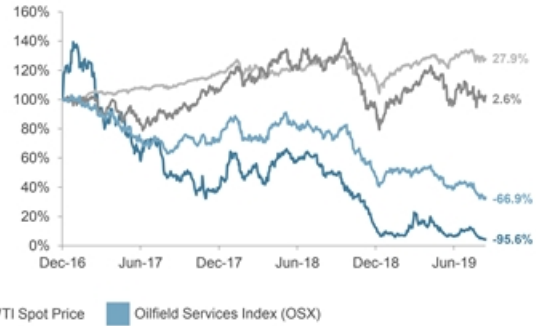


Date of Chapter 11 Filing		October 20, 2016
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$1,043.9 million
	Secured Obligations	~\$353.5 million
	Unsecured Obligations	~\$690.4 million
Date of Emergence from Chapter 11		December 15, 2016
Share Price Return Since Re-Listing (December 16, 2017)		-95.6%

Indexed Share Price Performance Post Re-Listing



Indexed Share Price Performance Post Re-Listing



Sources: Capital IQ as of 8/28/19 and public filings.

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Selected Post-Restructured Company Market Observations (cont.)

Selected Oilfield Services Company Performance Post Chapter 11 Emergence

(dollars in millions)

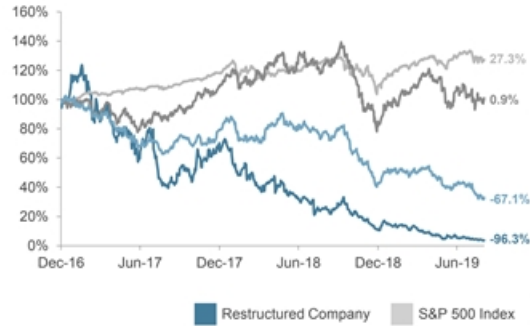


Date of Chapter 11 Filing		■ October 25, 2016
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$1,100.0 million
	Secured Obligations	~\$215.2 million
	Unsecured Obligations	~\$884.8 million
Date of Emergence from Chapter 11		■ December 26, 2016
Share Price Return Since Re-Listing (December 27, 2016)		■ -96.3%



Date of Chapter 11 Filing		■ May 1, 2017
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$528.9 million
	Secured Obligations	~\$480.8 million
	Unsecured Obligations	~\$48.0 million
Date of Emergence from Chapter 11		■ August 7, 2017
Share Price Return Since Re-Listing (October 12, 2017)		■ -75.6%

Indexed Share Price Performance Post Re-Listing



Indexed Share Price Performance Post Re-Listing



Sources: Capital IQ as of 8/28/19 and public filings.

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Effect of Premium on Continuing Stockholder Value

Illustrative Calculations

Effect of Premium on Continuing Stockholder Value Calculations

(shares outstanding and dollars in millions, except per share values)

Market-Derived Inputs [1]

Total Diluted Shares Outstanding [3]	15.0
Closing per Share Stock Price	\$16.13
Market Capitalization	\$242.7

Stock Splits Calculations

Computed Transaction Value	\$1.0	B
Implied Aggregate Premium Paid	\$0.3	C
Effect of Premium on Continuing Stockholders	0.139%	D

$$D = C + (A - B)$$

Effect of Premium on Continuing Stockholder Value Based on % of Cashed Out Shares [2] [3]

Illustrative Cash Out Price Per Share	Illustrative % of Shares Outstanding Cashed Out in Stock Splits [3]				
	0.100%	0.175% [4]	0.284% [5]	0.350%	0.400%
\$18.00	0.012%	0.020%	0.033%	0.041%	0.047%
\$21.00	0.030%	0.053%	0.086%	0.106%	0.121%
\$24.00	0.049%	0.086%	0.139%	0.172%	0.196%
\$27.00	0.068%	0.118%	0.192%	0.237%	0.271%
\$30.00	0.086%	0.151%	0.245%	0.303%	0.347%

1. As of 8/28/19.

2. Effect of Premium on Continuing Stockholders computed as: ((Cash-Out Price per Share - Current Market Trading Price per Share) * Shares Repurchased) / (Current Market Capitalization - Computed Transaction Value).

3. Pre-Stock-Splits Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units. Per Poconos management.

4. Reflects estimated percentage of shares associated with Cashed-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:50 reverse stock split ratio, per Poconos management.

5. Reflects estimated percentage of shares associated with Cashed-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:100 reverse stock split ratio per, per Poconos management.

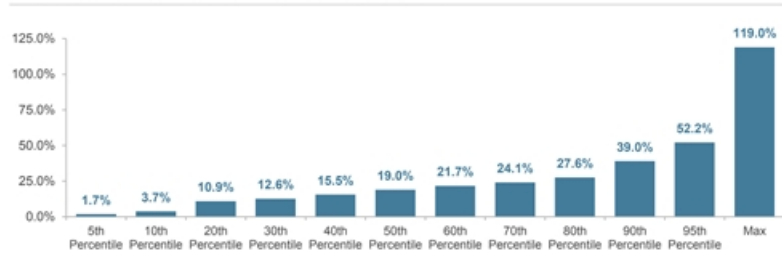
Sources: Poconos management and Capital IQ.

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Selected Illustrative “Going-Dark” Transactions

Selected Transaction and Benchmarking Observations

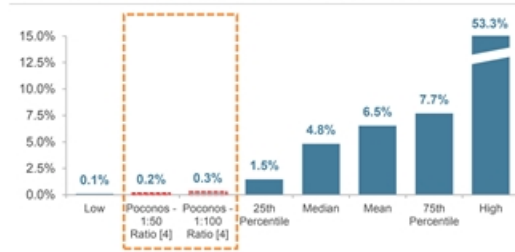
Implied One-Day Cash-Out Premiums Paid [1]



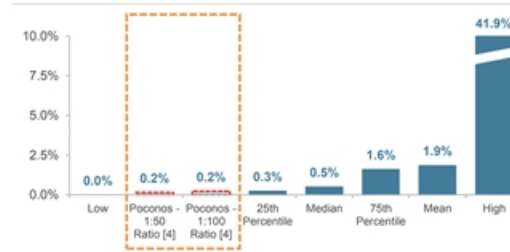
At an illustrative cash-out price of \$24 to \$30 per share, the implied one-day premium would be ~49% to 86%, which is among the highest of the observed selected precedent “going-dark” transactions’ premia.

However, as the shares repurchased as a % of shares outstanding is among the lowest of the selected precedent transactions, the resulting effect of the premium on continuing stockholders is also among the lowest (even at the high end of the illustrative cash-out price per share range).

Shares Repurchased as % of Outstanding



Implied Effect of Premium [2] [3]



1. Reflects Cash-Out Price per Share divided by One-Day Pre-Announcement Share Price.

2. Computed as: $(\text{Cash-Out Price per Share} - \text{Current Market Trading Price per Share}) \times \text{Shares Repurchased} / (\text{Current Market Capitalization} - \text{Computed Transaction Value})$.

3. Excludes transactions for which premiums were negative and China Housing and Land Development, Inc.

4. Based on (i) market data as of 8/28/19, (ii) illustrative cash out price per share of \$30.00 and (iii) assumption that only those shareholders with less than one share after the Reverse Split are cashed out. Per Poconos management.

Sources: Poconos management, Capital IQ, public filings and press releases.

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Effect of Premium on Continuing Stockholders

Effect of Premium on Continuing Stockholders – 1:50 Reverse Stock Split Ratio [1] [2]

		Illustrative Pre-Stock Splits Announcement Market Trading Price [3]				
		-20.0%	-10.0%	Current [3]	+10.0%	+20.0%
Illustrative Cash Out Price Per Share	\$18.00	0.069%	0.042%	0.020%	0.003%	-0.012%
	\$21.00	0.110%	0.078%	0.053%	0.032%	0.015%
	\$24.00	0.151%	0.115%	0.086%	0.062%	0.042%
	\$27.00	0.192%	0.151%	0.118%	0.092%	0.069%
	\$30.00	0.233%	0.188%	0.151%	0.121%	0.097%

Effect of Premium on Continuing Stockholders – 1:100 Reverse Stock Split Ratio [1] [4]

		Illustrative Pre-Stock Splits Announcement Market Trading Price [3]				
		-20.0%	-10.0%	Current [3]	+10.0%	+20.0%
Illustrative Cash Out Price Per Share	\$18.00	0.113%	0.068%	0.033%	0.004%	-0.020%
	\$21.00	0.179%	0.127%	0.086%	0.052%	0.024%
	\$24.00	0.245%	0.186%	0.139%	0.100%	0.068%
	\$27.00	0.312%	0.245%	0.192%	0.149%	0.113%
	\$30.00	0.378%	0.304%	0.245%	0.197%	0.157%

1. Effect of Premium on Continuing Stockholders computed as: ((Cash-Out Price per Share - Current Market Trading Price per Share) * Shares Repurchased) / (Current Market Capitalization - Computed Transaction Value, J. Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management

2. Reflects estimated percentage of shares associated with Cashed-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:50 reverse stock split ratio per, per Poconos management.

3. As of 8/28/19

4. Reflects estimated percentage of shares associated with Cashed-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:100 reverse stock split ratio per, per Poconos management.

Sources: Poconos management and Capital IQ.

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Selected Illustrative Precedent “Going-Dark” Transactions

Announced	Going Dark Entity	Transaction Value	Shares Outstanding	Estimated Public Float		Shares Repurchased as a % of Outstanding	Market Capitalization at Announcement	Cash-Out Price per Share	One-Day Pre-Announcement Share Price [1]	Implied One-Day Cash-Out Premium [2]	Implied Effect of Premium [3]	One-Day Pre-Announcement Share Price as a % of 52-Week High	Average Daily Trading Volume As % of	
				Shares	%								Shares Outstanding [4]	Estimated Public Float [4]
5/2/19	Dynalid Corporation of America	\$1.7	17.5	8.2	47.0%	8.3%	\$18.3	\$1.15	\$1.00	5.5%	0.5%	68.1%	0.1%	0.3%
12/22/16	Payton Corp.	\$0.1	13.2	5.4	41.1%	1.0%	\$5.9	\$0.40	\$0.36	11.1%	0.1%	47.7%	0.0%	0.0%
12/29/16	Onstream Media Corporation	\$0.1	23.8	20.7	86.9%	2.8%	\$4.8	\$0.20	\$0.20	0.0%	0.0%	45.5%	0.1%	0.1%
2/18/16	Speed Commerce, Inc.	\$0.0	96.6	72.4	74.9%	0.1%	\$2.7	\$0.01	\$0.03	-70.5% *	-0.1% *	2.8%	0.1%	0.1%
1/18/16	Champion Industries, Inc.	\$0.0	11.3	5.0	44.1%	0.8%	\$2.8	\$0.30	\$0.25	20.0%	0.2%	50.0%	0.0%	0.0%
9/29/15	China Housing and Land Development, Inc.	\$8.8	7.0	3.5	50.4%	41.6%	\$11.1	\$3.00	\$1.37	119.0%	206.2% *	35.3%	NA	NA
7/27/15	Kansas City Life Insurance Company	\$30.1	10.6	3.1	29.5%	5.4%	\$463.8	\$52.50	\$42.53	23.4%	1.3%	84.0%	0.1%	0.3%
8/8/14	The Monarch Cement Company	\$3.0	4.0	2.1	53.8%	2.5%	\$68.6	\$30.00	\$26.41	13.6%	0.5%	96.7%	0.0%	0.1%
5/6/13	Emtec, Inc.	\$1.1	18.2	4.1	22.8%	5.5%	\$17.1	\$1.05	\$1.10	-4.5% *	-0.3% *	89.4%	0.1%	0.2%
12/14/12	DGT Holdings Corp.	\$4.7	3.9	3.9	100.0%	9.0%	\$45.6	\$13.50	\$11.66	15.8%	1.6%	87.0%	NA	NA
8/30/10	Cofine Communications Inc. (aka: WebFinancial Holding LLC)	\$0.0	10.1	6.3	62.0%	0.2%	\$18.9	\$2.24	\$1.87	19.8%	0.0%	91.2%	0.1%	0.2%
7/22/10	EDG Holdings, Inc.	\$2.1	6.7	5.7	85.4%	6.1%	\$27.0	\$5.00	\$4.02	24.4%	1.6%	62.3%	0.4%	0.4%
3/1/10	Regency Affiliates, Inc.	\$0.1	3.4	1.3	36.8%	0.6%	\$11.7	\$6.00	\$3.37	78.0%	0.4%	74.9%	0.1%	0.2%
8/26/09	Boes Holdings, Inc.	\$0.4	2.1	0.8	37.8%	2.4%	\$13.1	\$7.65	\$6.20	23.4%	0.6%	75.2%	0.0%	0.1%
8/24/09	MAXXAM Inc.	\$1.7	4.6	NA	NA	3.5%	\$49.5	\$10.77	\$9.35	15.2%	0.5%	47.0%	0.0%	NA
5/27/09	Cuisine Solutions, Inc.	\$1.5	17.6	4.9	27.7%	0.7%	\$16.2	\$1.30	\$0.95	36.8%	2.8%	35.8%	0.1%	0.3%
8/4/08	Capital Properties, Inc.	\$0.3	3.3	0.8	23.2%	0.4%	\$75.1	\$25.00	\$23.12	8.2%	0.0%	70.4%	0.1%	0.3%
6/30/08	Gouverneur Bancorp, Inc.	\$0.1	2.3	0.8	35.0%	0.3%	\$18.7	\$10.00	\$8.06	24.1%	0.1%	40.3%	0.1%	0.2%
4/14/08	Peoples-Sidney Financial Corporation	\$1.3	1.4	1.1	77.9%	7.0%	\$18.4	\$13.47	\$12.00	12.3%	0.9%	80.0%	0.1%	0.1%
2/29/08	First Bancorp of Indiana, Inc.	\$0.4	1.8	1.3	72.6%	1.4%	\$21.4	\$14.00	\$12.00	16.7%	0.2%	64.4%	0.1%	0.1%
1/2/08	Oregon Pacific Bancorp	\$0.3	2.2	1.8	80.6%	0.9%	\$20.0	\$13.00	\$9.05	43.6%	0.4%	72.4%	0.1%	0.1%
12/28/07	Peoples Bancorp	\$2.9	3.1	3.0	95.8%	5.6%	\$44.2	\$16.75	\$14.20	18.0%	1.1%	70.0%	0.1%	0.1%
10/25/07	CB Financial Corporation	\$1.3	1.1	0.9	84.1%	6.2%	\$17.1	\$20.00	\$16.00	25.0%	1.7%	96.4%	0.1%	0.1%
10/5/07	Jedyn, Inc.	\$3.1	2.5	1.6	66.2%	12.4%	\$19.1	\$10.21	\$6.00	70.2%	8.1%	42.1%	0.4%	0.5%
7/2/07	Citizens Financial Corporation	\$1.2	1.6	1.1	66.9%	10.7%	\$7.0	\$7.25	\$6.54	10.9%	2.1%	95.6%	0.0%	0.0%
5/24/07	PSB Group, Inc.	\$3.1	3.1	3.0	96.0%	4.8%	\$58.3	\$21.00	\$15.15	38.6%	1.6%	75.8%	0.1%	0.1%
4/16/07	Northway Financial, Inc.	\$4.9	1.5	1.2	78.4%	8.7%	\$50.3	\$37.50	\$30.11	24.5%	2.1%	78.0%	0.2%	0.2%
2/16/07	Monarch Community Bancorp, Inc.	\$2.8	2.5	2.1	84.2%	8.1%	\$31.6	\$13.50	\$10.60	27.4%	2.1%	81.5%	0.0%	0.1%
1/12/07	Ohio State Bancshares, Inc.	\$1.9	0.2	0.1	75.2%	10.6%	\$17.2	\$95.00	\$82.25	3.0%	0.4%	97.9%	0.4%	0.6%
10/6/06	Meritage Hospitality Group, Inc.	\$0.2	5.4	0.6	10.9%	0.6%	\$25.4	\$5.25	\$4.67	12.4%	0.1%	94.3%	0.1%	0.7%

1. Reflects closing share price one-day prior to transaction announcement, per public filings.
 2. Computed as Cash-Out Price per Share, divided by One-Day Pre-Announcement Share Price.
 3. Computed as: ((Cash-Out Price per Share - One-Day Pre-Announcement Share Price) * Shares Repurchased) / (Market Capitalization at Announcement - Transaction Value).
 4. Over 12 months preceding transaction announcement, per Capital IQ.
 * Excluded from summary statistics calculations.
 Sources: Capital IQ, public filings and press releases.
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Selected Illustrative Precedent “Going-Dark” Transactions (cont.)

Announced	Going Dark Entity	Transaction Value	Shares Outstanding	Estimated Public Float		Shares Repurchased as a % of Outstanding	Market Capitalization at Announcement	Cash-Out Price per Share	One-Day Pre-Announcement Share Price [1]	Implied One-Day Cash-Out Premium [2]	Implied Effect of Premium [3]	One-Day Pre-Announcement Share Price as a % of 52-Week High	Average Daily Trading Volume As % of	
				Shares	%								Outstanding [4]	Estimated Public Float [4]
8/15/06	Pegasus Communications Corporation (i.e., The Pegasus Companies)	\$0.3	13.2	3.5	26.4%	0.6%	\$26.2	\$3.25	\$2.25	44.4%	0.3%	40.3%	0.0%	0.0%
5/16/06	Advanced Nutraceuticals, Inc. (i.e., Bactrac Pharmaceuticals, Inc.)	\$0.7	4.7	1.4	29.0%	3.6%	\$16.8	\$4.00	\$3.78	5.8%	0.2%	75.8%	NA	NA
5/2/06	Harbor Bankshares Corporation	\$0.4	0.7	0.4	65.4%	1.8%	\$16.4	\$31.00	\$25.50	21.6%	0.4%	100.0%	0.1%	0.1%
3/15/06	Meslek, Inc.	\$9.6	8.7	1.4	16.0%	7.2%	\$109.9	\$15.24	\$12.51	21.8%	1.7%	47.0%	0.1%	0.4%
1/26/06	Home City Financial Corporation	\$0.5	0.8	0.7	83.6%	3.7%	\$12.7	\$17.10	\$15.28	11.9%	0.5%	91.7%	0.1%	0.1%
11/2/05	Collins Industries, Inc.	\$0.6	6.6	4.7	71.3%	1.2%	\$44.5	\$7.70	\$6.75	14.1%	0.2%	90.0%	0.2%	0.2%
10/7/05	County Bank Corp.	\$2.9	1.1	0.9	84.5%	4.9%	\$60.0	\$55.00	\$53.70	2.4%	0.1%	92.6%	0.1%	0.1%
10/3/05	Yackin Valley Company	\$1.0	0.2	0.1	36.2%	7.2%	\$10.1	\$78.00	\$56.00	30.3%	3.2%	99.0%	NA	NA
9/13/05	First Citizens Bancorporation, Inc.	\$29.6	0.9	0.1	11.8%	4.7%	\$517.5	\$735.00	\$590.00	24.6%	1.2%	94.4%	0.0%	0.1%
9/8/05	FirstFed Bancorp, Inc.	\$14.3	2.4	1.4	58.1%	53.3%	\$22.0	\$11.00	\$8.51	29.3%	41.9%	91.1%	0.1%	0.1%
8/19/05	Itis Corporation	\$1.8	0.5	0.4	67.5%	8.4%	\$21.1	\$40.50	\$39.05	3.7%	0.3%	96.5%	0.2%	0.3%
7/22/05	Iowa First Bancshares Corp.	\$2.5	1.4	1.2	87.8%	4.7%	\$47.7	\$38.00	\$34.25	10.9%	0.5%	84.6%	0.1%	0.1%
7/1/05	Cherokee Banking Company	\$2.4	1.2	0.9	74.9%	11.0%	\$19.3	\$17.75	\$15.50	14.5%	1.8%	91.2%	0.1%	0.1%
6/24/05	FC Banc Corp.	\$1.9	0.7	0.6	89.2%	9.9%	\$16.8	\$29.12	\$28.10	3.6%	0.4%	73.9%	0.2%	0.3%
6/7/05	Quaranty Bancshares, Inc.	\$1.5	2.8	1.3	44.9%	2.2%	\$107.3	\$24.00	\$19.35	24.0%	0.3%	75.9%	0.1%	0.2%
5/24/05	FFD Financial Corporation	\$1.5	1.9	1.6	83.4%	4.1%	\$17.8	\$19.00	\$15.45	23.0%	1.7%	92.2%	0.1%	0.1%
5/18/05	Home Loan Financial Corp.	\$2.3	1.7	1.1	66.7%	6.4%	\$26.9	\$20.75	\$15.90	30.5%	2.1%	72.7%	0.1%	0.1%
5/17/05	Community Investors Bancorp, Inc.	\$0.6	1.1	0.7	67.1%	3.8%	\$13.9	\$15.00	\$13.25	13.2%	0.5%	82.8%	0.2%	0.3%
4/14/05	United Tennessee Bankshares, Inc.	\$5.7	1.1	0.7	62.4%	23.7%	\$24.9	\$22.00	\$18.26	20.5%	5.1%	85.9%	0.1%	0.1%
3/1/05	EF Enterprises Inc.	\$2.6	3.5	1.2	35.1%	8.2%	\$30.1	\$8.95	\$7.50	19.3%	1.9%	85.1%	0.1%	0.2%
3/22/05	Mercury Air Group, Inc.	\$0.8	3.1	0.1	2.0%	6.3%	\$19.6	\$4.00	\$3.36	18.0%	1.2%	37.4%	0.4%	20.7%
3/16/05	Northeast Indiana Bancorp, Inc.	\$0.4	1.4	1.3	93.0%	1.3%	\$29.4	\$23.50	\$20.00	17.5%	0.2%	86.2%	0.2%	0.2%
3/1/05	Lynch Interactive Corporation (i.e., LUCT Corporation)	\$0.3	2.8	NA	NA	0.3%	\$66.0	\$29.00	\$24.99	16.0%	0.1%	76.3%	0.0%	NA
3/3/05	ASB Financial Corp.	\$2.0	1.7	1.4	84.8%	5.1%	\$37.4	\$23.00	\$20.65	11.4%	0.6%	70.6%	0.1%	0.1%
2/25/05	First Maribowoc Bancorp, Inc. (i.e., Bank First Corporation)	\$2.1	6.9	NA	NA	1.5%	\$105.8	\$19.60	\$15.25	28.5%	0.4%	93.8%	0.0%	NA
Low		\$0.0	0.2	0.1	2.0%	0.1%	\$2.7	\$0.0	\$0.03	0.0%	0.0%	2.8%	0.0%	0.0%
25th Percentile		\$0.4	1.4	0.8	36.7%	1.5%	\$16.4	\$5.6	\$4.34	12.3%	0.3%	66.3%	0.1%	0.1%
Median		\$1.5	2.8	1.3	66.9%	4.8%	\$21.1	\$14.0	\$12.00	19.3%	0.5%	79.0%	0.1%	0.1%
Mean		\$3.0	6.4	3.7	58.4%	6.5%	\$47.5	\$31.4	\$26.15	22.9%	1.9%	74.2%	0.1%	0.6%
75th Percentile		\$2.7	6.7	3.2	63.4%	7.7%	\$45.0	\$23.8	\$20.32	24.6%	1.6%	91.2%	0.1%	0.3%
High		\$30.1	96.6	72.4	100.0%	53.3%	\$517.5	\$735.0	\$590.00	119.0%	41.9%	100.0%	0.4%	20.7%

1. Reflects closing share price one-day prior to transaction announcement, per public filings.

2. Computed as Cash-Out Price per Share, divided by One-Day Pre-Announcement Share Price.

3. Computed as: [(Cash-Out Price per Share - One-Day Pre-Announcement Share Price) * Shares Repurchased] / (Market Capitalization at Announcement - Transaction Value).

4. Over 12 months preceding transaction announcement, per Capital IQ.

* Excluded from summary statistics calculations.

Sources: Capital IQ, public filings and press releases.

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Glossary of Selected Terms

Definition	Description
Adjusted EBITDA	Adjusted EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization, adjusted for certain non-recurring items
Cashed-Out Stockholders	Stockholders of record owning less than a yet-to-be-determined number of shares immediately prior to the contemplated reverse stock split of the common stock of Poconos
Continuing Stockholders	Stockholders of record owning greater than a yet-to-be-determined number of shares immediately prior to the contemplated reverse stock split of the common stock of Poconos
CY	Calendar Year
E	Estimated
Forward Split	The contemplated forward stock split of the remaining shares of Poconos common stock immediately following the consummation of the contemplated reverse stock split of the common stock of Poconos
NA	Not available
NMF	Not meaningful figure
Reverse Split	The contemplated reverse stock split of the common stock of Poconos
Stock Splits	Collectively, the reverse split and forward split
WTI	West Texas Intermediate crude oil

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Project Mountain

UPDATED PRESENTATION TO THE FINANCE AND STRATEGIC PLANNING
COMMITTEE

SEPTEMBER 6, 2019 | CONFIDENTIAL – FINAL DRAFT

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Selected Changes from August 23, 2019 Discussion Materials

- As of September 3, 2019, the closing price of Poconos' common stock traded up ~24.8% versus the closing price on August 20, 2019, resulting in increased public implied trading multiples despite no change to analyst estimates.

Selected Poconos Market Data Comparison

(dollars in actuals)

	As of 8/20/19	As of 9/3/19	Change	
			\$	%
Closing Share Price	\$13.70	\$17.10	\$3.40	24.8%
Selected VWAPs				
5-Day	\$12.31	\$16.23	\$3.92	31.8%
10-Day	\$12.13	\$15.78	\$3.65	30.1%
30-Day	\$15.48	\$14.75	(\$0.73)	-4.7%
60-Day	\$18.96	\$18.74	(\$0.22)	-1.2%
90-Day	\$19.45	\$19.30	(\$0.15)	-0.8%
Since Re-Listing	\$19.26	\$19.14	(\$0.12)	-0.6%
Implied Trading Multiples (1)				
LTM Ended 6/30/19 Adjusted EBITDA	2.5x	2.9x	0.5x	18.5%
CY 2019E Adjusted EBITDA	2.3x	2.7x	0.4x	18.5%
CY 2020E Adjusted EBITDA	2.1x	2.5x	0.4x	18.5%

- Since the preliminary financial analyses discussion materials dated August 23, 2019, the following updates have been made:
 - Stock prices and other publicly available financial information for the selected companies have been updated to market close as of September 3, 2019;
 - Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. To reflect the potential impact of such a change, draft terms associated with such a facility and associated changes to the Company's capital structure have been incorporated into a newly-added discounted cash flow analysis approach termed "Discounted Cash Flow Analysis – Potential Refinancing." Projected unlevered cash flows were unaffected by this change; only weighted average cost of capital calculations were altered in the newly added case. We understand that the probability of such a refinancing taking place is low.
 - For the Selected Companies Analyses:
 - Selected LTM Ended 6/30/19 and CY 2019E Enterprise Value / Adjusted EBITDA multiple ranges remained unchanged at 3.25x – 4.25x and 3.00x – 4.00x, respectively.
 - The selected CY 2020E Enterprise Value / Adjusted EBITDA multiple range was increased by 0.25x from 2.00x – 2.75x to 2.25x – 3.00x in response to certain observed market multiple movements. As a result of this change, the associated implied per share reference range increased to \$21.77 – \$30.58 from \$18.84 – \$27.65 in the August 23, 2019 discussion materials, a change of \$2.93 – \$2.93 or approximately 15.6% – 10.6%
 - For the Discounted Cash Flow Analysis – Existing Capital Structure:
 - There were no changes to (i) the selected terminal multiple range of 2.25x – 2.75x or (ii) the selected discount rate range of 12.50% - 13.50%. The date to which future cash flows were discounted was changed from September 15, 2019 to September 6, 2019 to reflect revised timing of Houlihan Lokey's final analyses, resulting in an implied per share reference range of \$24.45 – \$30.15 versus \$24.65 – \$30.36 previously for a decrease of \$0.20 – \$0.21 or 0.8% – 0.7%.
- Additional selected changes from the August 23, 2019 discussion materials follow on subsequent pages.

1. Based on publicly available information, analyst estimates and market data as of applicable date.

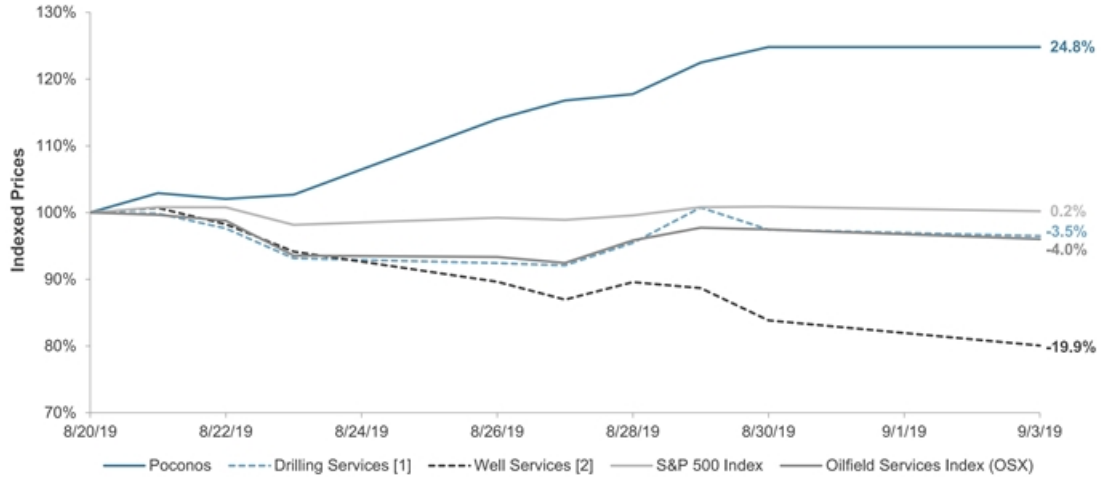
Sources: Bloomberg, Capital IQ and public filings.

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Selected Changes from August 23, 2019 Discussion Materials

Stock Price Movements

- Since August 20, 2018, the date for which market data was incorporated in the prior discussion materials dated August 23, 2019, market performance has been largely flat but for (i) the Company's common stock price (up 24.8%) and (ii) selected Well Services companies (down 19.9%).
- Strongly negative Well Services indexed price performance over the aforementioned August 20, 2019 to September 3, 2019 period was driven by declines across the peer set, the most prominent of which were Superior Energy Services (down 40.6%) and Key Energy Services, Inc. (down 22.3%).



Note: No company shown for comparative purposes is identical to Poconos.

1. Drilling Services includes Ensign Energy Services Inc.; Heimerich & Payne, Inc.; Independence Contract Drilling, Inc.; Nabors Industries Ltd.; Patterson-UTI Energy, Inc.; PHX Energy Services Corp.; and Precision Drilling Corporation.

2. Well Services includes Basic Energy Services, Inc.; Frank's International N.V.; Key Energy Services, Inc.; KLX Energy Services Holdings, Inc.; and Superior Energy Services.

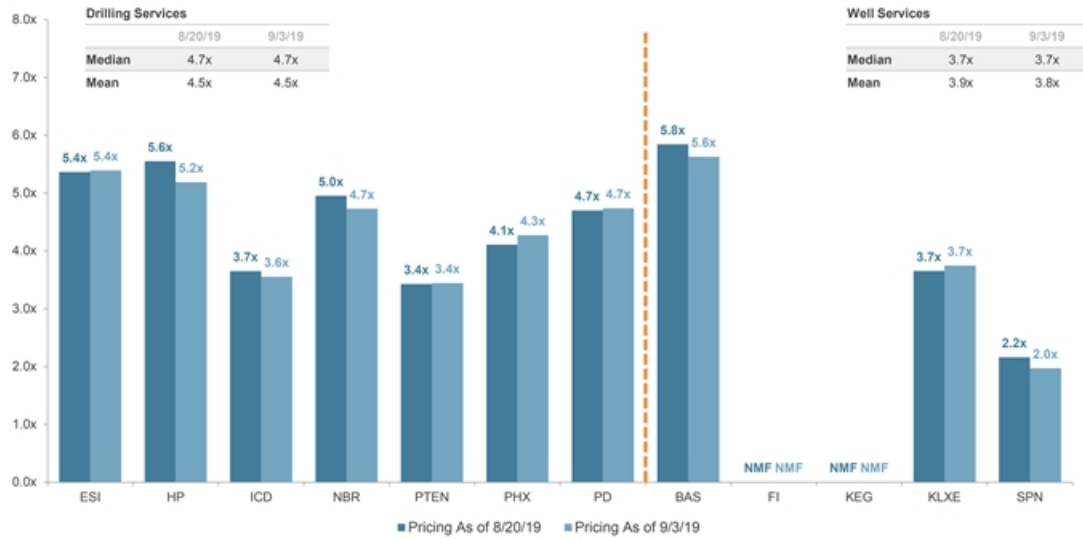
Source: Capital IQ as of 9/3/19.
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Selected Changes from August 23, 2019 Discussion Materials

Enterprise Value / LTM Adjusted EBITDA Market Multiple Movements

- Despite disparate share price movements since August 20, 2019, median EV / LTM adjusted EBITDA multiples for all selected companies are effectively flat, increasing slightly by 0.1x to 4.5x as of September 3, 2019. Mean multiples remained unchanged at 4.3x.

Enterprise Value / LTM Adjusted EBITDA



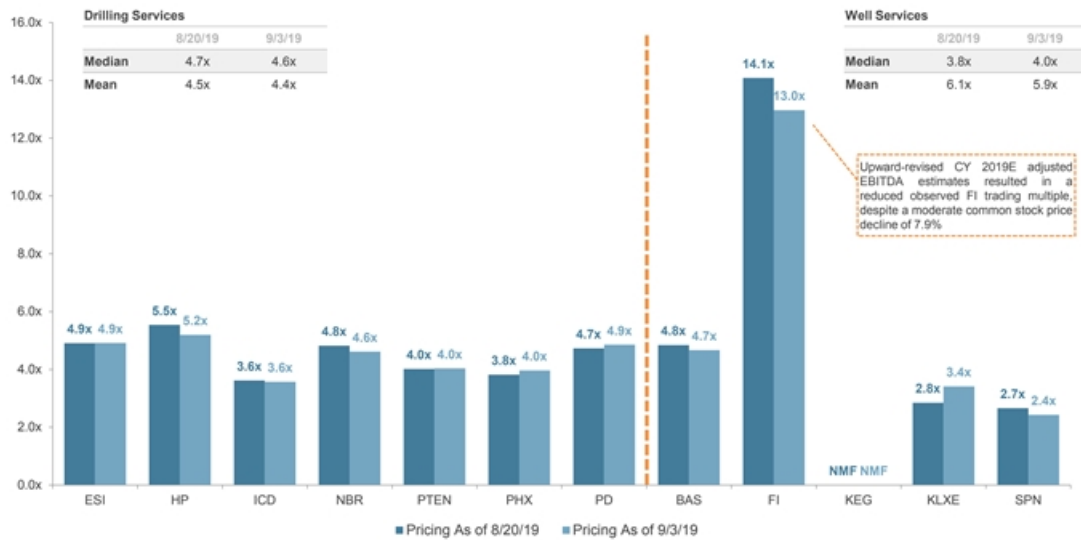
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
 Source: Capital IQ.
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Selected Changes from August 23, 2019 Discussion Materials

Enterprise Value / CY 2019E Adjusted EBITDA Market Multiple Movements

- EV / CY 2019E Adjusted EBITDA multiples are minimally changed since August 20, 2019 in the aggregate, with both the median and mean multiple for all selected companies decreasing by 0.1x to 4.6x and 5.0x, respectively.

Enterprise Value / CY 2019E Adjusted EBITDA



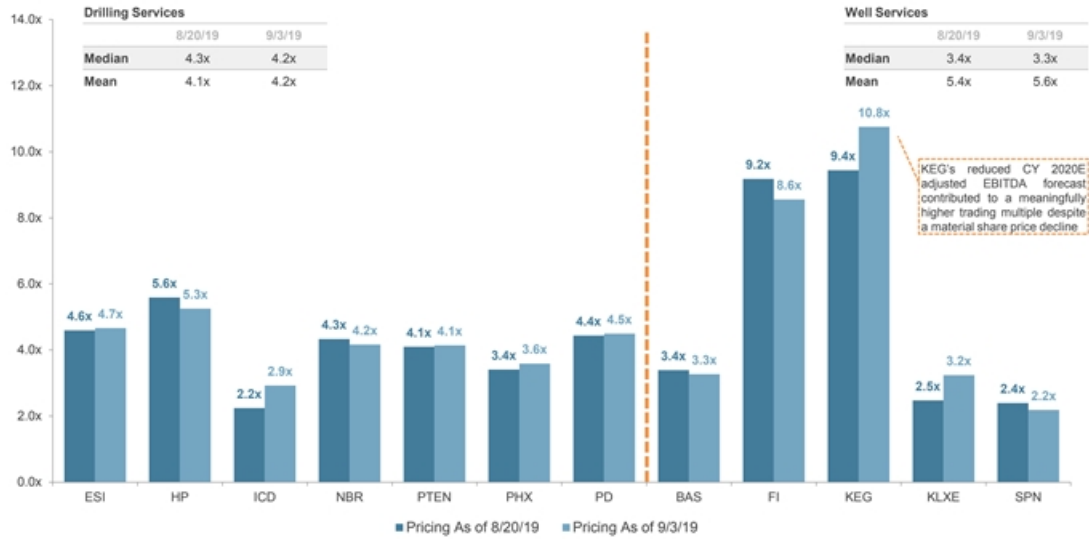
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
 Source: Capital IQ.
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Selected Changes from August 23, 2019 Discussion Materials

Enterprise Value / CY 2020E Adjusted EBITDA Market Multiple Movements

- Although certain selected companies saw movement in their EV / CY 2020E Adjusted EBITDA multiples, the median and mean multiple for all selected companies were largely flat, with the former down by 0.1x to 4.1x and the latter up by 0.2x to 4.8x.

Enterprise Value / CY 2020E Adjusted EBITDA



Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
Source: Capital IQ.
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Selected Changes from August 23, 2019 Discussion Materials

Weighted Average Cost of Capital Calculations

- The following market changes to the weighted average cost of capital computations and associated analyses have resulted since the prior discussion materials:
 - The computed WACC in the Discounted Cash Flow Analysis – Existing Capital Structure case remained at 13.0%, with an identical cost of capital range of 12.5% to 13.5% selected.
 - In the newly added Discounted Cash Flow Analysis – Potential Refinancing¹ case, a WACC of 12.3% was calculated, which represents the average of the computed weighted average cost of capital indications derived from the capital structures and implied yields resulting from the latest counterparty offer and Company management counteroffer terms. A Potential Refinancing cost of capital range of 11.75% to 12.75% was then selected.
 - In both cases, (i) the selected risk-free rate (the 20-year U.S. Treasury bond yield) decreased by 0.07% from 1.84% to 1.77%; (ii) the selected size premium of 2.46% remained unchanged; and (iii) the selected unlevered beta of 1.20 remained unchanged.

Change in Betas of Selected Companies

	Pricing As of 8/20/19		Pricing As of 9/3/19		Change Versus Prior Materials	
	Levered Beta [2]	Unlevered Beta [3]	Levered Beta [2]	Unlevered Beta [3]	Levered Beta [2]	Unlevered Beta [3]
Drilling Services						
Ensign Energy Services Inc.	1.55	0.41	1.55	0.42	(0.00)	0.01
Helmreich & Payne, Inc.	1.40	1.29	1.41	1.29	0.00	(0.00)
Independence Contract Drilling, Inc.	1.52	0.69	1.52	0.67	0.00	(0.02)
Napco Industries Ltd. [4]	1.96	0.47	1.97	0.41	0.01	(0.06)
Patterson-UTI Energy, Inc.	1.65	1.10	1.65	1.10	0.00	0.01
PHX Energy Services Corp.	2.53	2.27	2.53	2.28	(0.00)	0.01
Precision Drilling Corporation [4]	2.69	0.85	2.69	0.84	(0.01)	(0.01)
25th Percentile	1.53	0.58	1.54	0.54	0.00	(0.04)
Median	1.65	0.85	1.65	0.84	0.00	(0.01)
Mean	1.90	1.01	1.90	1.00	0.00	(0.01)
75th Percentile	2.25	1.20	2.25	1.20	0.01	0.00
Well Services						
Basic Energy Services, Inc. [4]	2.14	0.31 *	2.14	0.28 *	0.01	(0.03)
Frank's International N.V.	1.47	1.47 *	1.46	1.46 *	(0.01)	(0.01)
Key Energy Services, Inc.	2.78	0.29 *	2.79	0.23 *	0.02	(0.06)
KJX Energy Services Holdings, Inc.	0.83	0.51 *	0.90	0.52 *	0.07	0.01
Superior Energy Services, Inc. [4]	2.28	0.23 *	2.29	0.15 *	0.00	(0.08)
25th Percentile	1.47	NA	1.46	NA	(0.01)	NA
Median	2.14	NA	2.14	NA	0.01	NA
Mean	1.90	NA	1.92	NA	0.02	NA
75th Percentile	2.28	NA	2.29	NA	0.00	NA
All Selected Companies						
25th Percentile	1.51	0.58	1.51	0.54	(0.00)	(0.04)
Median	1.81	0.85	1.81	0.84	0.01	(0.01)
Mean	1.90	1.01	1.91	1.00	0.01	(0.01)
75th Percentile	2.34	1.20	2.35	1.20	0.00	0.00

Limited changes in selected company betas were observed over the period August 20, 2019 to September 3, 2019

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

2. Based on actual levered beta per Bloomberg 5-year weekly as of applicable date.

3. Unlevered Beta = Levered Beta[1] * (1 - tax rate) * Dd to Equity Market Value + (Pfd. Stock to Equity Market Value).

4. Enterprise Value adjusted for market value of debt as of applicable date. Untraded debt or debt for which pricing information was unavailable was not adjusted.

* Excluded from summary statistics.

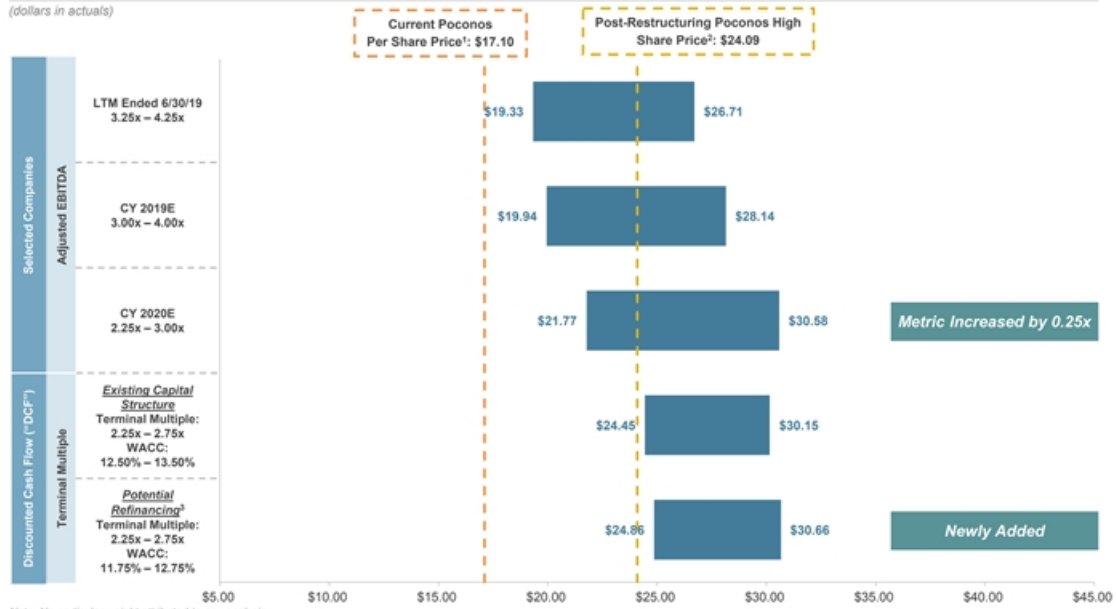
Sources: Bloomberg and Capital IQ.

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Financial Analyses Summary

Poconos Implied Per Share Value Reference Range

(dollars in actuals)



Note: No particular weight attributed to any analysis.

Note: Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.

1. Current Poconos per share price as of 9/3/19.

2. Post-restructuring intra-day high Poconos per share price observed on 5/9/19. As of 9/3/19.

3. Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

Sources: Poconos projections per Poconos management, public filings and Capital IQ.

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Financial Analyses Summary

(dollars in millions)

	Selected Companies Analysis		Selected Companies Analysis		Selected Companies Analysis		Discounted Cash Flow Analysis		Discounted Cash Flow Analysis	
	LTM Ended 6/30/19 Adjusted EBITDA		CY 2019E Adjusted EBITDA		CY 2020E Adjusted EBITDA		Terminal Multiple 2.25x – 2.75x WACC - Existing Capital Structure 12.50% – 13.50%		Terminal Multiple 2.25x – 2.75x WACC - Potential Refinancing [1] 11.75% – 12.75%	
Corresponding Base Amount	\$111.0		\$123.4		\$176.7					
Selected Multiples Range	3.25x – 4.25x		3.00x – 4.00x		2.25x – 3.00x					
Implied Enterprise Value Reference Range	\$360.8 – \$471.8		\$370.1 – \$493.4		\$397.6 – \$530.1		\$437.8 – \$523.7		\$444.0 – \$531.2	
Cash and Cash Equivalents as of 6/30/19 [2]	141.1 – 141.1		141.1 – 141.1		141.1 – 141.1		141.1 – 141.1		141.1 – 141.1	
Implied Total Enterprise Value Reference Range	\$501.9 – \$612.9		\$511.2 – \$634.5		\$538.7 – \$671.2		\$579.0 – \$664.8		\$585.1 – \$672.4	
Total Debt as of 6/30/19	(211.1) – (211.1)		(211.1) – (211.1)		(211.1) – (211.1)		(211.1) – (211.1)		(211.1) – (211.1)	
Implied Total Equity Value Reference Range	\$290.8 – \$401.8		\$300.1 – \$423.4		\$327.6 – \$460.1		\$367.8 – \$453.6		\$374.0 – \$461.2	
Shares Outstanding [3]	15.0 – 15.0		15.0 – 15.0		15.0 – 15.0		15.0 – 15.0		15.0 – 15.0	
Implied Per Share Value Reference Range	\$19.33 – \$26.71		\$19.94 – \$28.14		\$21.77 – \$30.68		\$24.45 – \$30.16		\$24.86 – \$30.66	

Note: No particular weight was attributed to any analysis.

1. Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

2. Includes restricted cash balance of ~\$2.0 million as of 6/30/19 returned to unrestricted cash and cash equivalents in August 2019 due to lower than expected payments for professional fees incurred in connection with corporate restructuring, per Poconos management.

3. Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.

Sources: Poconos historical financials and projections per Poconos management and public filings.

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Selected Historical and Projected Financial Data

(dollars in millions)

	Calendar Year Ended December 31,			LTM Ended	Calendar Year Ending December 31,			CAGR 2018 to 2021E
	2016	2017	2018	6/30/2019	2019E	2020E	2021E	
International & Alaska Drilling	\$287.3	\$247.3	\$213.4	\$249.5	\$272.4	\$296.1	\$336.9	
U.S. (Lower 48) Drilling	5.4	12.4	11.7	26.2	44.7	39.8	48.9	
International Rental Tools Services	62.6	60.9	79.2	85.0	95.4	107.0	114.7	
U.S. Rental Tools Services	71.6	121.9	176.5	205.2	199.4	230.6	245.0	
Total Revenue	\$427.0	\$442.5	\$480.8	\$566.0	\$611.8	\$673.5	\$745.6	15.7%
Growth %		3.6%	8.7%		27.2%	10.1%	10.7%	
International & Alaska Drilling Operating Expenses	(222.8)	(206.6)	(199.3)	(227.2)	(240.9)	(234.7)	(263.9)	
U.S. (Lower 48) Drilling Operating Expenses	(19.7)	(19.5)	(19.7)	(28.2)	(40.6)	(35.2)	(39.6)	
International Rental Tools Services Operating Expenses	(69.7)	(66.6)	(75.3)	(78.6)	(83.8)	(89.6)	(92.8)	
U.S. Rental Tools Services Operating Expenses	(50.2)	(62.8)	(83.9)	(94.4)	(95.1)	(106.5)	(113.6)	
Total Operating Expenses	(362.5)	(355.5)	(378.1)	(428.5)	(460.4)	(466.0)	(509.8)	
Total Gross Profit	\$64.5	\$87.0	\$102.7	\$137.5	\$151.5	\$207.5	\$235.8	31.9%
Margin %	15.1%	19.7%	21.4%	24.3%	24.8%	30.8%	31.6%	
Corporate General & Administrative Expenses	(34.3)	(25.7)	(24.5)	(26.5)	(28.1)	(30.8)	(32.0)	
Restructuring Charges [1]	0.0	0.0	(24.0)	(63.9)	(42.5)	0.0	0.0	
Other One-Time Items [2]	(1.6)	(4.8)	(52.4)	(103.4)	(51.1)	0.0	0.0	
EBITDA	\$28.5	\$56.6	\$1.7	(\$56.2)	\$29.7	\$176.7	\$203.8	392.1%
Margin %	6.7%	12.8%	0.4%	-9.9%	4.9%	26.2%	27.3%	
Growth %		98.2%	-97.0%		NMF	NMF	15.3%	
Total Adjustments [3]	1.6	4.8	76.5	167.2	93.6	0.0	0.0	
Adjusted EBITDA	\$30.2	\$61.4	\$78.2	\$111.0	\$123.4	\$176.7	\$203.8	37.6%
Margin %	7.1%	13.9%	16.3%	19.6%	20.2%	26.2%	27.3%	
Growth %		103.5%	27.4%		57.8%	43.3%	15.3%	
Depreciation & Amortization	(139.8)	(122.4)	(107.5)	(97.4)	(87.5)	(90.0)	(102.3)	
Adjusted EBIT	(\$109.6)	(\$61.0)	(\$29.4)	\$13.7	\$35.8	\$86.7	\$101.5	NMF
Margin %	-25.7%	-13.8%	-6.1%	2.4%	5.9%	12.9%	13.6%	
Growth %		-44.4%	-51.9%		NMF	142.1%	17.1%	
Additional Financial Information								
Capital Expenditures	\$29.0	\$54.5	\$70.6	\$72.3	\$91.8	\$104.3	\$109.5	
Net Working Capital [4]	\$63.7	\$72.6	\$113.5	\$81.0	\$87.4	\$125.4	\$148.1	
Change in Net Working Capital		(\$8.9)	(\$40.9)		\$26.1	(\$38.1)	(\$22.7)	

1. Includes professional fees, backstop premium, fresh-start adjustments and other items associated with Poconos' restructuring, per Poconos management. Does not include separately disclosed reorganization items.
2. Reflects total adjustments other than restructuring charges separately disclosed above.
3. CY 2019 adjustments assume no additional adjustments incurred during remainder of CY. Total Adjustments:

	2016	2017	2018	2019	2020	2021
Asset Impairment	(\$0.0)	\$1.9	\$50.7	\$50.7	\$0.0	\$0.0
Loss (Gain) on Disposition of Assets	1.6	2.9	1.7	1.3	(0.3)	0.0
Restructuring Charges [1]	0.0	0.0	24.0	63.9	42.5	0.0
Reorganization Items [5]	0.0	0.0	0.0	51.4	51.4	0.0
Total Adjustments	\$1.6	\$4.8	\$76.5	\$167.2	\$93.6	\$0.0

4. Excludes restricted cash from computations, as applicable.

5. Consists of (i) gain on settlement of liabilities subject to compromise and (ii) fresh start revaluation gain, per Poconos management.

Source: Poconos historical financials and projections per Poconos management.

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Selected Companies Analysis

(dollars in millions, except per share values)

	Share Price [2]	Equity Market Value [2,3]	Enterprise Value [2,3]	Enterprise Value [1] to Adjusted EBITDA		
				LTM	CY 2019E [4]	CY 2020E [4]
Drilling Services						
Ensign Energy Services Inc.	\$2.26	\$362.9	\$1,583.1	5.4x	4.9x	4.7x
Helmerich & Payne, Inc.	\$36.36	4,023.9	4,135.0	5.2x	5.2x	5.3x
Independence Contract Drilling, Inc.	\$1.03	79.3	199.2	3.6x	3.6x	2.9x
Nabors Industries Ltd. [5]	\$1.67	618.2	3,777.6	4.7x	4.6x	4.2x
Patterson-UTI Energy, Inc.	\$8.44	1,739.8	2,604.0	3.4x	4.0x	4.1x
PHX Energy Services Corp.	\$2.00	121.8	133.4	4.3x	4.0x	3.6x
Precision Drilling Corporation [5]	\$1.21	375.1	1,404.3	4.7x	4.9x	4.5x
Low				3.4x	3.6x	2.9x
High				5.4x	5.2x	5.3x
Median				4.7x	4.6x	4.2x
Mean				4.5x	4.4x	4.2x
Well Services						
Basic Energy Services, Inc. [5]	\$1.32	\$35.7	\$244.4	5.6x	4.7x	3.3x
Frank's International N.V.	\$4.22	962.7	792.7	NMF	13.0x	8.6x
Key Energy Services, Inc.	\$1.01	21.4	233.8	NMF	NMF	10.8x
KLX Energy Services Holdings, Inc.	\$9.78	255.0	404.9	3.7x	3.4x	3.2x
Superior Energy Services, Inc. [5]	\$0.28	44.9	635.5	2.0x	2.4x	2.2x
Low				2.0x	2.4x	2.2x
High				5.6x	13.0x	10.8x
Median				3.7x	4.0x	3.3x
Mean				3.8x	5.9x	5.6x
All Selected Companies						
Low				2.0x	2.4x	2.2x
High				5.6x	13.0x	10.8x
Median				4.5x	4.6x	4.1x
Mean				4.3x	5.0x	4.8x
Poconos [6]	\$17.10	\$257.3	\$327.3	2.9x	2.7x	2.5x

Note: No company used in this analysis for comparative purposes is identical to Poconos.

1. Enterprise Value equals equity market value + debt outstanding + preferred stock + minority interests - cash and cash equivalents.

2. Based on closing prices as of 9/3/19.

3. Based on diluted shares.

4. Multiples based on forward looking financial information may have been calendarized to Poconos' fiscal year end of December 31st.

5. Enterprise Value adjusted for market value of debt as of 9/3/19. Untraded debt or debt for which pricing information was unavailable was not adjusted.

6. Based on publicly available information, analyst estimates and market data as of 9/3/19.

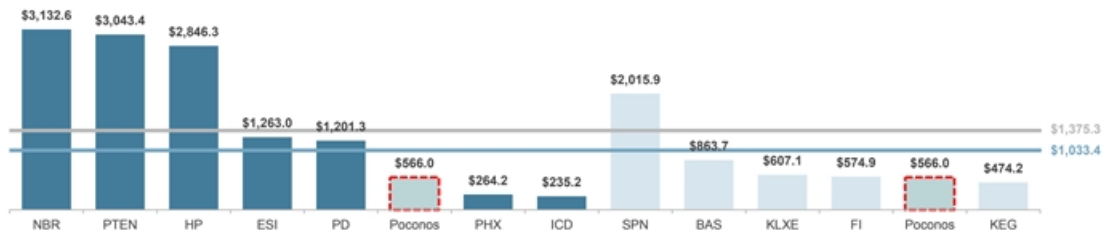
Sources: Bloomberg, Capital IQ and public filings.

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Selected Benchmarking Data

LTM Total Revenue

(dollars in millions)



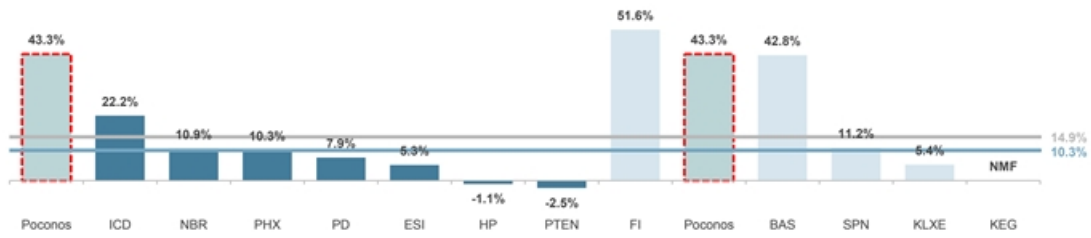
CY 2019E Adjusted EBITDA to CY 2019E Revenue



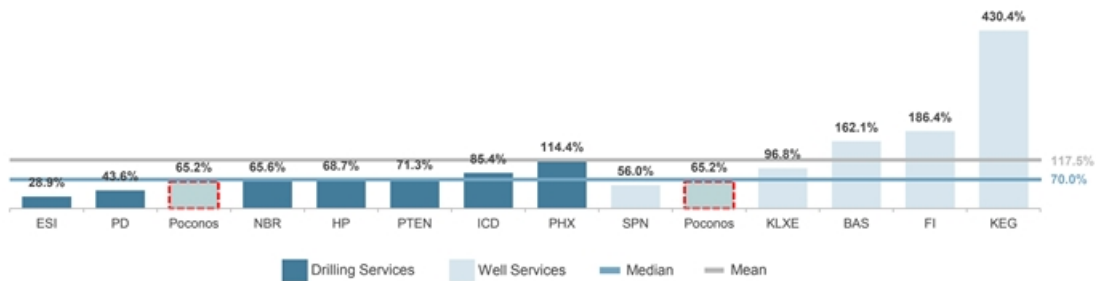
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
 Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials and projections per Poconos management.
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Selected Benchmarking Data (cont.)

CY 2019E to CY 2020E Adjusted EBITDA Growth



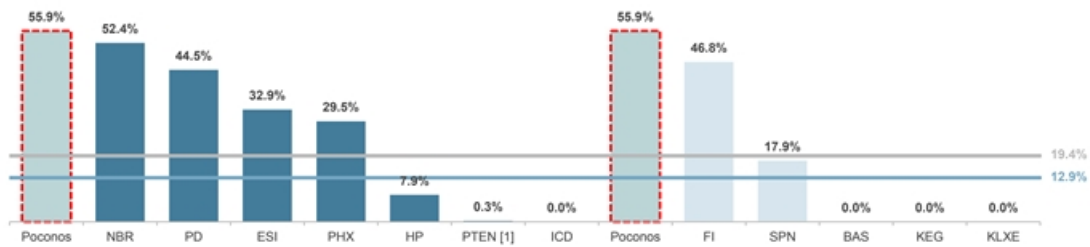
LTM Capital Expenditures to LTM Adjusted EBITDA



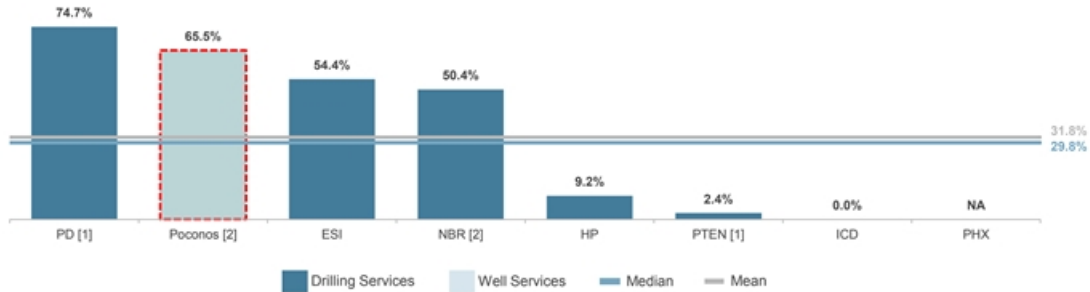
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials and projections per Poconos management.
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Selected Benchmarking Data (cont.)

LTM International Revenue to LTM Total Revenue



International Drilling Rig Count to Total Rig Count



Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.

1. Displayed information is as of 12/31/18, which reflects the latest available detail.

2. International rig count includes rigs deployed in Alaska, per public filings.

Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials per Poconos management.

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Discounted Cash Flow Analysis

Discounted Cash Flow Analysis – Existing Capital Structure

(dollars in millions)

	Projected Calendar Year Ending December 31,			Terminal Value Assumptions
	2019E [1]	2020E	2021E	
Total Revenue	\$187.3	\$673.5	\$745.6	
Growth %	15.6%	10.1%	10.7%	
Total Operating Expenses	(142.0)	(486.0)	(509.8)	(509.8)
Corporate General & Administrative Expenses	(8.9)	(30.8)	(32.0)	(32.0)
Adjusted EBITDA	\$36.4	\$176.7	\$203.8	\$203.8
Margin %	19.4%	26.2%	27.3%	27.3%
Depreciation & Amortization	(26.6)	(90.0)	(102.3)	(109.5)
Adjusted EBIT	\$9.9	\$86.7	\$101.5	\$94.3
Taxes [2]	(4.6)	(9.8)	(11.9)	(21.2)
Unlevered Earnings	\$5.3	\$77.0	\$89.6	\$73.1
Depreciation & Amortization	26.6	90.0	102.3	109.5
Capital Expenditures	(32.6)	(104.3)	(109.5)	(109.5)
Change in Net Working Capital	(6.3)	(38.1)	(22.7)	(2.9)
Other Cash Flow Items [3]	10.3	15.9	11.1	0.0
Unlevered Free Cash Flows	\$3.2	\$40.5	\$70.9	\$70.2

Discount Rate	Present Value of Cash Flows (2019 - 2021)	PV of Terminal Value as a Multiple of 2021 Adjusted EBITDA			Implied Enterprise Value		
		2.25x	2.50x	2.75x	2.25x	2.50x	2.75x
12.50%	\$97.1	\$349.0	\$387.8	\$426.6	\$446.1	\$484.9	\$523.7
12.75%	\$96.8	\$347.2	\$385.8	\$424.4	\$444.0	\$482.6	\$521.2
13.00%	\$96.5	\$345.5	\$383.8	\$422.2	\$441.9	\$480.3	\$518.7
13.25%	\$96.2	\$343.7	\$381.9	\$420.1	\$439.9	\$478.1	\$516.2
13.50%	\$95.9	\$341.9	\$379.9	\$417.9	\$437.8	\$475.8	\$513.8

Discount Rate	Implied Perpetual Growth Rate [4]		
	2.25x	2.50x	2.75x
12.50%	-3.2%	-1.8%	-0.7%
12.75%	-3.0%	-1.6%	-0.5%
13.00%	-2.8%	-1.4%	-0.3%
13.25%	-2.6%	-1.2%	-0.1%
13.50%	-2.4%	-1.0%	0.1%

Discount Rate	PV of Terminal Value as a % of Enterprise Value		
	2.25x	2.50x	2.75x
12.50%	78.2%	80.0%	81.5%
12.75%	78.2%	79.9%	81.4%
13.00%	78.2%	79.9%	81.4%
13.25%	78.1%	79.9%	81.4%
13.50%	78.1%	79.8%	81.3%

Note: Present values as of 9/5/19; mid-year convention applied. Refer to WACC calculation for derivation of discount rate.

1. Represents 3.8 months of projected quarterly financial information.
2. Projected taxes per Poconos management. Terminal year tax rate at 22.5%, per Poconos management.
3. Reflects portion of other minor operating cash flow items not attributable to change in net working capital, per Poconos management.
4. Implied from corresponding discount rate and 2021E Adjusted EBITDA multiple.

Source: Poconos projections per Poconos management.

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Discounted Cash Flow Analysis

Discounted Cash Flow Analysis – Potential Refinancing

(dollars in millions)

	Projected Calendar Year Ending December 31,			Terminal Value Assumptions	
	2019E [1]	2020E	2021E		
Total Revenue	\$187.3	\$673.5	\$745.6		
Growth %	15.6%	10.1%	10.7%		
Total Operating Expenses	(142.0)	(486.0)	(509.8)		(509.8)
Corporate General & Administrative Expenses	(8.9)	(30.8)	(32.0)		(32.0)
Adjusted EBITDA	\$36.4	\$176.7	\$203.8		\$203.8
Margin %	19.4%	26.2%	27.3%		27.3%
Depreciation & Amortization	(26.6)	(90.0)	(102.3)		(109.5)
Adjusted EBIT	\$9.9	\$86.7	\$101.5		\$94.3
Taxes [2]	(4.6)	(9.8)	(11.9)		(21.2)
Unlevered Earnings	\$5.3	\$77.0	\$89.6		\$73.1
Depreciation & Amortization	26.6	90.0	102.3		109.5
Capital Expenditures	(32.6)	(104.3)	(109.5)		(109.5)
Change in Net Working Capital	(6.3)	(38.1)	(22.7)		(2.9)
Other Cash Flow Items [3]	10.3	15.9	11.1		0.0
Unlevered Free Cash Flows	\$3.2	\$40.5	\$70.9		\$70.2

Discount Rate	Present Value of Cash Flows (2019 - 2021)	PV of Terminal Value as a Multiple of 2021 Adjusted EBITDA			Implied Enterprise Value			Discount Rate	Implied Perpetual Growth Rate [4]		
		2.25x	2.50x	2.75x	2.25x	2.50x	2.75x		2.25x	2.50x	2.75x
11.75%	\$98.0	\$354.5	\$393.9	\$433.2	\$452.5	\$491.8	\$531.2	11.75%	-3.8%	-2.5%	-1.3%
12.00%	\$97.7	\$352.6	\$391.8	\$431.0	\$450.3	\$489.5	\$528.7	12.00%	-3.6%	-2.2%	-1.1%
12.25%	\$97.4	\$350.8	\$389.8	\$428.8	\$448.2	\$487.2	\$526.2	12.25%	-3.4%	-2.0%	-0.9%
12.50%	\$97.1	\$349.0	\$387.8	\$426.6	\$446.1	\$484.9	\$523.7	12.50%	-3.2%	-1.8%	-0.7%
12.75%	\$96.8	\$347.2	\$385.8	\$424.4	\$444.0	\$482.6	\$521.2	12.75%	-3.0%	-1.6%	-0.5%

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

Note: Present values as of 9/5/19; mid-year convention applied. Refer to WACC calculation for derivation of discount rate.

1. Represents 3.8 months of projected quarterly financial information.

2. Projected taxes per Poconos management. Terminal year tax rate at 22.5%, per Poconos management.

3. Reflects portion of other minor operating cash flow items not attributable to change in net working capital, per Poconos management.

4. Implied from corresponding discount rate and 2021E Adjusted EBITDA multiple.

Source: Poconos projections per Poconos management.

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Trading Market Snapshot

Public Market Trading Overview

(shares outstanding and dollars in millions, except per share values and where otherwise noted)

Public Market Enterprise Value Derivation		Selected Market Information as of September 3, 2019	
Closing Stock Price September 3, 2019	\$17.10	10-Day Average Trading Price [4]	\$15.46
Common Shares Outstanding [1]	15.0	1-Month Average Trading Price [4]	\$13.89
Dilutive Shares [1] [2]	0.0	3-Month Average Trading Price [4]	\$17.11
Fully Diluted Shares	15.0	All-Time High Trading Price [5]	\$24.09
Market Value of Equity	\$257.3	All-Time Low Trading Price [5]	\$10.67
Total Debt [1]	211.1	90-Day Average Daily Trading Volume (in shares) [4]	55,375
Cash and Cash Equivalents [1] [3]	(141.1)	% of Total Shares Outstanding	0.4%
Public Market Enterprise Value	\$327.3	90-Day Average Daily Trading Value [4]	\$1.0
		% of Market Value of Equity	0.4%
		Number of Analysts Covering the Company [6]	1
		Total Public Float [7] [8]	3.7
		% of Total Shares Outstanding	24.7%

Implied Multiples	LTM (6/30/19) [7]	CY 2019E [9]	CY 2020E [9]
Enterprise Value / Revenue	0.6x	0.5x	0.5x
Enterprise Value / Adjusted EBITDA	2.9x	2.7x	2.5x

Historical VWAPs¹⁰

(dollars per share)

1-Day	3-Day	5-Day	10-Day	15-Day	20-Day	30-Day	60-Day	90-Day	3-Month	Since Re-Listing
\$17.20	\$16.94	\$16.23	\$15.78	\$14.81	\$14.15	\$14.75	\$18.74	\$19.30	\$18.76	\$19.14

1. Per the Company's Form 10-Q for the period ended 6/30/19.
 2. Includes ~15.0 million shares outstanding as of 8/1/19. Potentially dilutive securities, including unvested stock options, unvested RSUs and outstanding warrants, are not yet exercisable or are out-of-the-money.
 3. Includes restricted cash balance of ~\$2.0 million as of 6/30/19 returned to unrestricted cash and cash equivalents in August 2019 due to lower than expected payments for professional fees incurred in connection with corporate restructuring.
 4. Per Capital IQ as of 9/3/19.
 5. Reflects metric over applicable period subsequent to Poconos' corporate restructuring and re-listing on the New York Stock Exchange on 4/3/19.
 6. Per Bloomberg as of 9/3/19. Excludes computerized analysts.
 7. Per public filings and Company releases.
 8. Excludes from public float shares held by consenting stakeholders equitized as part of corporate restructuring (Vårde Partners, Inc.; Brigade Capital Management, LP; Highbridge Capital Management LLC; and Whitebox Advisors, LLC), directors, officers and other insiders.
 9. Reflects Imperial Capital estimates as of 9/3/19.
 10. VWAP based on cumulative trading activity over the designated number of trading days (based on intraday trading).
- Sources: Public filings and Company releases, Capital IQ, Bloomberg and equity research.

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Stock Trading History

Selected Trading Prices Since Re-Listing

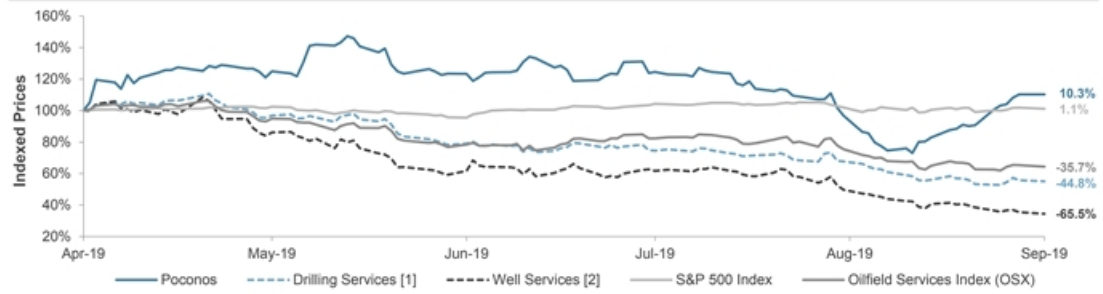
- Since the Company re-listed its shares on the New York Stock Exchange on April 3, 2019, its closing price per share has varied widely, ranging from \$22.83 on May 15, 2019 to \$11.33 on August 13, 2019.
- Recently, the Company's per share price has fallen significantly, reaching all-time lows subsequent to its emergence from restructuring. However, since mid-August the share price has rebounded materially to levels slightly below the average closing price since relisting of \$18.11. As of September 3, 2019, the Company's closing price per common stock was \$17.10 per share.



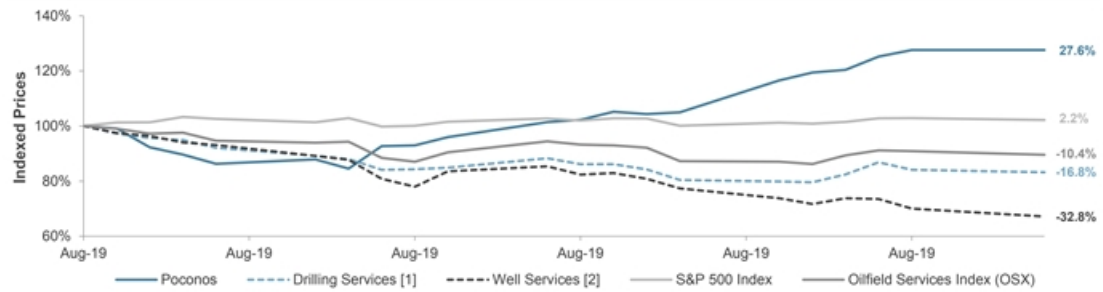
Source: Capital IQ as of 9/3/19.
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Relative Stock Performance

Relative Performance (Since April 3, 2019 Re-Listing)



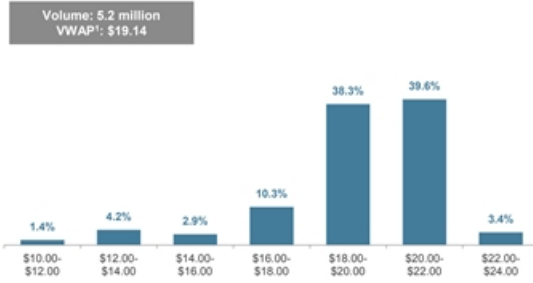
Relative Performance (Last Month)



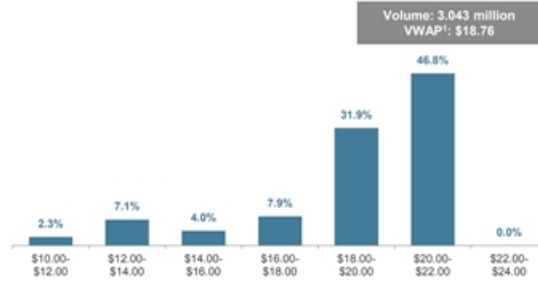
Note: No company shown for comparative purposes is identical to Poconos.
 1. Drilling Services includes Ensign Energy Services Inc.; Heimerich & Payne, Inc.; Independence Contract Drilling, Inc.; Nabors Industries Ltd.; Patterson-UTI Energy, Inc.; PHX Energy Services Corp.; and Precision Drilling Corporation.
 2. Well Services includes Basic Energy Services, Inc.; Frank's International N.V.; Key Energy Services, Inc.; KLX Energy Services Holdings, Inc.; and Superior Energy Services.
 Source: Capital IQ as of 9/3/19.
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Selected Historical Trading Activity

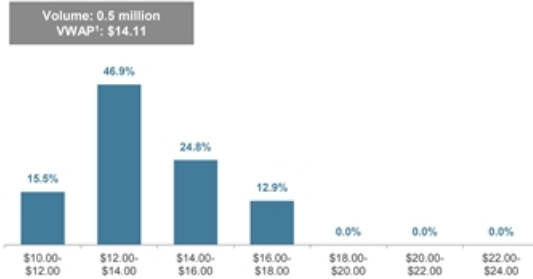
Since Re-Listing



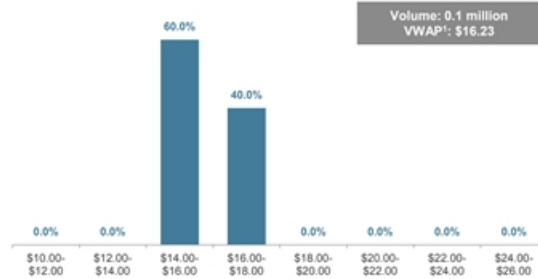
Last Three Months



Last Month



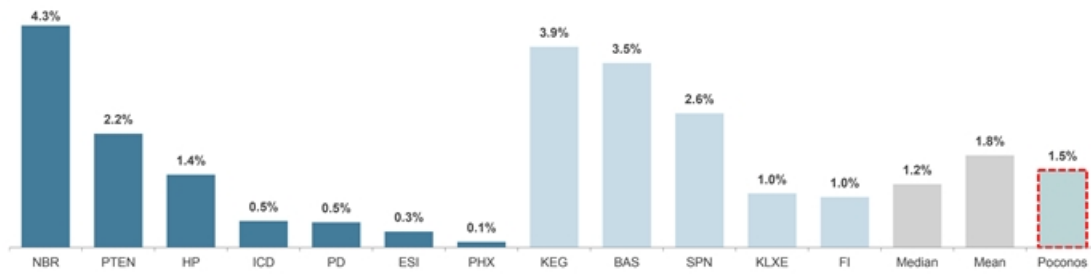
Last Week



Note: VWAP in dollars.
1. Based on VWAP over specified period (last week, last month, last three months or since re-listing).
Source: Bloomberg as of 9/3/19.
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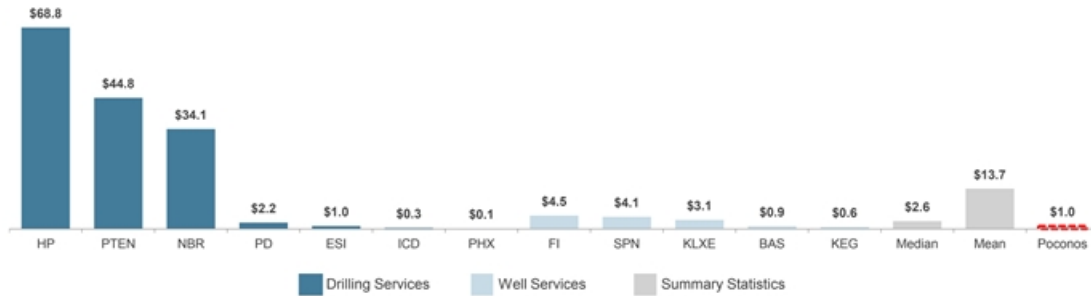
Selected Float and Trading Data

Average Daily Volume¹ / Public Float



Average Daily Traded Value²

(dollars in millions)



Note: Refer to Glossary for full company names.
 1. Based on 90-day average trading volume as of 9/3/19.
 2. Based on 90-day average trading value as of 9/3/19.
 Sources: Capital IQ and public filings.
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Selected Equity Research Analyst Observations

- As of September 3, 2019, the Company is covered by a single designated equity research analyst, Imperial Capital's Jason Wangler. Imperial Capital currently has an Outperform rating and price target of \$34.00 per share on Poconos common stock, implying a premium of ~98.8% versus the Company's closing share price of \$17.10 as of September 3, 2019.
- Previously and until commencing Chapter 11 restructuring in December 2018, the Company was also covered by Macquarie Research.

Selected Post-Restructuring Imperial Capital Equity Research Commentary

Date of Report	Recommendation	Price Target	Share Price ¹	Comments
August 7, 2019	Outperform	\$34.00	\$12.37	<p>"We are maintaining our Outperform rating and one-year price target of \$34.00 on [Poconos] shares following Q2 CY 2019 results...The strong [reported] results allowed [the Company] to generate free cash flow during the period given a relatively low capex level."</p> <p>"The [Company] was able to generate higher-than-expected EBITDA as margins expanded sequentially alongside flattish revenue that outperformed more domestically-focused peers...The [Company] expects to see a significant reduction in revenues domestically, but due to offshore/international strength, was able to reiterate CY 2019E adjusted EBITDA guidance of \$120-130 million."</p>
July 19, 2019	Outperform	\$34.00	\$19.37	<p>"[The Company] emerged from restructuring at the end of Q1 CY 2019, so Q2 CY 2019E should be a cleaner quarter and given company guidance is expected to generate significant growth for the [Company]."</p> <p>"The [Company] was able to reduce its debt significantly through the restructuring and has ample cash on the books currently."</p>
May 23, 2019	Outperform	\$34.00	\$19.34	<p>"[The Company] laid out Q2 CY 2019E and full-year guidance on its earnings conference call on 5/8/19 that was ahead of our previous expectations."</p> <p>"The [Company's] 13.0% cost of debt on the Second Lien term loan (11.0% cash and 2.0% PIK) is significantly higher than peer companies with low debt levels, favorable metrics, and growth opportunities in place."</p> <p>"Our one-year price target of \$34 is based on the use of a 4.0x CY 2020E EV/adjusted EBITDA peer group multiple that is consistent with peers and above the sub-3.0x multiple where [the Company] currently trades."</p>
May 9, 2019	Outperform	\$25.00	\$21.88	<p>"Q1 CY 2019 results show higher-than-expected revenue and adjusted EBITDA as [the Company] focuses on growing its Rental Tools segment, higher rig utilizations, and generating free cash flow in H2 CY 2019E."</p> <p>"[The Company] ended Q1 CY 2019 with \$128 million in cash and \$210 million in debt that provides ample liquidity for [the Company] to continue moving forward with its growth initiatives. Additionally, if [the Company] is able to achieve its free cash flow aspirations in H2 2019E, we believe it could refinance the \$210 million Second Lien Term Loan that carries a high interest rate of 11.0% cash and 2.0% PIK that would lower [the Company's] borrowing costs significantly and drive incremental cash flows."</p>

1. Reflects closing share price as of applicable report date.
Sources: Bloomberg and equity research research as of 9/3/19.
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Weighted Average Cost of Capital Calculations

	Total Debt to Total Cap (1)(2)	Dd to Total Cap (1)(3)	Dnd to Total Cap (1)(4)	Total Debt to Equity Market Value (2)(5)	Dd to Equity Market Value (3)(5)	Dnd to Equity Market Value (4)(5)	Pfd. Stock to Total Cap (1)(6)	Equity Market Value to Total Cap (1)(5)	Pfd. Stock to Equity Market Value (5)(6)
Drilling Services									
Ensign Energy Services Inc.	77.4%	72.0%	5.4%	343.4%	319.3%	24.1%	0.0%	22.6%	0.0%
Helmerich & Payne, Inc.	10.9%	10.9%	0.0%	12.2%	12.2%	0.0%	0.0%	89.1%	0.0%
Independence Contract Drilling, Inc.	62.2%	62.2%	0.0%	164.4%	164.4%	0.0%	0.0%	37.8%	0.0%
Nabors Industries Ltd. [7]	83.2%	83.2%	0.0%	496.0%	496.0%	0.0%	0.0%	16.8%	0.0%
Patterson-UTI Energy, Inc.	39.2%	39.2%	0.0%	64.4%	64.4%	0.0%	0.0%	60.8%	0.0%
PHX Energy Services Corp.	12.3%	12.3%	0.0%	14.1%	14.1%	0.0%	0.0%	87.7%	0.0%
Precision Drilling Corporation [7]	74.4%	74.4%	0.0%	290.5%	290.5%	0.0%	0.0%	25.6%	0.0%
25th Percentile	25.7%	25.7%	0.0%	39.2%	39.2%	0.0%	0.0%	24.1%	0.0%
Median	62.2%	62.2%	0.0%	164.4%	164.4%	0.0%	0.0%	37.8%	0.0%
Mean	51.4%	50.6%	0.8%	197.8%	194.4%	3.4%	0.0%	48.6%	0.0%
75th Percentile	75.9%	73.2%	0.0%	316.9%	304.9%	0.0%	0.0%	74.3%	0.0%
Well Services									
Basic Energy Services, Inc. [7]	88.0%	42.2%	45.9%	735.5%	352.2%	383.2%	0.0%	12.0%	0.0%
Frank's International N.V.	0.2%	0.2%	0.0%	0.2%	0.2%	0.0%	0.0%	99.8%	0.0%
Key Energy Services, Inc.	91.9%	8.0%	83.8%	1132.0%	99.0%	1033.0%	0.0%	8.1%	0.0%
KLX Energy Services Holdings, Inc.	48.7%	48.7%	0.0%	95.0%	95.0%	0.0%	0.0%	51.3%	0.0%
Superior Energy Services, Inc. [7]	94.8%	94.8%	0.0%	1837.3%	1837.3%	0.0%	0.0%	5.2%	0.0%
25th Percentile	48.7%	8.0%	0.0%	95.0%	95.0%	0.0%	0.0%	8.1%	0.0%
Median	88.0%	42.2%	0.0%	735.5%	352.2%	383.2%	0.0%	12.0%	0.0%
Mean	64.7%	38.8%	25.9%	760.0%	476.7%	283.3%	0.0%	35.3%	0.0%
75th Percentile	91.9%	48.7%	45.9%	1132.0%	352.2%	780.0%	0.0%	51.3%	0.0%
All Selected Companies									
25th Percentile	32.4%	12.0%	0.0%	51.8%	51.8%	0.0%	0.0%	15.6%	0.0%
Median	68.3%	45.4%	0.0%	227.4%	131.7%	0.0%	0.0%	31.7%	0.0%
Mean	56.9%	45.7%	11.3%	432.1%	312.0%	120.0%	0.0%	43.1%	0.0%
75th Percentile	84.4%	72.6%	1.4%	555.9%	327.5%	6.0%	0.0%	67.6%	0.0%
Poconos [8]	45.1%	45.1%	0.0%	82.1%	82.1%	0.0%	0.0%	54.9%	0.0%

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Total Cap refers to total capitalization, which equals Equity Market Value + Total Debt + Pfd. Stock.

2. Total Debt refers to total debt amount based on most recent public filings as of 9/3/19.

3. Dd refers to Implied Tax-Deductible Debt, which equals the lesser of (a) 30% of Adjusted Taxable Income/Cost of Debt, or (b) Total Debt. LTM Adjusted EBITDA, based on most recent public filings as of 9/3/19, is assumed to be a valid proxy for Adjusted Taxable Income for the selected companies.

4. Dnd refers to Implied Non-Tax-Deductible Debt, which equals Total Debt minus Dd.

5. Equity Market Value based on closing price on 9/3/19 and on diluted shares as of 9/3/19.

6. Pfd. Stock refers to preferred stock, which is the amount as stated in most recent public filings as of 9/3/19.

7. Enterprise Value adjusted for market value of debt as of 9/3/19. Untraded debt or debt for which pricing information was unavailable was not adjusted.

8. Based on publicly available information and market data as of 9/3/19.

Sources: Bloomberg and Capital IQ.

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Weighted Average Cost of Capital Calculations (cont.)

	Levered Beta [1]	Unlevered Beta [2]	Equity Risk Premium [3]	Size Premium [4]	Cost of Equity [5]	Cost of Debt [6]	Cost of Pfd. Stock [7]	WACC
Drilling Services								
Ensign Energy Services Inc.	1.55	0.42	6.00%	2.46%	13.5%	7.6%	NA	7.7%
Helmerich & Payne, Inc.	1.41	1.29	6.00%	1.28%	11.5%	4.7%	NA	10.6%
Independence Contract Drilling, Inc.	1.52	0.67	6.00%	5.22%	16.1%	9.6%	NA	10.7%
Nabors Industries Ltd. [8]	1.97	0.41	6.00%	2.46%	16.1%	4.5%	6.0%	5.6%
Patterson-UTI Energy, Inc.	1.65	1.10	6.00%	1.58%	13.3%	4.3%	NA	9.4%
PHX Energy Services Corp.	2.53	2.28	6.00%	5.22%	22.2%	NA	NA	NA
Precision Drilling Corporation [8]	2.69	0.84	6.00%	2.46%	20.3%	6.7%	NA	9.1%
25th Percentile	1.54	0.54			13.4%	4.5%	6.0%	8.1%
Median	1.65	0.84			16.1%	5.7%	6.0%	9.2%
Mean	1.90	1.00			16.1%	6.2%	6.0%	8.9%
75th Percentile	2.25	1.20			18.2%	7.4%	6.0%	10.3%
Well Services								
Basic Energy Services, Inc. [8]	2.14	0.28 *	6.00%	5.22%	19.9%	10.4%	NA	10.5%
Frank's International N.V.	1.46	1.46 *	6.00%	1.80%	12.3%	3.9%	NA	12.3%
Key Energy Services, Inc.	2.79	0.23 *	6.00%	5.22%	23.7%	12.4%	NA	13.1%
KLX Energy Services Holdings, Inc.	0.90	0.52 *	6.00%	5.22%	12.4%	11.5%	NA	10.7%
Superior Energy Services, Inc. [8]	2.29	0.15 *	6.00%	5.22%	20.7%	7.4%	NA	6.5%
25th Percentile	1.46	NA			12.4%	7.4%	NA	10.5%
Median	2.14	NA			19.9%	10.4%	NA	10.7%
Mean	1.92	NA			17.8%	9.1%	NA	10.6%
75th Percentile	2.29	NA			20.7%	11.5%	NA	12.3%
All Selected Companies								
25th Percentile	1.51	0.54			13.1%	4.6%	6.0%	8.4%
Median	1.81	0.84			16.1%	7.4%	6.0%	10.5%
Mean	1.91	1.00			16.8%	7.5%	6.0%	9.7%
75th Percentile	2.35	1.20			20.4%	10.0%	6.0%	10.7%
Poconos [9]	NMF	NMF	6.00%	5.22%	NMF	13.0%	NA	NMF

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Based on actual levered beta per Bloomberg 5-year weekly as of 9/3/19.

2. Unlevered Beta = Levered Beta[1] * (1 - tax rate) * Dd to Equity Market Value + (Dnd to Equity Market Value) * (Pfd. Stock to Equity Market Value).

3. Based on review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply-side and demand-side models and other materials.

4. Duff & Phelps Cost of Capital Navigator ("Navigator").

5. Cost of Equity = Risk-Free Rate of Return + (Levered Beta * Equity Risk Premium) + Size Premium. Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.

6. Based on selected company weighted average interest rate per most recent public filings as of 9/3/19.

7. Based on selected company weighted average preferred dividend per most recent public filings 9/3/19.

8. Enterprise Value adjusted for market value of debt as of 9/3/19. Untraded debt or debt for which pricing information was unavailable was not adjusted.

9. Based on publicly available information and market data as of 9/3/19.

* Excluded from low, high, median and mean data.

Sources: Bloomberg and Capital IQ.

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Weighted Average Cost of Capital Calculations (cont.)

Existing Capital Structure

(dollars in millions)

Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.77%	Poconos Adjusted Taxable Income [9]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$211.1	Computed Levered Beta [13]	1.75
Size Premium [3]	2.46%	Poconos Dd [7]	\$211.1	Cost of Equity [14]	14.7%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	37.5%		
		Dd to Total Capitalization [10]	37.5%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	59.9%		
		Dd to Equity Market Value [10]	59.9%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	62.5%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	13.0%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital		13.0%			
Selected Weighted Average Cost of Capital Range		12.5% – 13.5%			

- Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.
 - Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.
 - Navigator.
 - Forward tax rate, per Poconos management.
 - Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.
 - Poconos Total Debt refers to total debt amount of Poconos as of 9/3/19.
 - Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.
 - Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.
 - Based on capital structure resulting from Poconos' (i) actual Total Debt as of 9/3/19 and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches. No preferred stock outstanding.
 - Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.
 - Based on Poconos' actual cost of debt and cost of preferred stock as of 9/3/19.
 - Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.
 - Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) + (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.
 - Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.
- Sources: Bloomberg, Capital IQ and Poconos management.

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Weighted Average Cost of Capital Calculations (cont.)

Potential Refinancing – Counterparty Offer

(dollars in millions)

Newly Added

Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.77%	Poconos Adjusted Taxable Income [9]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$165.0	Computed Levered Beta [13]	1.64
Size Premium [3]	2.46%	Poconos Dd [7]	\$165.0	Cost of Equity [14]	14.0%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	32.1%		
		Dd to Total Capitalization [10]	32.1%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	47.4%		
		Dd to Equity Market Value [10]	47.4%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	67.9%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	12.2%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital - Counterparty Offer			12.6%		

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

- Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.
- Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.
- Navigator.
- Forward tax rate, per Poconos management.
- Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.
- Poconos Total Debt refers to total debt amount of Poconos as of 9/3/19, adjusted for forecasted net reduction in debt balance of \$46.1 million associated with counterparty offer.
- Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.
- Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.
- Based on capital structure resulting from Poconos' (i) actual Total Debt as of 9/3/19, adjusted for forecasted reduction in debt balance of \$46.1 million associated with counterparty offer and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches, adjusted for forecasted net reduction in cash and cash equivalents of \$4.2 million. No preferred stock outstanding.
- Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.
- Based on Poconos' implied cost of debt resulting from counterparty offer and cost of preferred stock as of 9/3/19. Implied cost of debt represents yield to maturity given (i) facility size of \$165.0 million, (ii) 5-year maturity, (iii) 3.0% OID, (iv) quarterly amortization of 1.0%, (v) quarterly coupon of Libor + 8.75% (subject to 2.0% floor) and (vi) retirement of existing term loan facility at 102.0%.
- Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.
- Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) + (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.
- Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.

Sources: Bloomberg, Capital IQ and Poconos management.

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Weighted Average Cost of Capital Calculations (cont.)

Potential Refinancing – Company Management Counter

(dollars in millions)

Newly Added

Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.77%	Poconos Adjusted Taxable Income [9]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$180.0	Computed Levered Beta [13]	1.67
Size Premium [3]	2.46%	Poconos Dd [7]	\$180.0	Cost of Equity [14]	14.2%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	33.8%		
		Dd to Total Capitalization [10]	33.8%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	51.1%		
		Dd to Equity Market Value [10]	51.1%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	66.2%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	9.9%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital - Company Management Counteroffer			12.0%		

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

- Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.
- Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.
- Navigator.
- Forward tax rate, per Poconos management.
- Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.
- Poconos Total Debt refers to total debt amount of Poconos as of 9/3/19, adjusted for forecasted reduction in debt balance of \$31.1 million associated with Company management counteroffer.
- Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.
- Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.
- Based on capital structure resulting from Poconos' (i) actual Total Debt as of 9/3/19, adjusted for forecasted reduction in debt balance of \$31.1 million associated with Company management counteroffer and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches. No preferred stock outstanding.
- Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.
- Based on Poconos' implied cost of debt resulting from Company management counteroffer and cost of preferred stock as of 9/3/19. Implied cost of debt represents yield to maturity given (i) facility size of \$180.0 million, (ii) 5-year maturity, (iii) 1.0% OID, (iv) quarterly amortization of 1.0%, (v) quarterly coupon of Libor + 7.25% (subject to 2.0% floor) and (vi) retirement of existing term loan facility at par.
- Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.
- Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) + (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.
- Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.

Sources: Bloomberg, Capital IQ and Poconos management.

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Weighted Average Cost of Capital Calculations (cont.)

Potential Refinancing – Concluded Selected Weighted Average Cost of Capital

Newly Added

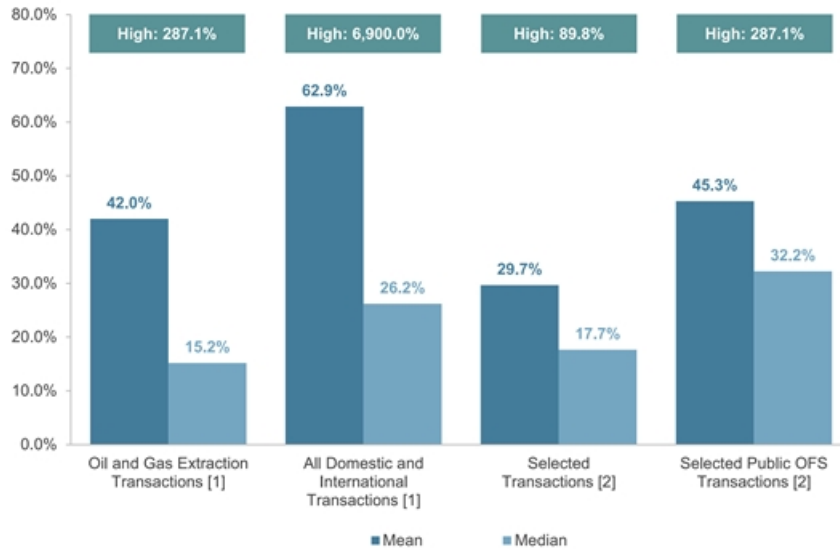
Computed Weighted Average Cost of Capital - Counterparty Offer	12.6%	
Computed Weighted Average Cost of Capital - Company Management Counteroffer	12.0%	
Average Computed Weighted Average Cost of Capital - Potential Refinancing	12.3%	
Selected Weighted Average Cost of Capital Range - Potential Refinancing	11.75%	12.75%

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.
 Note: See immediately preceding pages for derivations of computed weighted average cost of capital figures.
 Sources: Bloomberg, Capital IQ and Poconos management.
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Summary of Selected Implied Premiums Paid Observations

Based on reviewed transactions, median implied premiums paid range from 15.2% to 32.2% depending on transaction characteristics while mean implied premiums among reviewed transactions are somewhat higher, ranging from 29.7% to 62.9%



1. Based on twelve-month lookback of applicable unaffected implied premiums, per Mergerstat Q1 2019 Control Premium Study.
 2. Based on one-day implied premiums, per Capital IQ and public filings.
 Sources: Mergerstat, Capital IQ and public filings.
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Glossary of Selected Terms

Definition	Description
Adjusted EBITDA	Adjusted EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization, adjusted for certain non-recurring items
Adjusted EBIT	Adjusted EBIT refers to Earnings Before Interest and Taxes, adjusted for certain non-recurring items
BAS	Basic Energy Services, Inc.
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditures
CY	Calendar Year
E	Estimated
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ESI	Ensign Energy Services Inc.
EV	Enterprise Value
FI	Frank's International N.V.
HP	Helmerich & Payne, Inc.
ICD	Independence Contract Drilling, Inc.
KEG	Key Energy Services, Inc.
KLXE	KLX Energy Services Holdings, Inc.
LTM	The most recently completed 12-month period for which financial information has been made public, other than for Poconos, in which case LTM refers to Latest 12 Months
NA	Not available

Glossary of Selected Terms (cont.)

Definition	Description
NBR	Nabors Industries Ltd.
NMF	Not meaningful figure
OID	Original Issue Discount
PD	Precision Drilling Corporation
PHX	PHX Energy Services Corp.
PTEN	Patterson-UTI Energy, Inc.
PV	Present Value
SPN	Superior Energy Services, Inc.
VWAP	Volume-Weighted Average Price
WACC	Weighted Average Cost of Capital

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Project Mountain

PRESENTATION TO THE FINANCE AND STRATEGIC PLANNING COMMITTEE

SEPTEMBER 6, 2019 | CONFIDENTIAL

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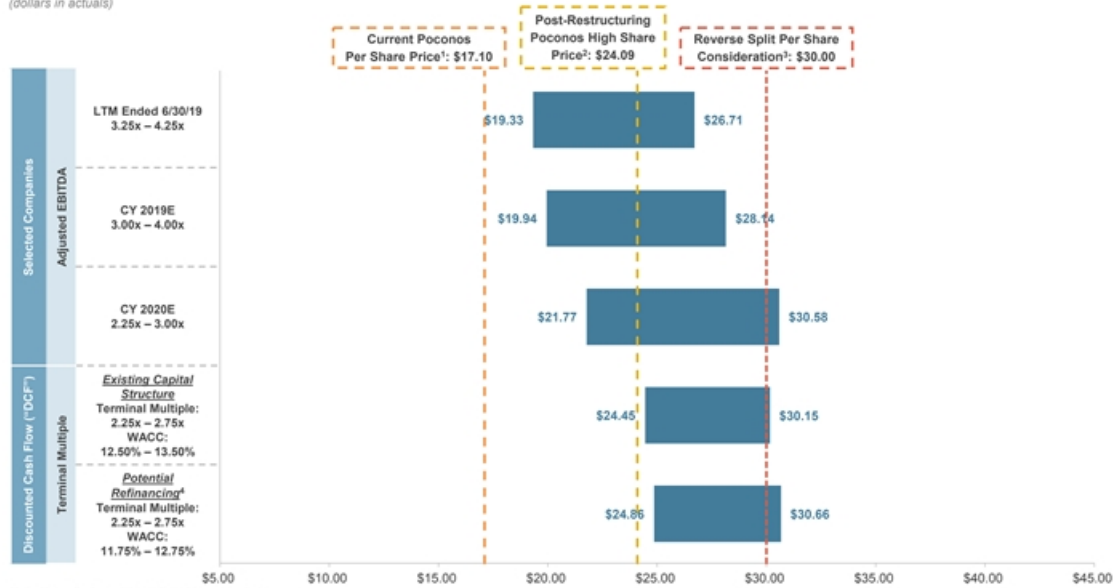
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Financial Analyses Summary

Poconos Implied Per Share Value Reference Range

(dollars in actuals)



Note: No particular weight attributed to any analysis.

Note: Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.

1. Current Poconos per share price as of 9/3/19.

2. Post-restructuring intra-day high Poconos per share price observed on 5/9/19. As of 9/3/19.

3. Per Poconos management.

4. Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

Sources: Poconos projections per Poconos management, public filings and Capital IQ.

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Financial Analyses Summary

(dollars in millions)

	Selected Companies Analysis		Selected Companies Analysis		Selected Companies Analysis		Discounted Cash Flow Analysis		Discounted Cash Flow Analysis	
	LTM Ended 6/30/19 Adjusted EBITDA		CY 2019E Adjusted EBITDA		CY 2020E Adjusted EBITDA		Terminal Multiple 2.25x – 2.75x WACC - Existing Capital Structure 12.50% – 13.50%		Terminal Multiple 2.25x – 2.75x WACC - Potential Refinancing [1] 11.75% – 12.75%	
Corresponding Base Amount	\$111.0		\$123.4		\$176.7					
Selected Multiples Range	3.25x – 4.25x		3.00x – 4.00x		2.25x – 3.00x					
Implied Enterprise Value Reference Range	\$360.8 – \$471.8		\$370.1 – \$493.4		\$397.6 – \$530.1		\$437.8 – \$523.7		\$444.0 – \$531.2	
Cash and Cash Equivalents as of 6/30/19 [2]	141.1 – 141.1		141.1 – 141.1		141.1 – 141.1		141.1 – 141.1		141.1 – 141.1	
Implied Total Enterprise Value Reference Range	\$501.9 – \$612.9		\$511.2 – \$634.5		\$538.7 – \$671.2		\$579.0 – \$664.8		\$585.1 – \$672.4	
Total Debt as of 6/30/19	(211.1) – (211.1)		(211.1) – (211.1)		(211.1) – (211.1)		(211.1) – (211.1)		(211.1) – (211.1)	
Implied Total Equity Value Reference Range	\$290.8 – \$401.8		\$300.1 – \$423.4		\$327.6 – \$460.1		\$367.8 – \$453.6		\$374.0 – \$461.2	
Shares Outstanding [3]	15.0 – 15.0		15.0 – 15.0		15.0 – 15.0		15.0 – 15.0		15.0 – 15.0	
Implied Per Share Value Reference Range	\$19.33 – \$26.71		\$19.94 – \$28.14		\$21.77 – \$30.58		\$24.45 – \$30.16		\$24.86 – \$30.66	

Note: No particular weight was attributed to any analysis.

1. Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.
2. Includes restricted cash balance of ~\$2.0 million as of 6/30/19 returned to unrestricted cash and cash equivalents in August 2019 due to lower than expected payments for professional fees incurred in connection with corporate restructuring, per Poconos management.
3. Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.

Sources: Poconos historical financials and projections per Poconos management and public filings.

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Selected Historical and Projected Financial Data

(dollars in millions)

	Calendar Year Ended December 31,			LTM Ended	Calendar Year Ending December 31,			CAGR 2018 to 2021E
	2016	2017	2018	6/30/2019	2019E	2020E	2021E	
International & Alaska Drilling	\$287.3	\$247.3	\$213.4	\$249.5	\$272.4	\$296.1	\$336.9	
U.S. (Lower 48) Drilling	5.4	12.4	11.7	26.2	44.7	39.8	48.9	
International Rental Tools Services	62.6	60.9	79.2	85.0	95.4	107.0	114.7	
U.S. Rental Tools Services	71.6	121.9	176.5	205.2	199.4	230.6	245.0	
Total Revenue	\$427.0	\$442.5	\$480.8	\$566.0	\$611.8	\$673.5	\$745.6	15.7%
Growth %		3.6%	8.7%		27.2%	10.1%	10.7%	
International & Alaska Drilling Operating Expenses	(222.8)	(206.6)	(199.3)	(227.2)	(240.9)	(234.7)	(263.9)	
U.S. (Lower 48) Drilling Operating Expenses	(19.7)	(19.5)	(19.7)	(28.2)	(40.6)	(35.2)	(39.6)	
International Rental Tools Services Operating Expenses	(69.7)	(66.6)	(75.3)	(78.6)	(83.8)	(89.6)	(92.8)	
U.S. Rental Tools Services Operating Expenses	(50.2)	(62.8)	(83.9)	(94.4)	(95.1)	(106.5)	(113.6)	
Total Operating Expenses	(362.5)	(355.5)	(378.1)	(428.5)	(460.4)	(466.0)	(509.8)	
Total Gross Profit	\$64.5	\$87.0	\$102.7	\$137.5	\$151.5	\$207.5	\$235.8	31.9%
Margin %	15.1%	19.7%	21.4%	24.3%	24.8%	30.8%	31.6%	
Corporate General & Administrative Expenses	(34.3)	(25.7)	(24.5)	(26.5)	(28.1)	(30.8)	(32.0)	
Restructuring Charges [1]	0.0	0.0	(24.0)	(63.9)	(42.5)	0.0	0.0	
Other One-Time Items [2]	(1.6)	(4.8)	(52.4)	(103.4)	(51.1)	0.0	0.0	
EBITDA	\$28.5	\$56.6	\$1.7	(\$56.2)	\$29.7	\$176.7	\$203.8	392.1%
Margin %	6.7%	12.8%	0.4%	-9.9%	4.9%	26.2%	27.3%	
Growth %		98.2%	-97.0%		NMF	NMF	15.3%	
Total Adjustments [3]	1.6	4.8	76.5	167.2	93.6	0.0	0.0	
Adjusted EBITDA	\$30.2	\$61.4	\$78.2	\$111.0	\$123.4	\$176.7	\$203.8	37.6%
Margin %	7.1%	13.9%	16.3%	19.6%	20.2%	26.2%	27.3%	
Growth %		103.5%	27.4%		57.8%	43.3%	15.3%	
Depreciation & Amortization	(139.8)	(122.4)	(107.5)	(97.4)	(87.5)	(90.0)	(102.3)	
Adjusted EBIT	(\$109.6)	(\$61.0)	(\$29.4)	\$13.7	\$35.8	\$86.7	\$101.5	NMF
Margin %	-25.7%	-13.8%	-6.1%	2.4%	5.9%	12.9%	13.6%	
Growth %		-44.4%	-51.9%		NMF	142.1%	17.1%	
Additional Financial Information								
Capital Expenditures	\$29.0	\$54.5	\$70.6	\$72.3	\$91.8	\$104.3	\$109.5	
Net Working Capital [4]	\$63.7	\$72.6	\$113.5	\$81.0	\$87.4	\$125.4	\$148.1	
Change in Net Working Capital		(\$8.9)	(\$40.9)		\$26.1	(\$38.1)	(\$22.7)	

1. Includes professional fees, backstop premium, fresh-start adjustments and other items associated with Poconos' restructuring, per Poconos management. Does not include separately disclosed reorganization items.
2. Reflects total adjustments other than restructuring charges separately disclosed above.
3. CY 2019 adjustments assume no additional adjustments incurred during remainder of CY. Total Adjustments:

Asset Impairment	(\$0.0)	\$1.9	\$50.7	\$50.7	\$0.0	\$0.0	\$0.0
Loss (Gain) on Disposition of Assets	1.6	2.9	1.7	1.3	(0.3)	0.0	0.0
Restructuring Charges [1]	0.0	0.0	24.0	63.9	42.5	0.0	0.0
Reorganization Items [5]	0.0	0.0	0.0	51.4	51.4	0.0	0.0
Total Adjustments	\$1.6	\$4.8	\$76.5	\$167.2	\$93.6	\$0.0	\$0.0

4. Excludes restricted cash from computations, as applicable.

5. Consists of (i) gain on settlement of liabilities subject to compromise and (ii) fresh start revaluation gain, per Poconos management.

Source: Poconos historical financials and projections per Poconos management.

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Selected Companies Analysis

(dollars in millions, except per share values)

	Share Price [2]	Equity Market Value [2,3]	Enterprise Value [2,3]	Enterprise Value [1] to Adjusted EBITDA		
				LTM	CY 2019E [4]	CY 2020E [4]
Drilling Services						
Ensign Energy Services Inc.	\$2.26	\$362.9	\$1,583.1	5.4x	4.9x	4.7x
Helmerich & Payne, Inc.	\$36.36	4,023.9	4,135.0	5.2x	5.2x	5.3x
Independence Contract Drilling, Inc.	\$1.03	79.3	199.2	3.6x	3.6x	2.9x
Nabors Industries Ltd. [5]	\$1.67	618.2	3,777.6	4.7x	4.6x	4.2x
Patterson-UTI Energy, Inc.	\$8.44	1,739.8	2,604.0	3.4x	4.0x	4.1x
PHX Energy Services Corp.	\$2.00	121.8	133.4	4.3x	4.0x	3.6x
Precision Drilling Corporation [5]	\$1.21	375.1	1,404.3	4.7x	4.9x	4.5x
Low				3.4x	3.6x	2.9x
High				5.4x	5.2x	5.3x
Median				4.7x	4.6x	4.2x
Mean				4.5x	4.4x	4.2x
Well Services						
Basic Energy Services, Inc. [5]	\$1.32	\$35.7	\$244.4	5.6x	4.7x	3.3x
Frank's International N.V.	\$4.22	962.7	792.7	NMF	13.0x	8.6x
Key Energy Services, Inc.	\$1.01	21.4	233.8	NMF	NMF	10.8x
KLX Energy Services Holdings, Inc.	\$9.78	255.0	404.9	3.7x	3.4x	3.2x
Superior Energy Services, Inc. [5]	\$0.28	44.9	635.5	2.0x	2.4x	2.2x
Low				2.0x	2.4x	2.2x
High				5.6x	13.0x	10.8x
Median				3.7x	4.0x	3.3x
Mean				3.8x	5.9x	5.6x
All Selected Companies						
Low				2.0x	2.4x	2.2x
High				5.6x	13.0x	10.8x
Median				4.5x	4.6x	4.1x
Mean				4.3x	5.0x	4.8x
Poconos [6]	\$17.10	\$257.3	\$327.3	2.9x	2.7x	2.5x

Note: No company used in this analysis for comparative purposes is identical to Poconos.

1. Enterprise Value equals equity market value + debt outstanding + preferred stock + minority interests - cash and cash equivalents.

2. Based on closing prices as of 9/3/19.

3. Based on diluted shares.

4. Multiples based on forward looking financial information may have been calendarized to Poconos' fiscal year end of December 31st.

5. Enterprise Value adjusted for market value of debt as of 9/3/19. Untraded debt or debt for which pricing information was unavailable was not adjusted.

6. Based on publicly available information, analyst estimates and market data as of 9/3/19.

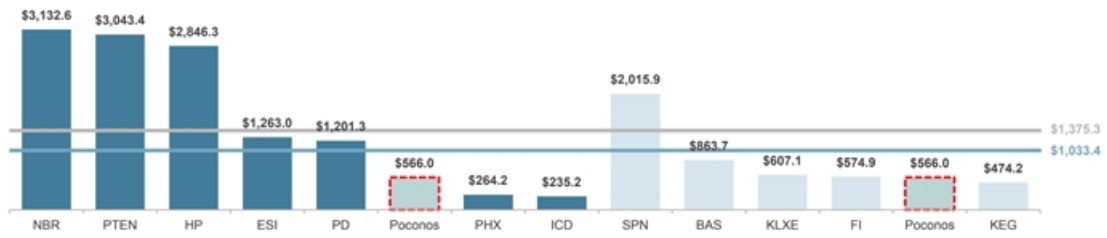
Sources: Bloomberg, Capital IQ and public filings.

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Selected Benchmarking Data

LTM Total Revenue

(dollars in millions)



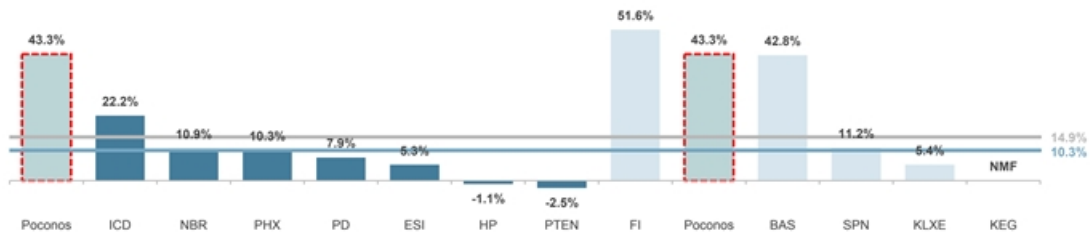
CY 2019E Adjusted EBITDA to CY 2019E Revenue



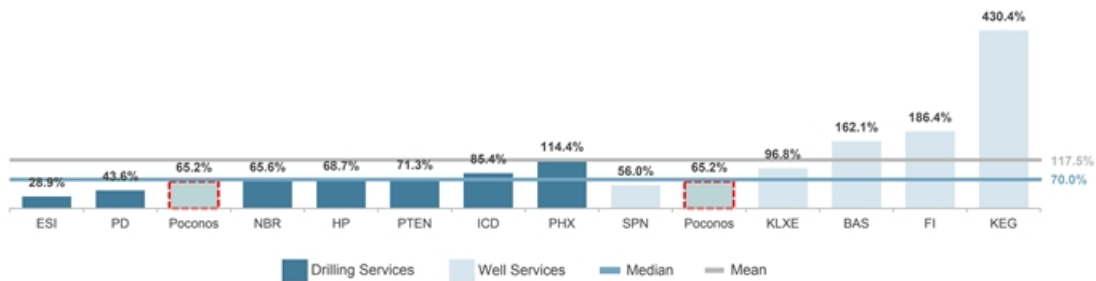
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials and projections per Poconos management.
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Selected Benchmarking Data (cont.)

CY 2019E to CY 2020E Adjusted EBITDA Growth



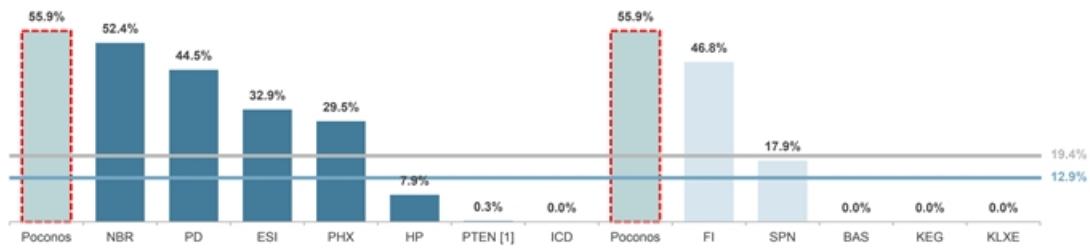
LTM Capital Expenditures to LTM Adjusted EBITDA



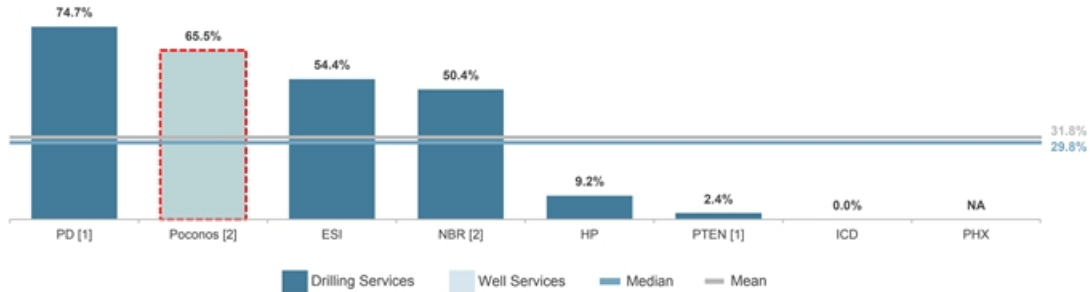
Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.
Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials and projections per Poconos management.
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Selected Benchmarking Data (cont.)

LTM International Revenue to LTM Total Revenue



International Drilling Rig Count to Total Rig Count



Note: No company shown for comparative purposes is identical to Poconos. Refer to Glossary for full company names.

1. Displayed information is as of 12/31/18, which reflects the latest available detail.

2. International rig count includes rigs deployed in Alaska, per public filings.

Sources: Capital IQ, Bloomberg, public filings, press releases and Poconos historical financials per Poconos management.

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Discounted Cash Flow Analysis

Discounted Cash Flow Analysis – Existing Capital Structure

(dollars in millions)

	Projected Calendar Year Ending December 31,			Terminal Value Assumptions
	2019E [1]	2020E	2021E	
Total Revenue	\$187.3	\$673.5	\$745.6	
Growth %	15.6%	10.1%	10.7%	
Total Operating Expenses	(142.0)	(486.0)	(509.8)	(509.8)
Corporate General & Administrative Expenses	(8.9)	(30.8)	(32.0)	(32.0)
Adjusted EBITDA	\$36.4	\$176.7	\$203.8	\$203.8
Margin %	19.4%	26.2%	27.3%	27.3%
Depreciation & Amortization	(26.6)	(90.0)	(102.3)	(109.5)
Adjusted EBIT	\$9.9	\$86.7	\$101.5	\$94.3
Taxes [2]	(4.6)	(9.8)	(11.9)	(21.2)
Unlevered Earnings	\$5.3	\$77.0	\$89.6	\$73.1
Depreciation & Amortization	26.6	90.0	102.3	109.5
Capital Expenditures	(32.6)	(104.3)	(109.5)	(109.5)
Change in Net Working Capital	(6.3)	(38.1)	(22.7)	(2.9)
Other Cash Flow Items [3]	10.3	15.9	11.1	0.0
Unlevered Free Cash Flows	\$3.2	\$40.5	\$70.9	\$70.2

Discount Rate	Present Value of Cash Flows (2019 - 2021)	PV of Terminal Value as a Multiple of 2021 Adjusted EBITDA			Implied Enterprise Value		
		2.25x	2.50x	2.75x	2.25x	2.50x	2.75x
12.50%	\$97.1	\$349.0	\$387.8	\$426.6	\$446.1	\$484.9	\$523.7
12.75%	\$96.8	\$347.2	\$385.8	\$424.4	\$444.0	\$482.6	\$521.2
13.00%	\$96.5	\$345.5	\$383.8	\$422.2	\$441.9	\$480.3	\$518.7
13.25%	\$96.2	\$343.7	\$381.9	\$420.1	\$439.9	\$478.1	\$516.2
13.50%	\$95.9	\$341.9	\$379.9	\$417.9	\$437.8	\$475.8	\$513.8

Discount Rate	Implied Perpetual Growth Rate [4]		
	2.25x	2.50x	2.75x
12.50%	-3.2%	-1.8%	-0.7%
12.75%	-3.0%	-1.6%	-0.5%
13.00%	-2.8%	-1.4%	-0.3%
13.25%	-2.6%	-1.2%	-0.1%
13.50%	-2.4%	-1.0%	0.1%

Discount Rate	PV of Terminal Value as a % of Enterprise Value		
	2.25x	2.50x	2.75x
12.50%	78.2%	80.0%	81.5%
12.75%	78.2%	79.9%	81.4%
13.00%	78.2%	79.9%	81.4%
13.25%	78.1%	79.9%	81.4%
13.50%	78.1%	79.8%	81.3%

Note: Present values as of 9/5/19; mid-year convention applied. Refer to WACC calculation for derivation of discount rate.

- Represents 3.8 months of projected quarterly financial information.
- Projected taxes per Poconos management. Terminal year tax rate at 22.5%, per Poconos management.
- Reflects portion of other minor operating cash flow items not attributable to change in net working capital, per Poconos management.
- Implied from corresponding discount rate and 2021E Adjusted EBITDA multiple.

Source: Poconos projections per Poconos management.

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Discounted Cash Flow Analysis

Discounted Cash Flow Analysis – Potential Refinancing

(dollars in millions)

	Projected Calendar Year Ending December 31,			Terminal Value Assumptions
	2019E [1]	2020E	2021E	
Total Revenue	\$187.3	\$673.5	\$745.6	
Growth %	15.6%	10.1%	10.7%	
Total Operating Expenses	(142.0)	(486.0)	(509.8)	(509.8)
Corporate General & Administrative Expenses	(8.9)	(30.8)	(32.0)	(32.0)
Adjusted EBITDA	\$36.4	\$176.7	\$203.8	\$203.8
Margin %	19.4%	26.2%	27.3%	27.3%
Depreciation & Amortization	(26.6)	(90.0)	(102.3)	(109.5)
Adjusted EBIT	\$9.9	\$86.7	\$101.5	\$94.3
Taxes [2]	(4.6)	(9.8)	(11.9)	(21.2)
Unlevered Earnings	\$5.3	\$77.0	\$89.6	\$73.1
Depreciation & Amortization	26.6	90.0	102.3	109.5
Capital Expenditures	(32.6)	(104.3)	(109.5)	(109.5)
Change in Net Working Capital	(6.3)	(38.1)	(22.7)	(2.9)
Other Cash Flow Items [3]	10.3	15.9	11.1	0.0
Unlevered Free Cash Flows	\$3.2	\$40.5	\$70.9	\$70.2

Discount Rate	Present Value of Cash Flows (2019 - 2021)	PV of Terminal Value as a Multiple of 2021 Adjusted EBITDA			Implied Enterprise Value			Discount Rate	Implied Perpetual Growth Rate [4]		
		2.25x	2.50x	2.75x	2.25x	2.50x	2.75x		2.25x	2.50x	2.75x
11.75%	\$98.0	\$354.5	\$393.9	\$433.2	\$452.5	\$491.8	\$531.2	11.75%	-3.8%	-2.5%	-1.3%
12.00%	\$97.7	\$352.6	\$391.8	\$431.0	\$450.3	\$489.5	\$528.7	12.00%	-3.6%	-2.2%	-1.1%
12.25%	\$97.4	\$350.8	\$389.8	\$428.8	\$448.2	\$487.2	\$526.2	12.25%	-3.4%	-2.0%	-0.9%
12.50%	\$97.1	\$349.0	\$387.8	\$426.6	\$446.1	\$484.9	\$523.7	12.50%	-3.2%	-1.8%	-0.7%
12.75%	\$96.8	\$347.2	\$385.8	\$424.4	\$444.0	\$482.6	\$521.2	12.75%	-3.0%	-1.6%	-0.5%

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

Note: Present values as of 9/5/19; mid-year convention applied. Refer to WACC calculation for derivation of discount rate.

1. Represents 3.8 months of projected quarterly financial information.

2. Projected taxes per Poconos management. Terminal year tax rate at 22.5%, per Poconos management.

3. Reflects portion of other minor operating cash flow items not attributable to change in net working capital, per Poconos management.

4. Implied from corresponding discount rate and 2021E Adjusted EBITDA multiple.

Source: Poconos projections per Poconos management.

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Trading Market Snapshot

Public Market Trading Overview

(shares outstanding and dollars in millions, except per share values and where otherwise noted)

Public Market Enterprise Value Derivation		Selected Market Information as of September 3, 2019	
Closing Stock Price September 3, 2019	\$17.10	10-Day Average Trading Price [4]	\$15.46
Common Shares Outstanding [1]	15.0	1-Month Average Trading Price [4]	\$13.89
Dilutive Shares [1] [2]	0.0	3-Month Average Trading Price [4]	\$17.11
Fully Diluted Shares	15.0	All-Time High Trading Price [5]	\$24.09
Market Value of Equity	\$257.3	All-Time Low Trading Price [5]	\$10.67
Total Debt [1]	211.1	90-Day Average Daily Trading Volume (in shares) [4]	55,375
Cash and Cash Equivalents [1] [3]	(141.1)	% of Total Shares Outstanding	0.4%
Public Market Enterprise Value	\$327.3	90-Day Average Daily Trading Value [4]	\$1.0
		% of Market Value of Equity	0.4%
		Number of Analysts Covering the Company [6]	1
		Total Public Float [7] [8]	3.7
		% of Total Shares Outstanding	24.7%

Implied Multiples	LTM (6/30/19) [7]	CY 2019E [9]	CY 2020E [9]
Enterprise Value / Revenue	0.6x	0.5x	0.5x
Enterprise Value / Adjusted EBITDA	2.9x	2.7x	2.5x

Historical VWAPs¹⁰

(dollars per share)

1-Day	3-Day	5-Day	10-Day	15-Day	20-Day	30-Day	60-Day	90-Day	3-Month	Since Re-Listing
\$17.20	\$16.94	\$16.23	\$15.78	\$14.81	\$14.15	\$14.75	\$18.74	\$19.30	\$18.76	\$19.14

1. Per the Company's Form 10-Q for the period ended 6/30/19.
 2. Includes ~15.0 million shares outstanding as of 8/1/19. Potentially dilutive securities, including unvested stock options, unvested RSUs and outstanding warrants, are not yet exercisable or are out-of-the-money.
 3. Includes restricted cash balance of ~\$2.0 million as of 6/30/19 returned to unrestricted cash and cash equivalents in August 2019 due to lower than expected payments for professional fees incurred in connection with corporate restructuring.
 4. Per Capital IQ as of 9/3/19.
 5. Reflects metric over applicable period subsequent to Poconos' corporate restructuring and re-listing on the New York Stock Exchange on 4/3/19.
 6. Per Bloomberg as of 9/3/19. Excludes computerized analysts.
 7. Per public filings and Company releases.
 8. Excludes from public float shares held by consenting stakeholders equitized as part of corporate restructuring (Vårde Partners, Inc.; Brigade Capital Management, LP; Highbridge Capital Management LLC; and Whitebox Advisors, LLC), directors, officers and other insiders.
 9. Reflects Imperial Capital estimates as of 9/3/19.
 10. VWAP based on cumulative trading activity over the designated number of trading days (based on intraday trading).
- Sources: Public filings and Company releases, Capital IQ, Bloomberg and equity research.

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Stock Trading History

Selected Trading Prices Since Re-Listing

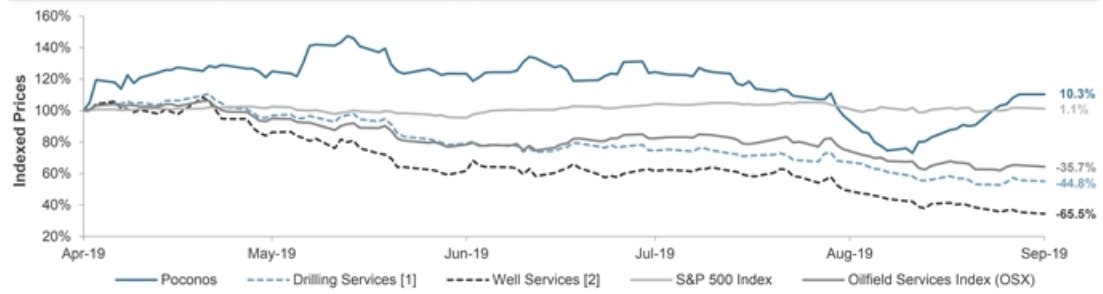
- Since the Company re-listed its shares on the New York Stock Exchange on April 3, 2019, its closing price per share has varied widely, ranging from \$22.83 on May 15, 2019 to \$11.33 on August 13, 2019.
- Recently, the Company's per share price has fallen significantly, reaching all-time lows subsequent to its emergence from restructuring. However, since mid-August the share price has rebounded materially to levels slightly below the average closing price since relisting of \$18.11. As of September 3, 2019, the Company's closing price per common stock was \$17.10 per share.



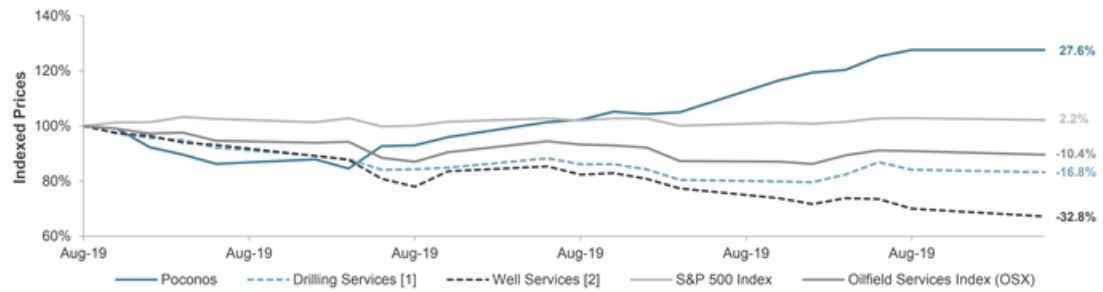
Source: Capital IQ as of 9/3/19.
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Relative Stock Performance

Relative Performance (Since April 3, 2019 Re-Listing)



Relative Performance (Last Month)



Note: No company shown for comparative purposes is identical to Poconos.

1. Drilling Services includes Ensign Energy Services Inc.; Heimerich & Payne, Inc.; Independence Contract Drilling, Inc.; Nabors Industries Ltd.; Patterson-UTI Energy, Inc.; PHX Energy Services Corp.; and Precision Drilling Corporation.

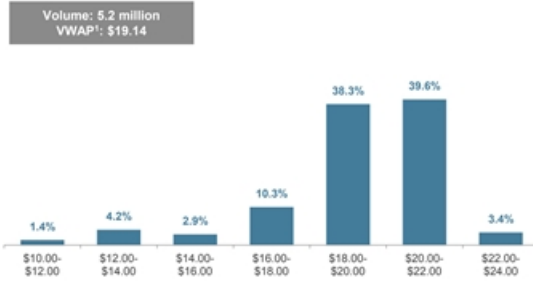
2. Well Services includes Basic Energy Services, Inc.; Frank's International N.V.; Key Energy Services, Inc.; KXLX Energy Services Holdings, Inc.; and Superior Energy Services.

Source: Capital IQ as of 9/3/19.

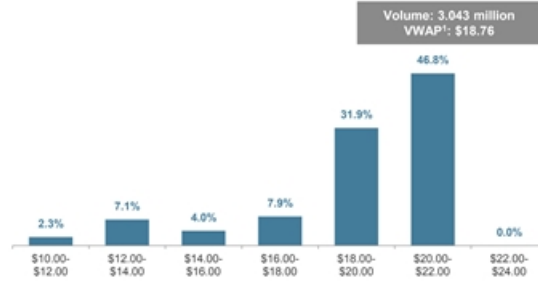
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Selected Historical Trading Activity

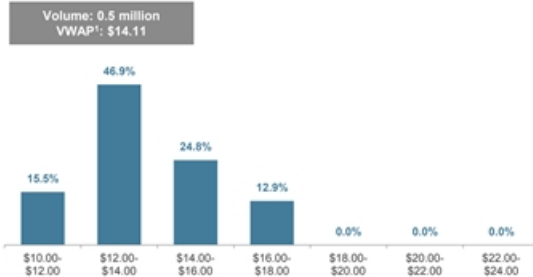
Since Re-Listing



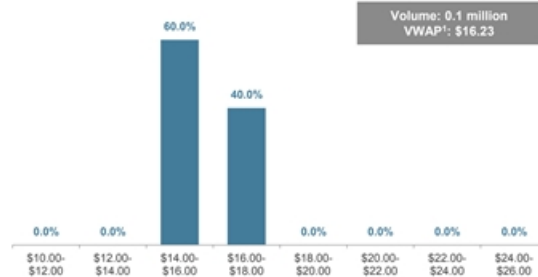
Last Three Months



Last Month



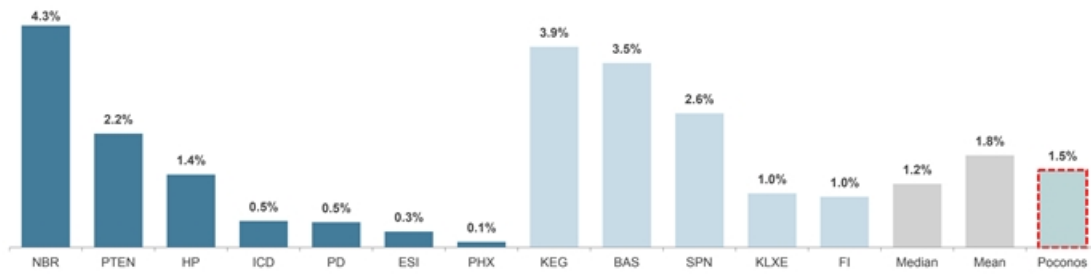
Last Week



Note: VWAP in dollars.
1. Based on VWAP over specified period (last week, last month, last three months or since re-listing).
Source: Bloomberg as of 9/3/19.
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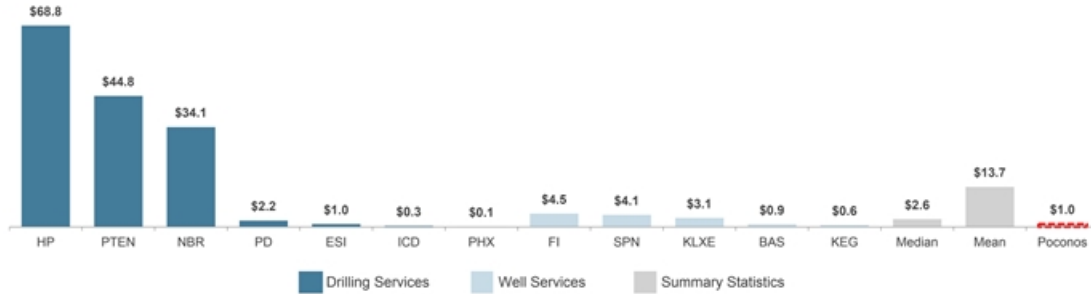
Selected Float and Trading Data

Average Daily Volume¹ / Public Float



Average Daily Traded Value²

(dollars in millions)



Note: Refer to Glossary for full company names.
 1. Based on 90-day average trading volume as of 9/3/19.
 2. Based on 90-day average trading value as of 9/3/19.
 Sources: Capital IQ and public filings.
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Selected Equity Research Analyst Observations

- As of September 3, 2019, the Company is covered by a single designated equity research analyst, Imperial Capital's Jason Wangler. Imperial Capital currently has an Outperform rating and price target of \$34.00 per share on Poconos common stock, implying a premium of ~98.8% versus the Company's closing share price of \$17.10 as of September 3, 2019.
- Previously and until commencing Chapter 11 restructuring in December 2018, the Company was also covered by Macquarie Research.

Selected Post-Restructuring Imperial Capital Equity Research Commentary

Date of Report	Recommendation	Price Target	Share Price ¹	Comments
August 7, 2019	Outperform	\$34.00	\$12.37	<p>"We are maintaining our Outperform rating and one-year price target of \$34.00 on [Poconos] shares following Q2 CY 2019 results...The strong [reported] results allowed [the Company] to generate free cash flow during the period given a relatively low capex level."</p> <p>"The [Company] was able to generate higher-than-expected EBITDA as margins expanded sequentially alongside flattish revenue that outperformed more domestically-focused peers...The [Company] expects to see a significant reduction in revenues domestically, but due to offshore/international strength, was able to reiterate CY 2019E adjusted EBITDA guidance of \$120-130 million."</p>
July 19, 2019	Outperform	\$34.00	\$19.37	<p>"[The Company] emerged from restructuring at the end of Q1 CY 2019, so Q2 CY 2019E should be a cleaner quarter and given company guidance is expected to generate significant growth for the [Company]."</p> <p>"The [Company] was able to reduce its debt significantly through the restructuring and has ample cash on the books currently."</p>
May 23, 2019	Outperform	\$34.00	\$19.34	<p>"[The Company] laid out Q2 CY 2019E and full-year guidance on its earnings conference call on 5/8/19 that was ahead of our previous expectations."</p> <p>"The [Company's] 13.0% cost of debt on the Second Lien term loan (11.0% cash and 2.0% PIK) is significantly higher than peer companies with low debt levels, favorable metrics, and growth opportunities in place."</p> <p>"Our one-year price target of \$34 is based on the use of a 4.0x CY 2020E EV/adjusted EBITDA peer group multiple that is consistent with peers and above the sub-3.0x multiple where [the Company] currently trades."</p>
May 9, 2019	Outperform	\$25.00	\$21.88	<p>"Q1 CY 2019 results show higher-than-expected revenue and adjusted EBITDA as [the Company] focuses on growing its Rental Tools segment, higher rig utilizations, and generating free cash flow in H2 CY 2019E."</p> <p>"[The Company] ended Q1 CY 2019 with \$128 million in cash and \$210 million in debt that provides ample liquidity for [the Company] to continue moving forward with its growth initiatives. Additionally, if [the Company] is able to achieve its free cash flow aspirations in H2 2019E, we believe it could refinance the \$210 million Second Lien Term Loan that carries a high interest rate of 11.0% cash and 2.0% PIK that would lower [the Company's] borrowing costs significantly and drive incremental cash flows."</p>

¹. Reflects closing share price as of applicable report date.
Sources: Bloomberg and equity research research as of 9/3/19.
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Weighted Average Cost of Capital Calculations

	Total Debt to Total Cap (1)(2)	Dd to Total Cap (1)(3)	Dnd to Total Cap (1)(4)	Total Debt to Equity Market Value (2)(5)	Dd to Equity Market Value (3)(5)	Dnd to Equity Market Value (4)(5)	Pfd. Stock to Total Cap (1)(6)	Equity Market Value to Total Cap (1)(5)	Pfd. Stock to Equity Market Value (5)(6)
Drilling Services									
Ensign Energy Services Inc.	77.4%	72.0%	5.4%	343.4%	319.3%	24.1%	0.0%	22.6%	0.0%
Helmerich & Payne, Inc.	10.9%	10.9%	0.0%	12.2%	12.2%	0.0%	0.0%	89.1%	0.0%
Independence Contract Drilling, Inc.	62.2%	62.2%	0.0%	164.4%	164.4%	0.0%	0.0%	37.8%	0.0%
Nabors Industries Ltd. [7]	83.2%	83.2%	0.0%	496.0%	496.0%	0.0%	0.0%	16.8%	0.0%
Patterson-UTI Energy, Inc.	39.2%	39.2%	0.0%	64.4%	64.4%	0.0%	0.0%	60.8%	0.0%
PHX Energy Services Corp.	12.3%	12.3%	0.0%	14.1%	14.1%	0.0%	0.0%	87.7%	0.0%
Precision Drilling Corporation [7]	74.4%	74.4%	0.0%	290.5%	290.5%	0.0%	0.0%	25.6%	0.0%
25th Percentile	25.7%	25.7%	0.0%	39.2%	39.2%	0.0%	0.0%	24.1%	0.0%
Median	62.2%	62.2%	0.0%	164.4%	164.4%	0.0%	0.0%	37.8%	0.0%
Mean	51.4%	50.6%	0.8%	197.8%	194.4%	3.4%	0.0%	48.6%	0.0%
75th Percentile	75.9%	73.2%	0.0%	316.9%	304.9%	0.0%	0.0%	74.3%	0.0%
Well Services									
Basic Energy Services, Inc. [7]	88.0%	42.2%	45.9%	735.5%	352.2%	383.2%	0.0%	12.0%	0.0%
Frank's International N.V.	0.2%	0.2%	0.0%	0.2%	0.2%	0.0%	0.0%	99.8%	0.0%
Key Energy Services, Inc.	91.9%	8.0%	83.8%	1132.0%	99.0%	1033.0%	0.0%	8.1%	0.0%
KLX Energy Services Holdings, Inc.	48.7%	48.7%	0.0%	95.0%	95.0%	0.0%	0.0%	51.3%	0.0%
Superior Energy Services, Inc. [7]	94.8%	94.8%	0.0%	1837.3%	1837.3%	0.0%	0.0%	5.2%	0.0%
25th Percentile	48.7%	8.0%	0.0%	95.0%	95.0%	0.0%	0.0%	8.1%	0.0%
Median	88.0%	42.2%	0.0%	735.5%	352.2%	383.2%	0.0%	12.0%	0.0%
Mean	64.7%	38.8%	25.9%	760.0%	476.7%	283.3%	0.0%	35.3%	0.0%
75th Percentile	91.9%	48.7%	45.9%	1132.0%	352.2%	383.2%	0.0%	51.3%	0.0%
All Selected Companies									
25th Percentile	32.4%	12.0%	0.0%	51.8%	51.8%	0.0%	0.0%	15.6%	0.0%
Median	68.3%	45.4%	0.0%	227.4%	131.7%	0.0%	0.0%	31.7%	0.0%
Mean	56.9%	45.7%	11.3%	432.1%	312.0%	120.0%	0.0%	43.1%	0.0%
75th Percentile	84.4%	72.6%	1.4%	555.9%	327.5%	6.0%	0.0%	67.6%	0.0%
Poconos [8]	45.1%	45.1%	0.0%	82.1%	82.1%	0.0%	0.0%	54.9%	0.0%

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Total Cap refers to total capitalization, which equals Equity Market Value + Total Debt + Pfd. Stock.

2. Total Debt refers to total debt amount based on most recent public filings as of 9/3/19.

3. Dd refers to implied Tax-Deductible Debt, which equals the lesser of (a) 30% of Adjusted Taxable Income/Cost of Debt, or (b) Total Debt. LTM Adjusted EBITDA, based on most recent public filings as of 9/3/19, is assumed to be a valid proxy for Adjusted Taxable Income for the selected companies.

4. Dnd refers to Implied Non-Tax-Deductible Debt, which equals Total Debt minus Dd.

5. Equity Market Value based on closing price on 9/3/19 and on diluted shares as of 9/3/19.

6. Pfd. Stock refers to preferred stock, which is the amount as stated in most recent public filings as of 9/3/19.

7. Enterprise Value adjusted for market value of debt as of 9/3/19. Untraded debt or debt for which pricing information was unavailable was not adjusted.

8. Based on publicly available information and market data as of 9/3/19.

Sources: Bloomberg and Capital IQ.

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Weighted Average Cost of Capital Calculations (cont.)

	Levered Beta [1]	Unlevered Beta [2]	Equity Risk Premium [3]	Size Premium [4]	Cost of Equity [5]	Cost of Debt [6]	Cost of Pfd. Stock [7]	WACC
Drilling Services								
Ensign Energy Services Inc.	1.55	0.42	6.00%	2.46%	13.5%	7.6%	NA	7.7%
Helmerich & Payne, Inc.	1.41	1.29	6.00%	1.28%	11.5%	4.7%	NA	10.6%
Independence Contract Drilling, Inc.	1.52	0.67	6.00%	5.22%	16.1%	9.6%	NA	10.7%
Nabors Industries Ltd. [8]	1.97	0.41	6.00%	2.46%	16.1%	4.5%	6.0%	5.6%
Patterson-UTI Energy, Inc.	1.65	1.10	6.00%	1.58%	13.3%	4.3%	NA	9.4%
PHX Energy Services Corp.	2.53	2.28	6.00%	5.22%	22.2%	NA	NA	NA
Precision Drilling Corporation [8]	2.69	0.84	6.00%	2.46%	20.3%	6.7%	NA	9.1%
25th Percentile	1.54	0.54			13.4%	4.5%	6.0%	8.1%
Median	1.65	0.84			16.1%	5.7%	6.0%	9.2%
Mean	1.90	1.00			16.1%	6.2%	6.0%	8.9%
75th Percentile	2.25	1.20			18.2%	7.4%	6.0%	10.3%
Well Services								
Basic Energy Services, Inc. [8]	2.14	0.28 *	6.00%	5.22%	19.9%	10.4%	NA	10.5%
Frank's International N.V.	1.46	1.46 *	6.00%	1.80%	12.3%	3.9%	NA	12.3%
Key Energy Services, Inc.	2.79	0.23 *	6.00%	5.22%	23.7%	12.4%	NA	13.1%
KLX Energy Services Holdings, Inc.	0.90	0.52 *	6.00%	5.22%	12.4%	11.5%	NA	10.7%
Superior Energy Services, Inc. [8]	2.29	0.15 *	6.00%	5.22%	20.7%	7.4%	NA	6.5%
25th Percentile	1.46	NA			12.4%	7.4%	NA	10.5%
Median	2.14	NA			19.9%	10.4%	NA	10.7%
Mean	1.92	NA			17.8%	9.1%	NA	10.6%
75th Percentile	2.29	NA			20.7%	11.5%	NA	12.3%
All Selected Companies								
25th Percentile	1.51	0.54			13.1%	4.6%	6.0%	8.4%
Median	1.81	0.84			16.1%	7.4%	6.0%	10.5%
Mean	1.91	1.00			16.8%	7.5%	6.0%	9.7%
75th Percentile	2.35	1.20			20.4%	10.0%	6.0%	10.7%
Poconos [9]	NMF	NMF	6.00%	5.22%	NMF	13.0%	NA	NMF

Note: No company used in this calculation for comparative purposes is identical to Poconos.

1. Based on actual levered beta per Bloomberg 5-year weekly as of 9/3/19.

2. Unlevered Beta = Levered Beta * (1 - tax rate) / (1 + (Debt to Equity Market Value) * (Pfd. Stock to Equity Market Value)).

3. Based on review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply-side and demand-side models and other materials.

4. Duff & Phelps Cost of Capital Navigator ("Navigator").

5. Cost of Equity = Risk-Free Rate of Return + (Levered Beta * Equity Risk Premium) + Size Premium. Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.

6. Based on selected company weighted average interest rate per most recent public filings as of 9/3/19.

7. Based on selected company weighted average preferred dividend per most recent public filings 9/3/19.

8. Enterprise Value adjusted for market value of debt as of 9/3/19. Untraded debt or debt for which pricing information was unavailable was not adjusted.

9. Based on publicly available information and market data as of 9/3/19.

* Excluded from low, high, median and mean data.

Sources: Bloomberg and Capital IQ.

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Weighted Average Cost of Capital Calculations (cont.)

Existing Capital Structure

(dollars in millions)

Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.77%	Poconos Adjusted Taxable Income [5]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$211.1	Computed Levered Beta [13]	1.75
Size Premium [3]	2.46%	Poconos Dd [7]	\$211.1	Cost of Equity [14]	14.7%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	37.5%		
		Dd to Total Capitalization [10]	37.5%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	59.9%		
		Dd to Equity Market Value [10]	59.9%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	62.5%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	13.0%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital			13.0%		
Selected Weighted Average Cost of Capital Range			12.5%	--	13.5%

- Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.
 - Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.
 - Navigator.
 - Forward tax rate, per Poconos management.
 - Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.
 - Poconos Total Debt refers to total debt amount of Poconos as of 9/3/19.
 - Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.
 - Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.
 - Based on capital structure resulting from Poconos' (i) actual Total Debt as of 9/3/19 and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches. No preferred stock outstanding.
 - Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.
 - Based on Poconos' actual cost of debt and cost of preferred stock as of 9/3/19.
 - Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.
 - Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) + (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.
 - Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.
- Sources: Bloomberg, Capital IQ and Poconos management.

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Weighted Average Cost of Capital Calculations (cont.)

Potential Refinancing – Counterparty Offer

(dollars in millions)

Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.77%	Poconos Adjusted Taxable Income [5]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$165.0	Computed Levered Beta [13]	1.64
Size Premium [3]	2.46%	Poconos Dd [7]	\$165.0	Cost of Equity [14]	14.0%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	32.1%		
		Dd to Total Capitalization [10]	32.1%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	47.4%		
		Dd to Equity Market Value [10]	47.4%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	67.9%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	12.2%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital - Counterparty Offer			12.6%		

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

1. Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.

2. Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.

3. Navigator.

4. Forward tax rate, per Poconos management.

5. Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.

6. Poconos Total Debt refers to total debt amount of Poconos as of 9/3/19, adjusted for forecasted net reduction in debt balance of \$46.1 million associated with counterparty offer.

7. Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.

8. Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.

9. Based on capital structure resulting from Poconos' (i) actual Total Debt as of 9/3/19, adjusted for forecasted reduction in debt balance of \$46.1 million associated with counterparty offer and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches, adjusted for forecasted net reduction in cash and cash equivalents of \$4.2 million. No preferred stock outstanding.

10. Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.

11. Based on Poconos' implied cost of debt resulting from counterparty offer and cost of preferred stock as of 9/3/19. Implied cost of debt represents yield to maturity given (i) facility size of \$165.0 million, (ii) 5-year maturity, (iii) 3.0% OID, (iv) quarterly amortization of 1.0%, (v) quarterly coupon of Libor + 8.75% (subject to 2.0% floor) and (vi) retirement of existing term loan facility at 102.0%.

12. Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.

13. Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) + (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.

14. Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.

Sources: Bloomberg, Capital IQ and Poconos management.

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Weighted Average Cost of Capital Calculations (cont.)

Potential Refinancing – Company Management Counter

(dollars in millions)

Market Assumptions		Capital Structure Assumptions		Cost of Equity for Computed WACC	
Risk-Free Rate of Return [1]	1.77%	Poconos Adjusted Taxable Income [5]	\$111.0	Selected Unlevered Beta [12]	1.20
Equity Risk Premium [2]	6.00%	Poconos Total Debt [6]	\$180.0	Computed Levered Beta [13]	1.67
Size Premium [3]	2.46%	Poconos Dd [7]	\$180.0	Cost of Equity [14]	14.2%
Tax Rate [4]	22.50%	Poconos Dnd [8]	\$0.0		
		Total Debt to Total Capitalization [9]	33.8%		
		Dd to Total Capitalization [10]	33.8%		
		Dnd to Total Capitalization [10]	0.0%		
		Total Debt to Equity Market Value	51.1%		
		Dd to Equity Market Value [10]	51.1%		
		Dnd to Equity Market Value [10]	0.0%		
		Preferred Stock to Total Capitalization [9]	0.0%		
		Equity Market Value to Total Capitalization [9]	66.2%		
		Preferred Stock to Equity Market Value	0.0%		
		Cost of Debt [11]	9.9%		
		Cost of Preferred Stock [11]	NA		
Computed Weighted Average Cost of Capital - Company Management Counteroffer			12.0%		

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.

- Risk-Free Rate of Return as of 9/3/19, based on 20-year U.S. Treasury Bond Yield.
- Based on a review of studies measuring the historical returns between stocks and bonds, theoretical models such as supply side and demand side models and other materials.
- Navigator.
- Forward tax rate, per Poconos management.
- Poconos LTM Adjusted EBITDA is assumed to be a valid proxy for Poconos Adjusted Taxable Income.
- Poconos Total Debt refers to total debt amount of Poconos as of 9/3/19, adjusted for forecasted reduction in debt balance of \$31.1 million associated with Company management counteroffer.
- Poconos Dd refers to Implied Tax-Deductible Debt of Poconos, which equals the lesser of (a) 30% of Poconos Adjusted Taxable Income/Cost of Debt, or (b) Poconos Total Debt. Based on Capital Structure Assumptions.
- Poconos Dnd refers to Implied Non-Tax-Deductible Debt of Poconos, which equals Poconos Total Debt minus Poconos Dd.
- Based on capital structure resulting from Poconos' (i) actual Total Debt as of 9/3/19, adjusted for forecasted reduction in debt balance of \$31.1 million associated with Company management counteroffer and (ii) average of implied total equity value midpoints resulting from Selected Companies Analysis valuation approaches. No preferred stock outstanding.
- Based on Poconos' Dd and Dnd and the Capital Structure Assumptions regarding Total Debt to Total Capitalization and Equity Market Value to Total Capitalization.
- Based on Poconos' implied cost of debt resulting from Company management counteroffer and cost of preferred stock as of 9/3/19. Implied cost of debt represents yield to maturity given (i) facility size of \$180.0 million, (ii) 5-year maturity, (iii) 1.0% OID, (iv) quarterly amortization of 1.0%, (v) quarterly coupon of Libor + 7.25% (subject to 2.0% floor) and (vi) retirement of existing term loan facility at par.
- Based on review and selection of 75th percentile of selected companies' unlevered betas listed on Weighted Average Cost of Capital Calculation (cont.) page.
- Computed Levered Beta = Selected Unlevered Beta * (1 + ((1 - Tax Rate) * Dd to Equity Market Value) / (Dnd to Equity Market Value) + (Preferred Stock to Equity Market Value)). Based on Market and Capital Structure Assumptions.
- Cost of Equity = Risk-Free Rate of Return + (Computed Levered Beta * Equity Risk Premium) + Size Premium. Based on Market Assumptions.

Sources: Bloomberg, Capital IQ and Poconos management.

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Weighted Average Cost of Capital Calculations (cont.)

Potential Refinancing – Concluded Selected Weighted Average Cost of Capital

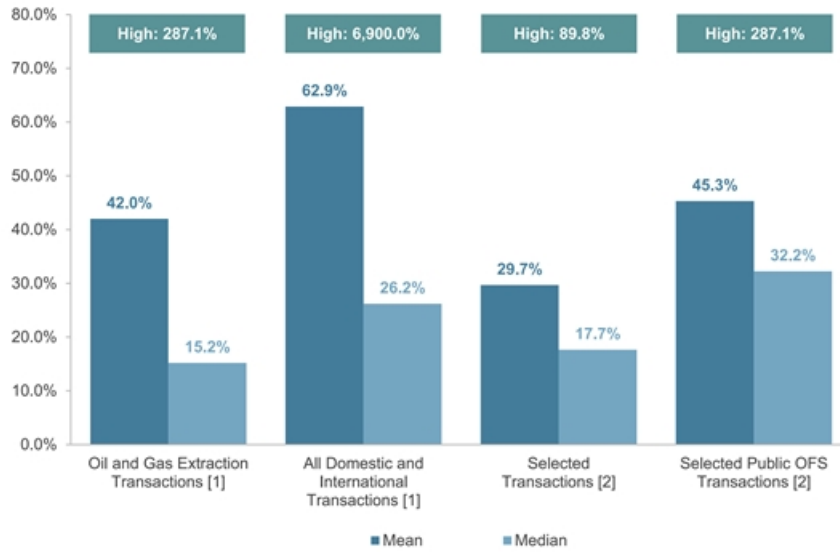
Computed Weighted Average Cost of Capital - Counterparty Offer	12.6%	
Computed Weighted Average Cost of Capital - Company Management Counteroffer	12.0%	
Average Computed Weighted Average Cost of Capital - Potential Refinancing	12.3%	
Selected Weighted Average Cost of Capital Range - Potential Refinancing	11.75%	12.75%

Note: Per discussions with Poconos management, we understand that the Company has previously been in negotiations to potentially refinance its existing term loan facility. We understand the probability of such a refinancing taking place is low.
 Note: See immediately preceding pages for derivations of computed weighted average cost of capital figures.
 Sources: Bloomberg, Capital IQ and Poconos management.
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Summary of Selected Implied Premiums Paid Observations

Based on reviewed transactions, median implied premiums paid range from 15.2% to 32.2% depending on transaction characteristics while mean implied premiums among reviewed transactions are somewhat higher, ranging from 29.7% to 62.9%



1. Based on twelve-month lookback of applicable unaffected implied premiums, per Mergerstat Q1 2019 Control Premium Study.
 2. Based on one-day implied premiums, per Capital IQ and public filings.
 Sources: Mergerstat, Capital IQ and public filings.
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Glossary of Selected Terms

Definition	Description
Adjusted EBITDA	Adjusted EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization, adjusted for certain non-recurring items
Adjusted EBIT	Adjusted EBIT refers to Earnings Before Interest and Taxes, adjusted for certain non-recurring items
BAS	Basic Energy Services, Inc.
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditures
CY	Calendar Year
E	Estimated
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ESI	Ensign Energy Services Inc.
EV	Enterprise Value
FI	Frank's International N.V.
HP	Helmerich & Payne, Inc.
ICD	Independence Contract Drilling, Inc.
KEG	Key Energy Services, Inc.
KLXE	KLX Energy Services Holdings, Inc.
LTM	The most recently completed 12-month period for which financial information has been made public, other than for Poconos, in which case LTM refers to Latest 12 Months
NA	Not available

Glossary of Selected Terms (cont.)

Definition	Description
NBR	Nabors Industries Ltd.
NMF	Not meaningful figure
OID	Original Issue Discount
PD	Precision Drilling Corporation
PHX	PHX Energy Services Corp.
PTEN	Patterson-UTI Energy, Inc.
PV	Present Value
Reverse Split	The contemplated reverse stock split of the common stock of Poconos
SPN	Superior Energy Services, Inc.
VWAP	Volume-Weighted Average Price
WACC	Weighted Average Cost of Capital

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