



# Barclays

## CEO Energy-Power Conference

September 7, 2016

**This presentation contains forward-looking statements, including, in particular, statements about Superior Energy's plans, strategies and prospects. These statements are based on the Company's current assumptions, expectations and projections about future events, which are subject to a wide range of business risks.**

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# Agenda

- Outlook
- Company Overview
- Operational Platform
- Financial Overview



A large offshore oil rig is shown at sea, illuminated by its own lights against a cloudy sky. The rig has multiple levels with various structures, including a crane and a helipad. The ocean is visible in the foreground.

**20**

Countries with operations

**22+**

Product / Service offerings

**\$250 M**

8/1/16 cash balance

**<10%**

Global Market Share

- **5<sup>th</sup> Largest Globally Diversified Oilfield Services Provider**
  - » Product lines deployed across International, U.S. Land and Gulf of Mexico markets
  - » Downside risk vs. smaller players mitigated due to depth and breadth of product offerings and geography
- **Managing a downturn, positioned for recovery**
  - » Disciplined cash allocation, maintain cash balances
  - » Labor sourcing, hiring and training capacity has been retained
  - » Well-maintained equipment can be deployed quickly with minimal investment as activity increases
- **Uniquely Positioned**
  - » Scale, financial leverage and international reach are strong platform for strategic investments



## Well Services

### Geo - Market Structure

- » Production & completion oriented
- » Labor intensive
- » Down hole service/intervention work

## Global Technologies

### Asset Management Model

- » Equipment & technology differentiated
- » Higher barriers to competition
- » Specialized work
- » Drilling and completion focus

### Large Cap Competitor Model

- Geo-market focus
- Regional management
- Asset transfers rare
- Geo-market manager “hoarding”
- Integrated product lines

### Small Cap Competitor Model

- Products/services operate in silos
- Global PSL management responsibility
- Limited integration



## Well Services

### Geo - Market Structure

- » Service Rigs
- » Intervention Services
- » Abandonment
- » Completion Pressure Control and Flowback

## Global Technologies

### Asset Management Model

- » Premium Drill Pipe
- » Bottom Hole Assemblies
- » Well Control
- » Sand Control Completions
- » Hydraulic Fracturing

### Large Cap Competitor Model

- Geo-market focus
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### Small Cap Competitor Model

- Products/services operate in silos
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## ■ 2016 Priorities

- » Maintain operational discipline & monitor supply chain closely
- » Preserve cash and invest early as market recovers
- » Maintain balance sheet and current liquidity levels

## ■ Product / Service Line (PSL) Suitability

- » Is a PSL exportable?
- » Do we have an execution advantage?
- » Can the PSL generate acceptable returns?
- » If yes, expand...if no, limit CAPEX and explore alternatives
- » Portfolio optimization always ongoing

## ■ When will markets improve?

- » U.S. Land market remains overcapitalized & fragmented
- » Many customer budgets limited by liquidity and cash flows
- » Competitor liquidity and financial distress resulting in erratic behavior and ultimately worn out assets

## ■ Lasting benefits of current environment?

- » Lasting reductions to cost structure
- » Exceptional incremental margins when recovery occurs
- » Acquisition & strategic investment opportunities expected
- » Environment is significantly weakening competitors

# Restructuring Initiatives

## Corporate

Substantial  
Restructuring

Lasting  
G&A  
Reduction

## Premium Drill Pipe

- Offshore & International
- US Land

One  
Premium  
Drill Pipe  
Business

## SPN Onshore Well Services

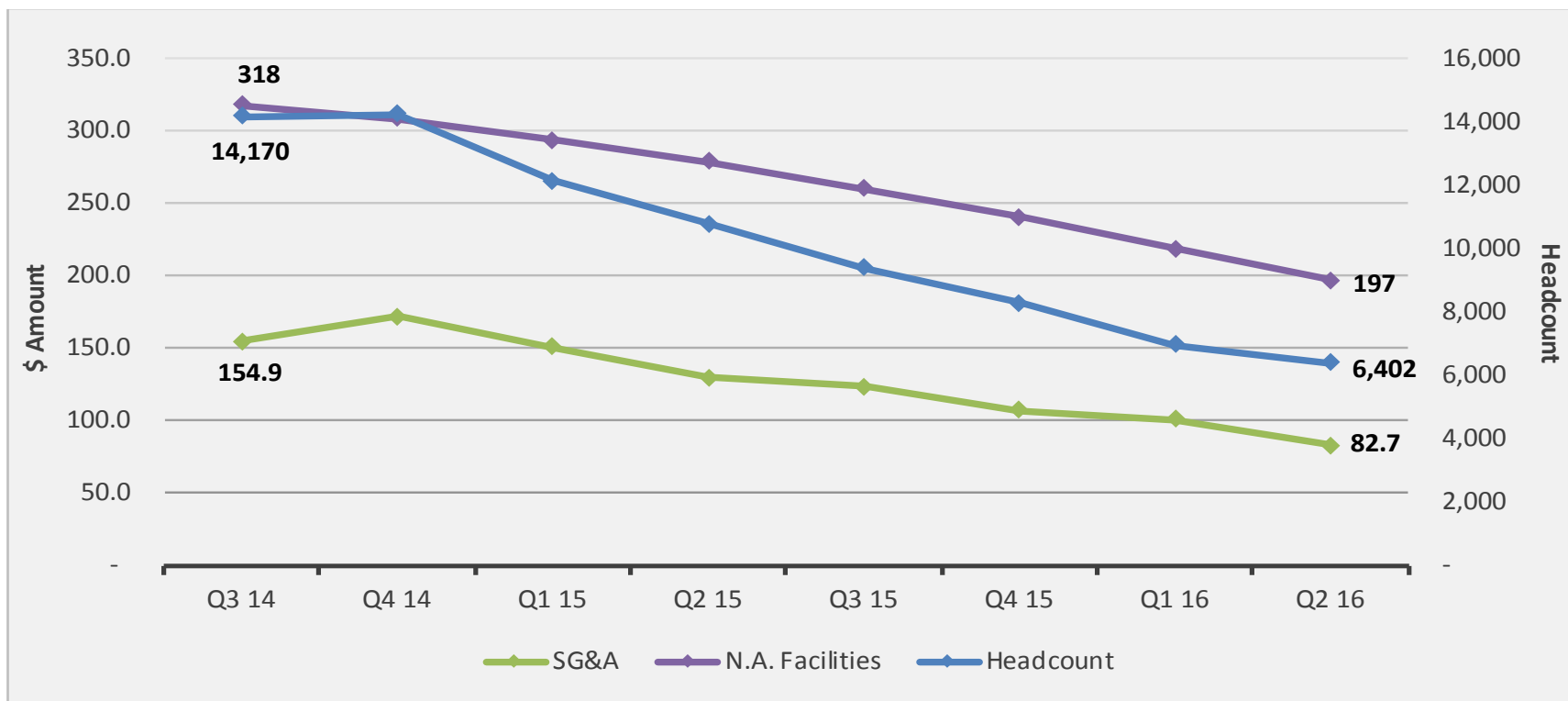
- Pressure Control
- Service Rigs
- Production Related Services
- Coiled Tubing

SPN  
Well  
Services

## GOM Well Services

- Coiled Tubing
- Wireline
- P&A
- Specialty Services

One GOM  
Service  
Business



(\$ in millions except for North America Facilities and Headcount)



## Well Fracturing

- Superior Energy is a first responder when markets recover
- ~600,000 Hydraulic Horsepower (HHP) in excellent working condition today
- Refurbishment opportunity
  - » ~\$100 million required to restore 150,000 HHP to like new condition and build component inventories
- Ongoing cash commitment of ~\$70 million to maintain full 750,000 HHP fleet capacity



## Premium Drill Pipe

- Significant NAM upside
- Limited investment requirements
- Longer laterals are driving larger hole sizes requiring larger diameter drill pipe
- SPN owns largest inventory of 5.5" drill pipe globally



## SPN Well Services

- Recently integrated:
  - » Multiple Product lines
  - » 11 Basins
  - » 58 Locations
- Aligned with increased customer procurement influence
- Efficiency focus attractive to customers with highest quality assets
- Catalyst for international expansion

# Individual Services vs Packaged Approach

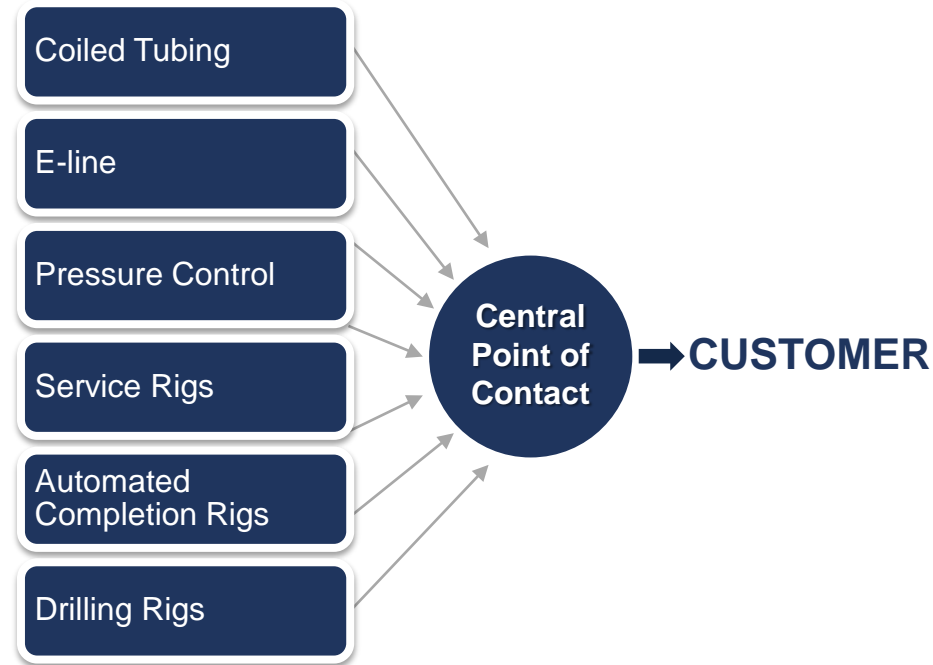
## Individual Services Approach



### Prior Model for U.S. Operations

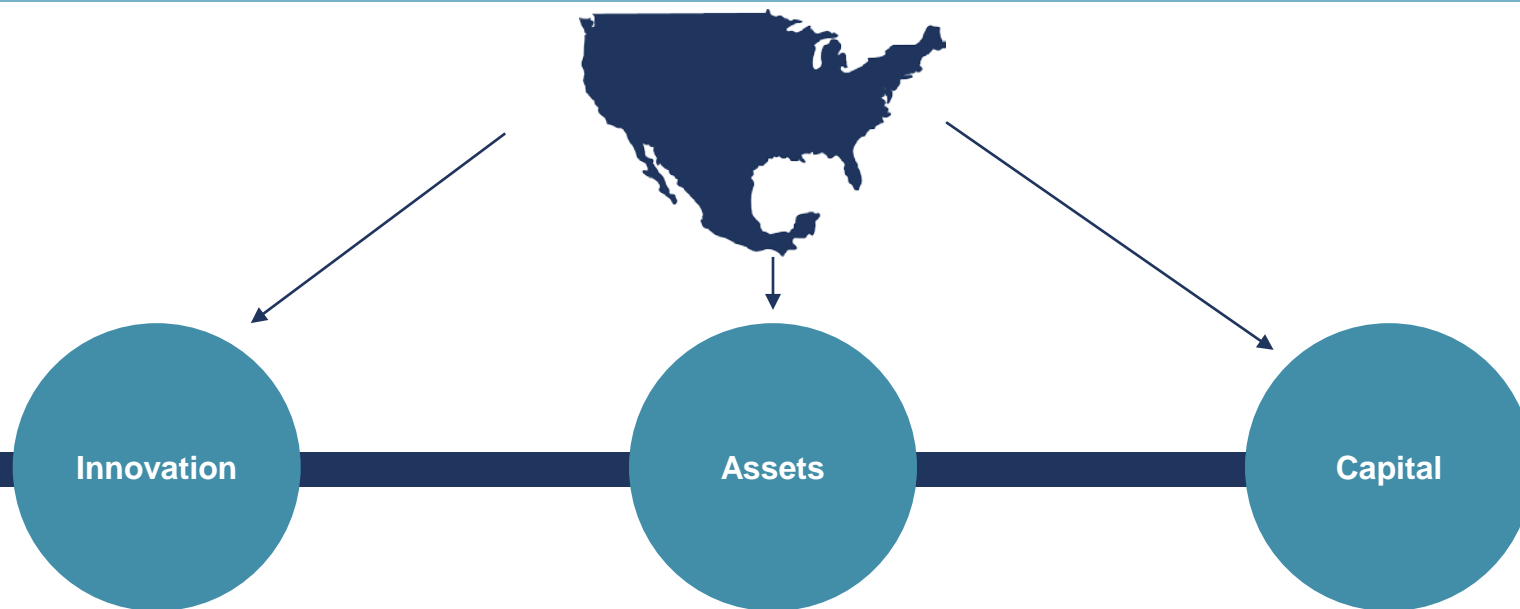
- » Multiple Points of Contact
- » Separation of Services
- » Lack of Packaging Opportunities

## SPN Packaged Approach



### Packaging Model

- » Central Point of Contact
- » Integration of Services / Synergies
- » Better Solutions Provider
- » Easier to do Business With



## Core Markets

### LATIN AMERICA

Argentina  
Brazil

Colombia  
Mexico

### MIDDLE EAST

Kuwait  
Saudi Arabia

### ASIA PACIFIC

Australia  
India

Indonesia  
Malaysia

## Legacy & Potential Markets

North Sea  
Europe

Mexico  
Trinidad

Angola  
Ghana

Nigeria  
Gabon

## Well Services Integration

- Integrated Gulf Coast well services
  - » Coiled Tubing
  - » Wireline
  - » Shelf Plug & Abandonment
  - » Specialty Services
- Substantial cost structure reductions
- Enhanced capabilities and responsiveness

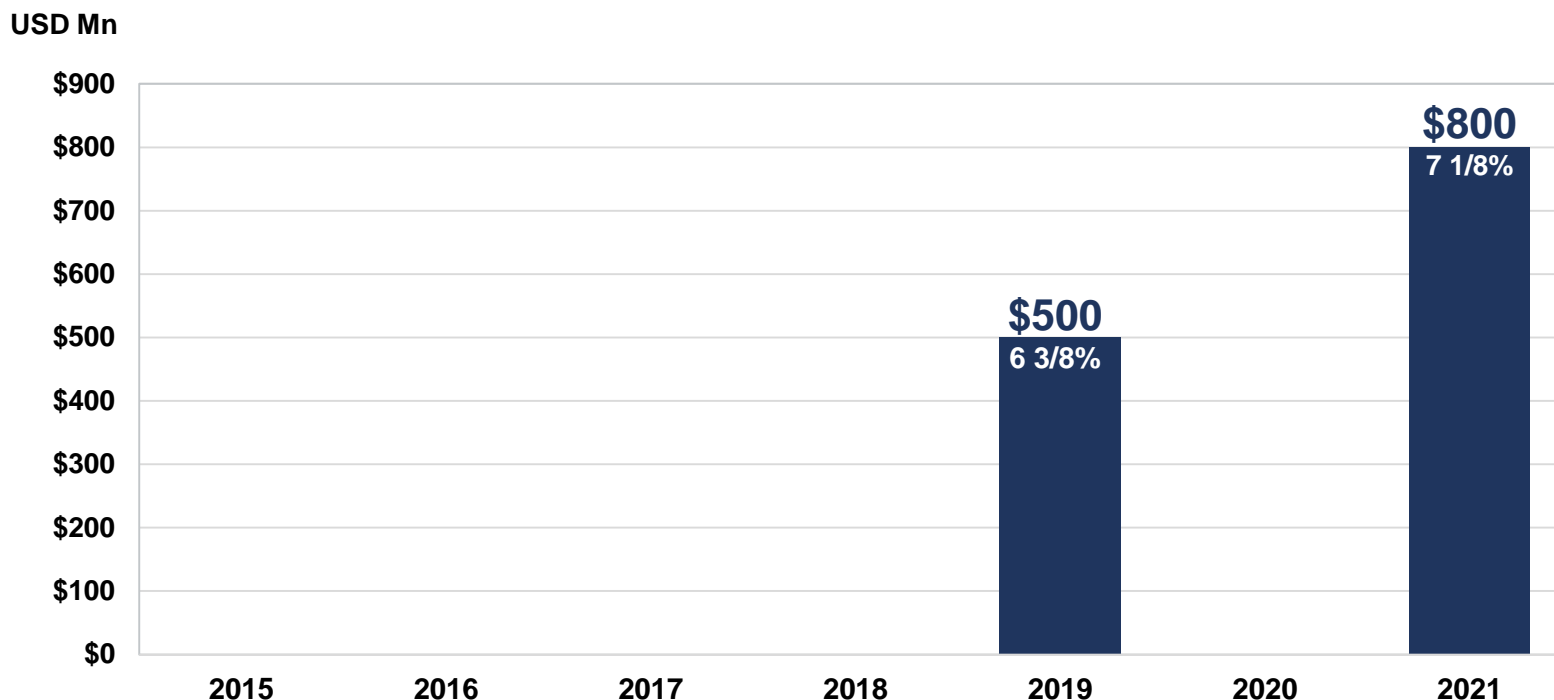


## Key Strategies

- Maintain drilling products market share leadership, leverage to any activity increase
  - » >80% share of drilling rigs
  - » >70% share of platforms
- Assess commercial opportunities for Subsea P&A tool which field tested during first half of 2016



## Senior Notes Maturity Schedule



### Other Borrowings:

- \$400 million revolving line of credit (no borrowings outstanding as of 8/1/16)
- Matures 2019

## Liquidity

- Cash on hand – \$250 million as of 8/1/16
- \$400 million available under revolving credit facility

## Financial Priorities

- Cash preservation
- Cost reduction
- Investments that advance core strategy of geographic expansion

## Flexibility

- 2016 capital expenditures reduced significantly from 2015 levels
  - » Low levels of maintenance capital required
  - » 2016 CAPEX level of \$100 million or lower
  - » Low spending levels can be maintained through 2017
- Lower cost structure during down-cycle
- More competitive and profitable during up-cycle

- **History of conservative financial management**
- **Strong balance sheet**
- **Prepared for extended market downturn**
- **Diversified geographically and across product lines**
- **Flexibility to further reduce spending and cost structure**
- **Positioned to seize market share when industry recovers**



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