PATTERSON-UTI ENERGY INC.



Barclays

CEO Energy-Power Conference



September 4-6, 2018



Forward-Looking Statements

This material and any oral statements made in connection with this material include "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Statements made which provide the Company's or management's intentions, beliefs, expectations or predictions for the future are forward-looking statements and are inherently uncertain. The opinions, forecasts, projections or other statements other than statements of historical fact, including, without limitation, plans and objectives of management of the Company are forward-looking statements. It is important to note that actual results could differ materially from those discussed in such forward-looking statements. Important factors that could cause actual results to differ materially include the risk factors and other cautionary statements contained from time to time in the Company's SEC filings, which may be obtained by contacting the Company or the SEC. These filings are also available through the Company's web site at http://www.patenergy.com or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at http://www.sec.gov. We undertake no obligation to publicly update or revise any forward-looking statement. Statements made in this presentation include non-U.S. GAAP financial measures. The required reconciliation to U.S. GAAP financial measures are included on our website and/or at the end of this presentation.

Review of 2Q18 Earnings Call

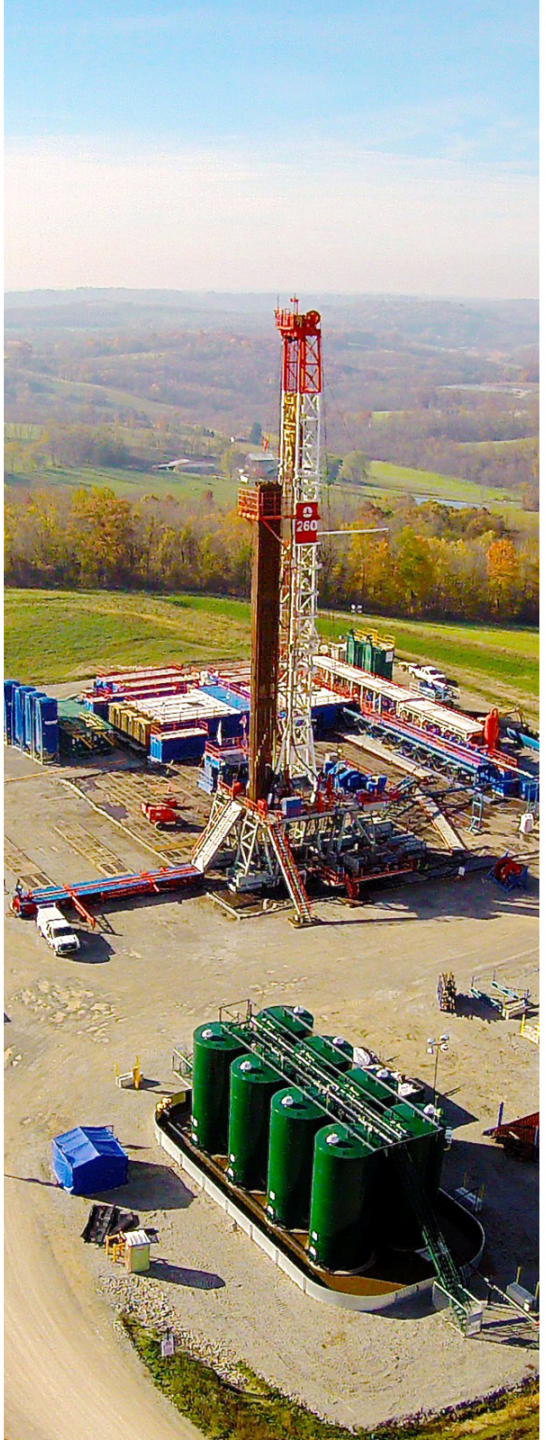
- Repurchased $33.6 million of stock in 2Q18 bringing the total for 1H18 to $50.5 million
- Including dividends, returned $63.8 million to shareholders in 1H18 including $42.4 million in 2Q18
- Signed contracts to provide four upgraded rigs, each under a four year term
- Projected capex for 2018 remains unchanged at $675 million
- Pressure pumping market was soft at the end of 2Q18 due to oversupply in the market
- Demand for super-spec drilling rigs expected to remain strong
- Super-spec rig dayrates are moving up as the super-spec rig demand exceeds supply



PATTERSON-UTI
DRILLING COMPANY LLC

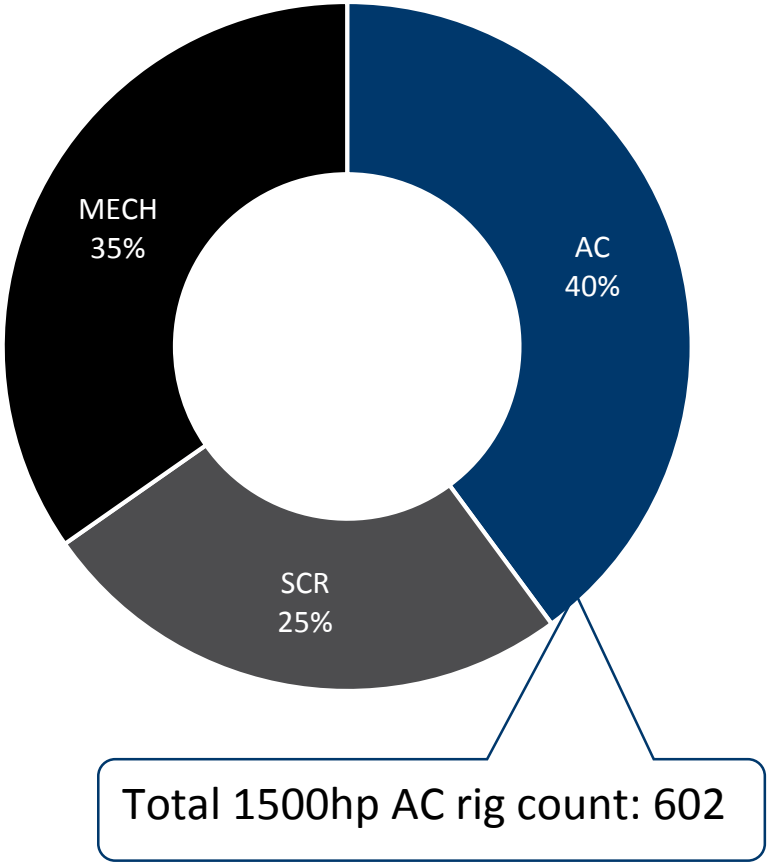
MS Directional

Superior QC

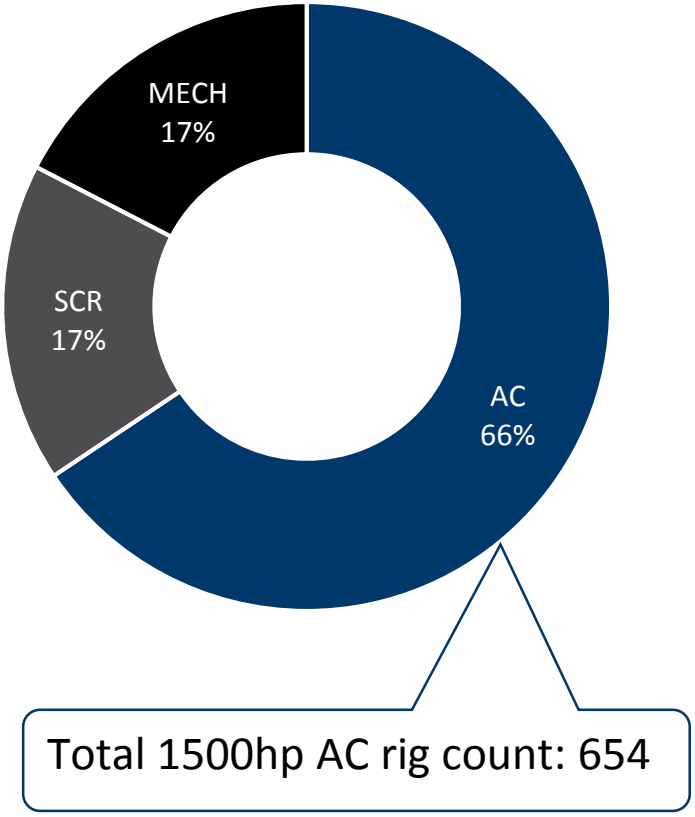


Evolution of U.S. Land Industry Rig Demand by Rig Type

2014 Rig Count Peak



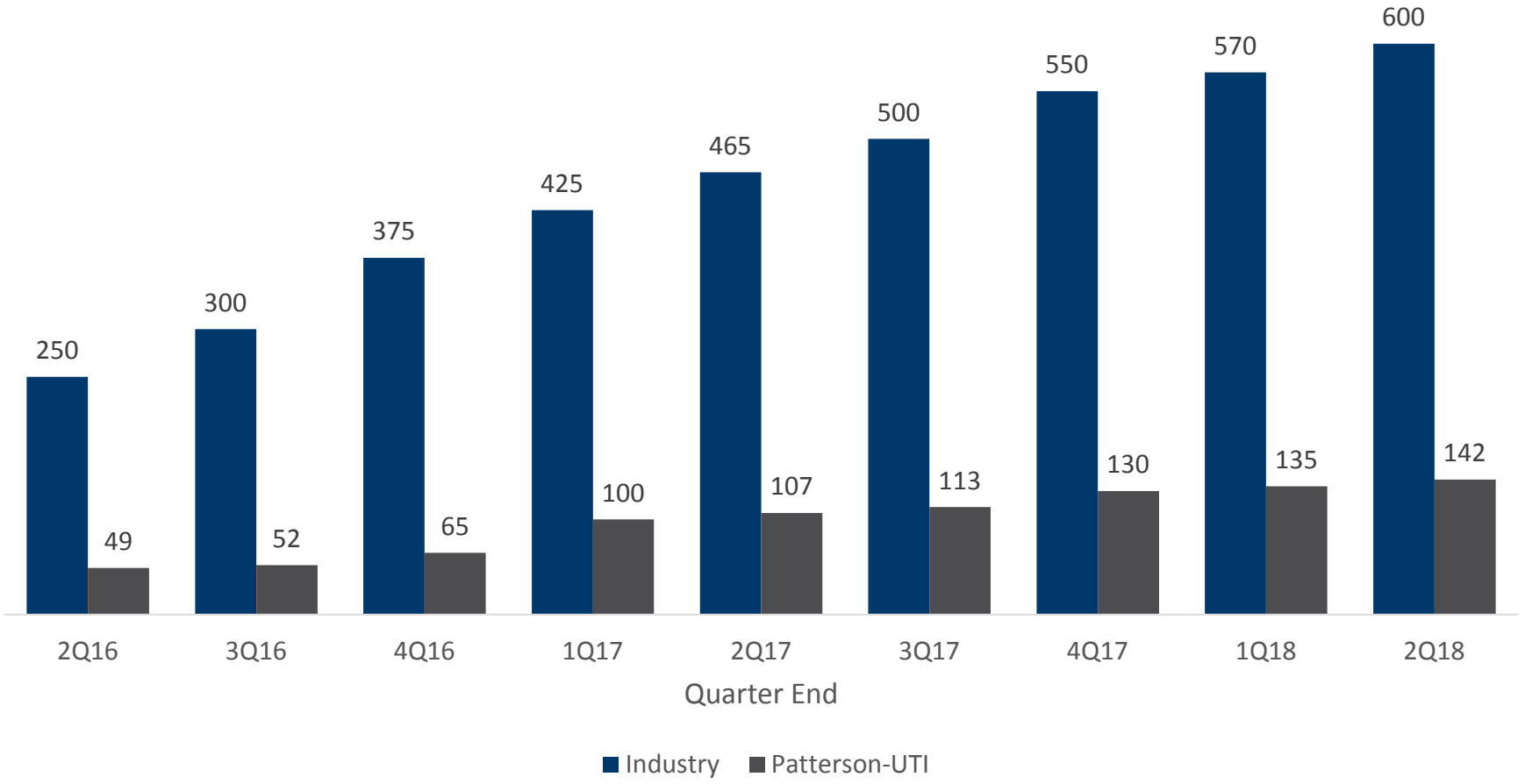
Current Rig Count
8/25/18



Source: Patterson-UTI estimates

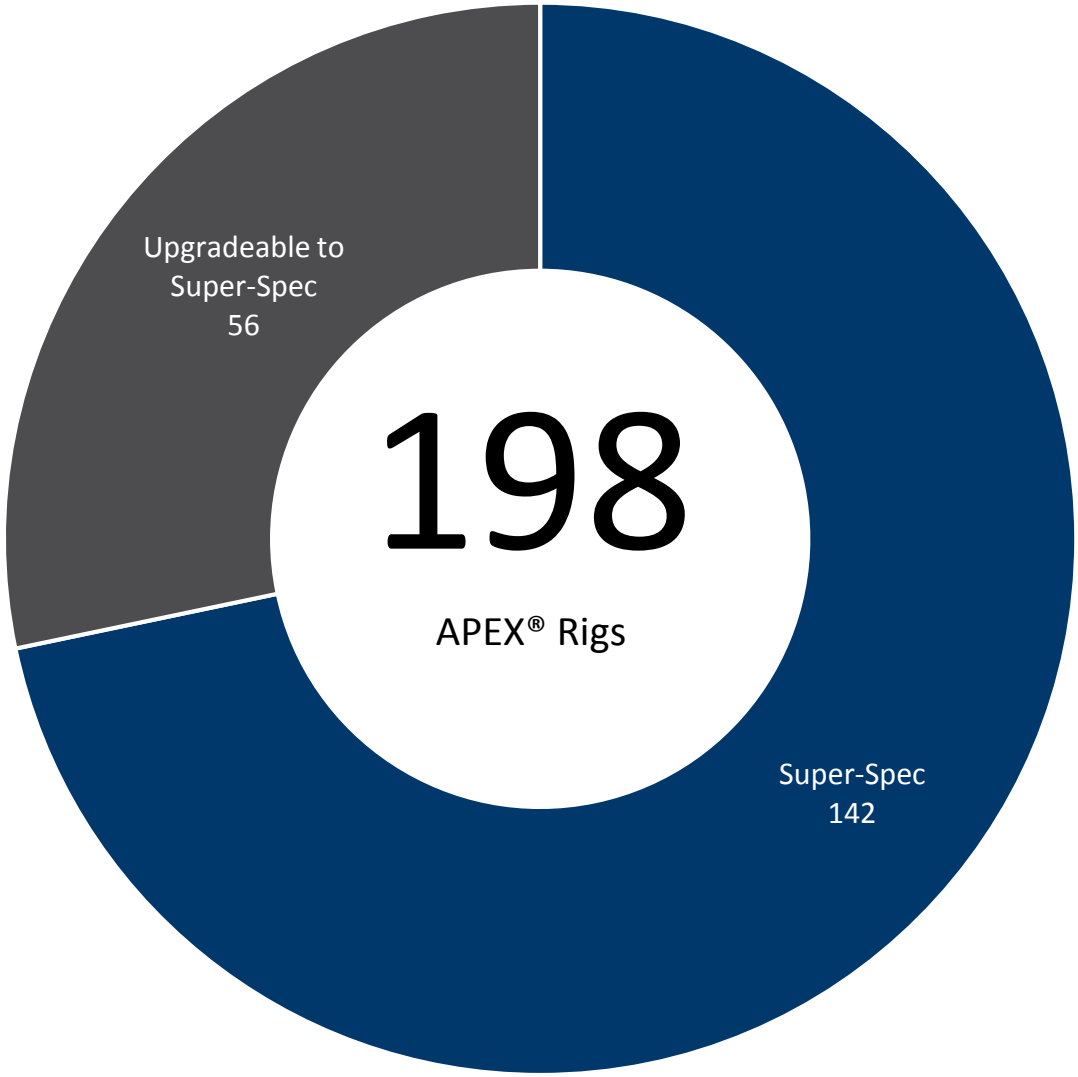
U.S. Land Super-Spec Rig Fleet Growth

- PTEN holding share in super-spec rig count growth
- Decrease in upgrade rate in 2018 shows capital discipline in market



Source: Patterson-UTI Estimates
Super-spec rigs defined as 1500hp AC-powered rigs with at least 750,000 pound hookload, pad moving system (walking or skidding) and a 7,500 psi high-pressure circulating system

Patterson-UTI APEX® Rig Fleet



Super-spec rigs defined as 1500hp AC-powered rigs with at least 750,000 pound hookload, pad-capable (walking or skidding) and a 7,500 psi circulating system

Patterson-UTI Major Upgrades to Super-Spec Capability

- Four additional major upgrades announced in July 2018 – each supported by a four-year customer contract
- Upgrade costs for these rigs expected to be approximately $15 million each. The payback on this cost is expected to be within the four-year contract duration
- Patterson-UTI continues to evaluate opportunities to upgrade additional rigs to super-spec capabilities

New or Refurbished Components on Upgraded Rigs:

- Mast
- Substructure with integrated walking
- Drawworks
- AC control systems
- AC traction motors
- Blowout preventers
- Catwalks
- Top drive
- Pumps
- Engines

The PTEN major rig upgrade to super-spec results in a "like new" rig

Directional Drilling

MS Directional, a **leading provider of directional drilling** services in the United States

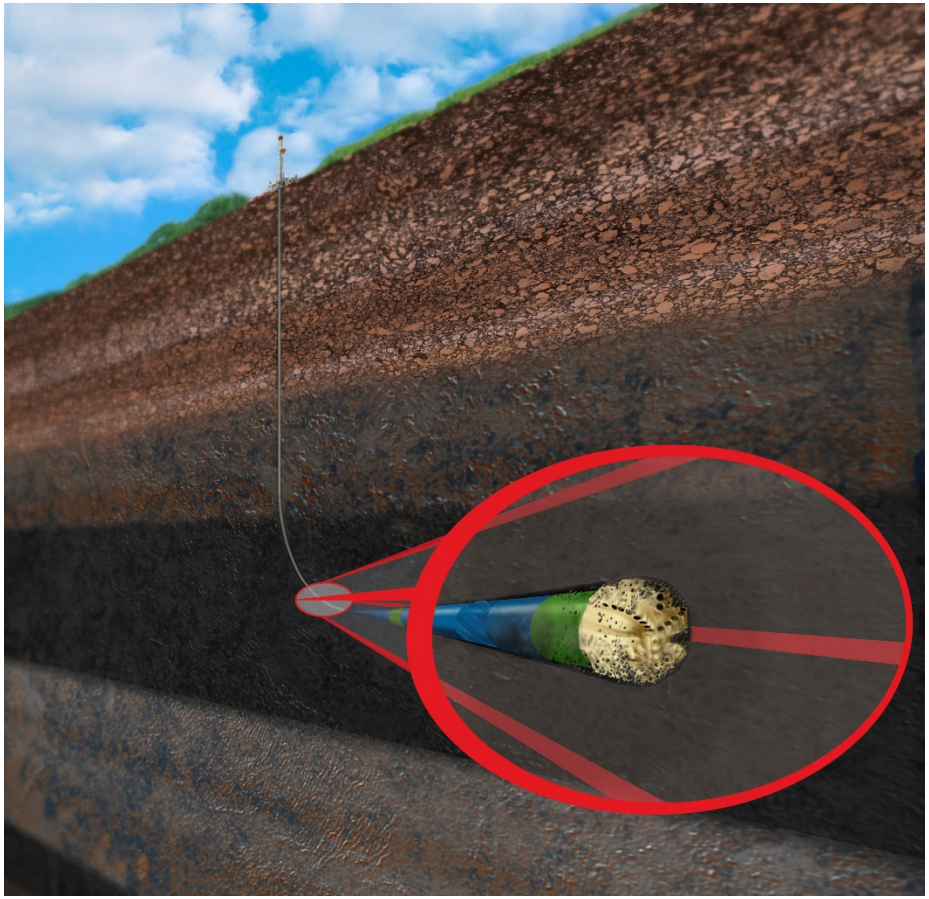
MS Directional has a **strong technology focus** with proprietary mud motor, MWD and survey equipment

Patented C^2 technology **enables high-speed electromagnetic telemetry** independent of geological formation constraints, which reduces both drilling time and expense



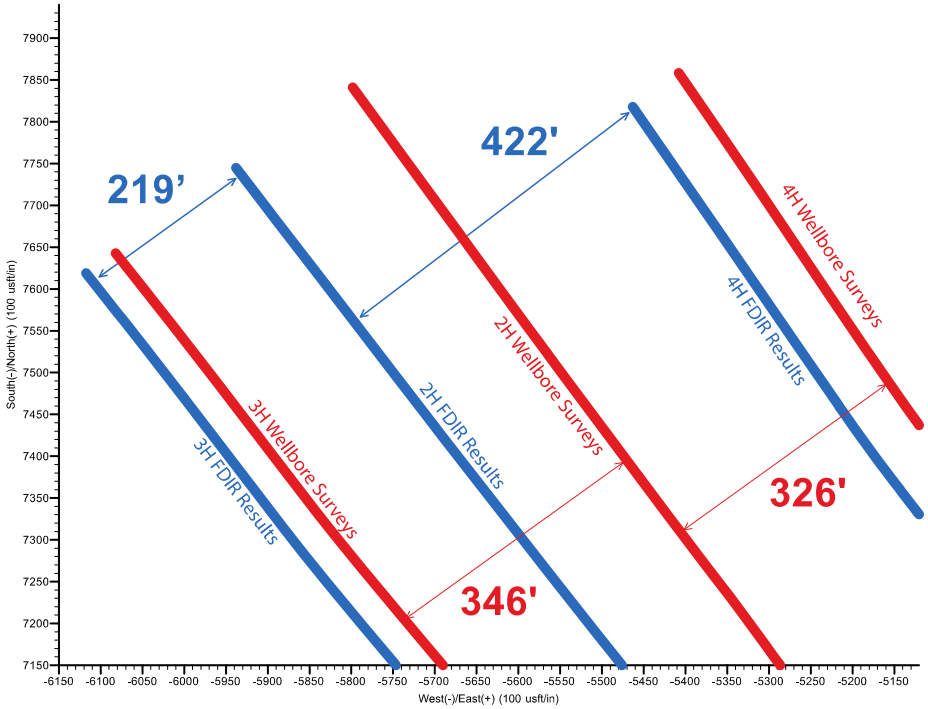
Superior QC

- Superior QC services increase the accuracy of wellbore placement to improve well-to-well spacing
- Reduces Ellipse of Uncertainty of MWD surveys
- More accurate well spacing provides for better production economics
- Superior QC is a leader in terms of speed, automation, accuracy, and technical capability



Example of Three-Well Pad Drilled Without Correction

FDIR placement vs MWD placement



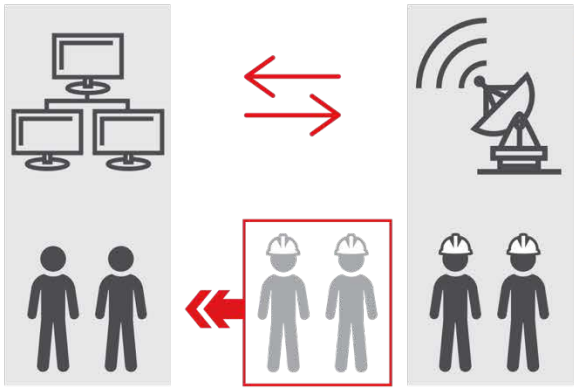
Well Name	% of Forecasted 1st Month Production
4H (right)	125%
2H (middle)	55%
3H (left)	110%

- Three wells (in red) were drilled without survey error corrections using standard MWD and within the industry standard field acceptance criteria
- Post drilling analysis with Superior QC FDIR shows actual well spacing was less than expected
- Uncertainty in well spacing can negatively impact production

Future Automation and Remote Operations

REMOTE OPERATIONS

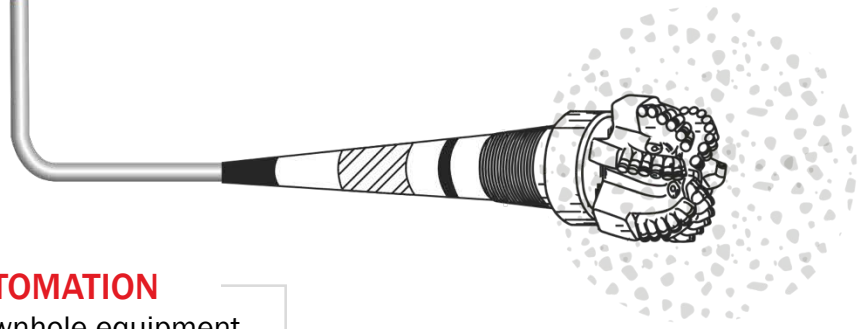
Remote operations allow a specialist to manage multiple wells at one time





RIG AUTOMATION

Consistent, automated processes at the wellsite limit safety risks, reduce well costs, streamline logistics and increase margins



DD AUTOMATION

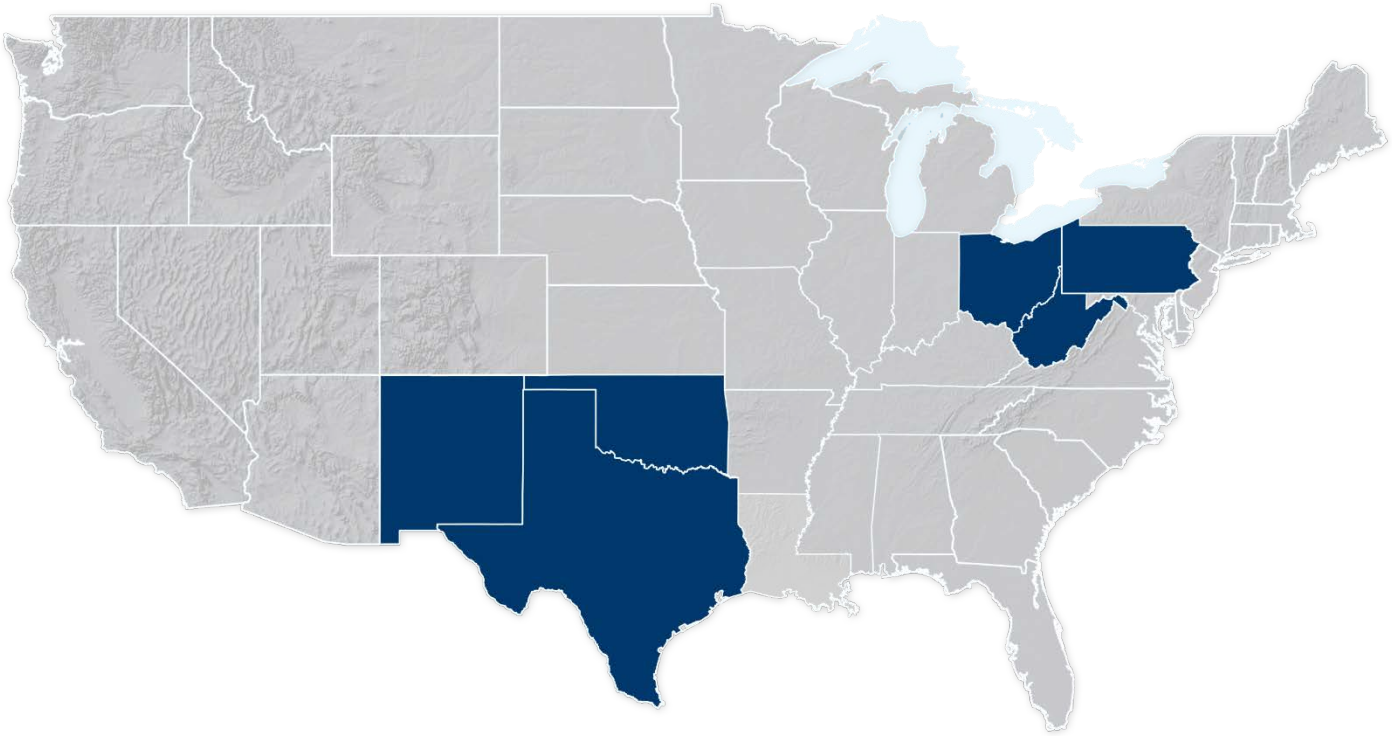
Controlling downhole equipment with software closed-loop automation enhances quality and efficiency

UNIVERSAL
PRESSURE PUMPING, INC.

A premier source for hydraulic fracturing, cementing, nitrogen and acidizing services for reservoir enhancement. Universal Pressure Pumping provides well services primarily in Texas and the Mid-Continent and Appalachian regions.



Pressure Pumping Footprint



Active Spread Count

25

By Region

As of July 26, 2018

WEST TEXAS / 8

SOUTH TEXAS / 7

APPALACHIA / 7

MID-CONTINENT / 3

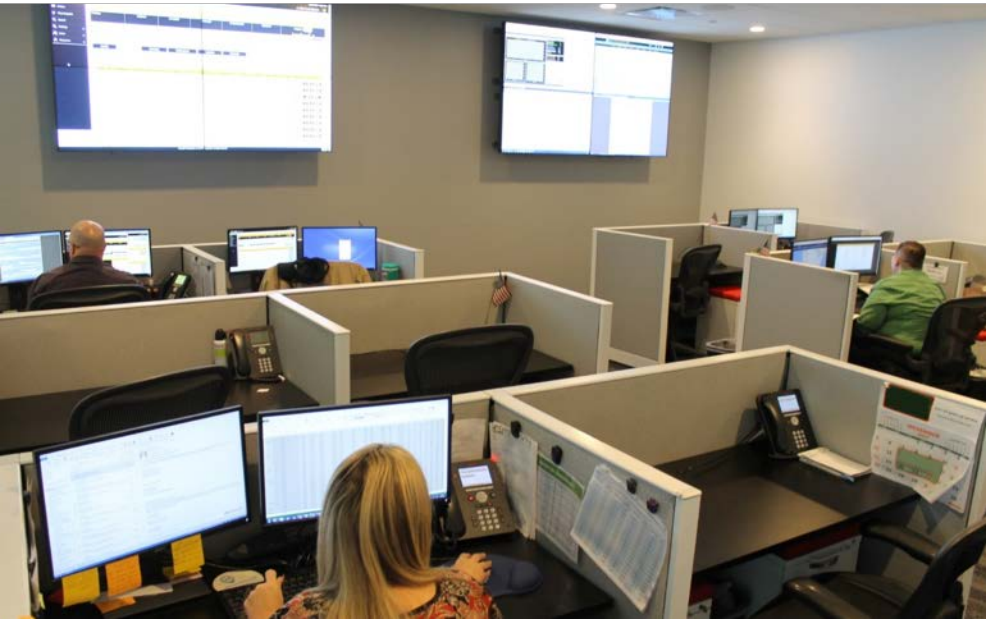
Innovative: Centralized Logistics Center

Efficient procurement and logistics of sand and chemicals are important to success in hydraulic fracturing.

Currently operational for Texas and Mid-Con and expanding to Appalachia

Centralized logistics center includes:

- 24/7 dispatch personnel
- central scheduling and tracking software
- smart phone apps in the field





Innovative Pressure Pumping Technology: Bi-Fuel

More flexible fuel source as engines can burn a fuel mix comprised of up to 70% natural gas

Reduces operating costs by lowering fuel costs

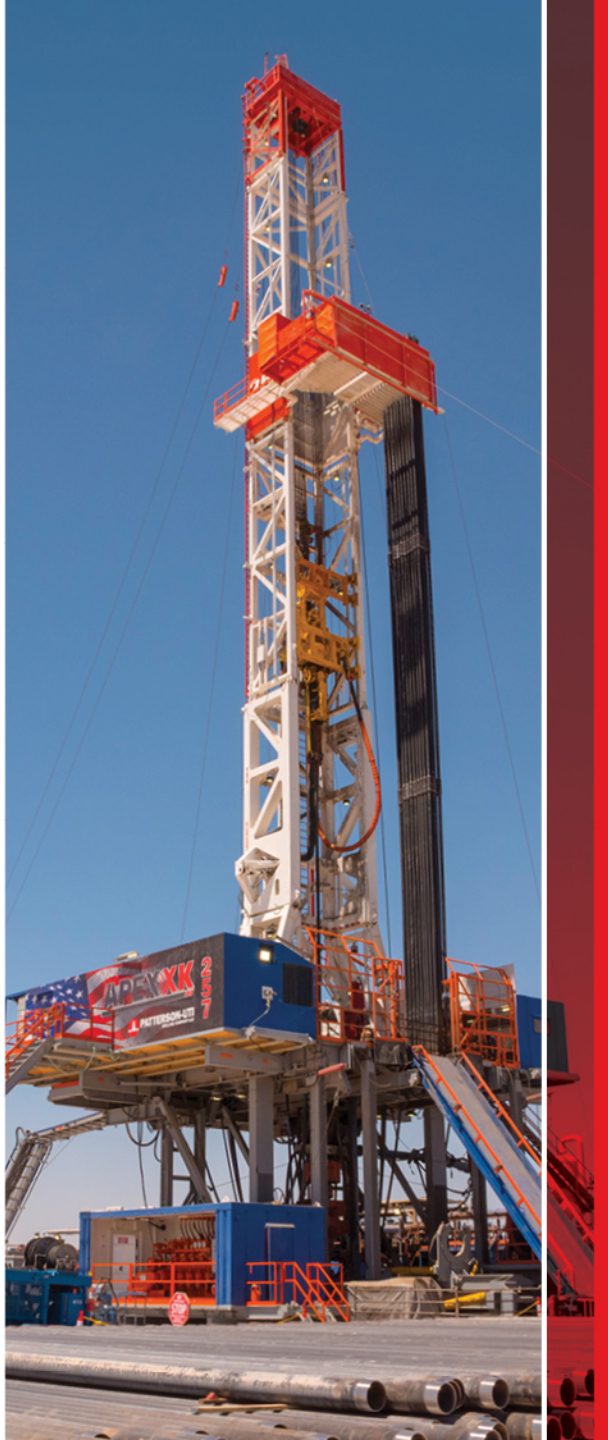
Comparable torque and horsepower to an all diesel engine

Good for environmental sustainability

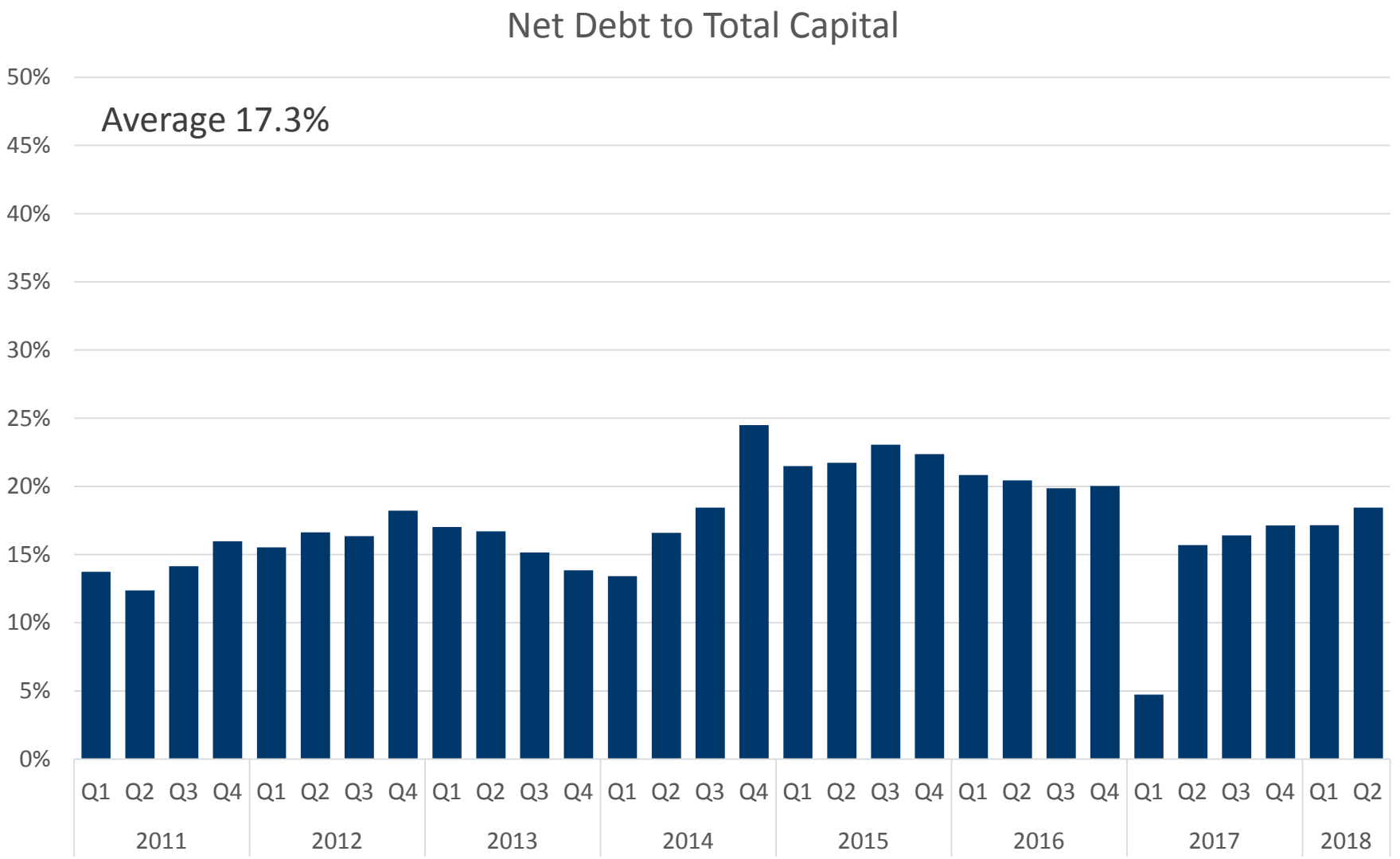


PATTERSON-UTI ENERGY INC.

Financial Information



Strong Balance Sheet



Strong Financial Position

Substantial Liquidity

- $242 million cash as of June 30, 2018
- $600 million revolver through March 2023

18.4% Net Debt/Total Capital at June 30, 2018

- $300 million term loan matures October 2020
- $300 million term loan matures June 2022
- $525 million 3.95% senior notes due 2028

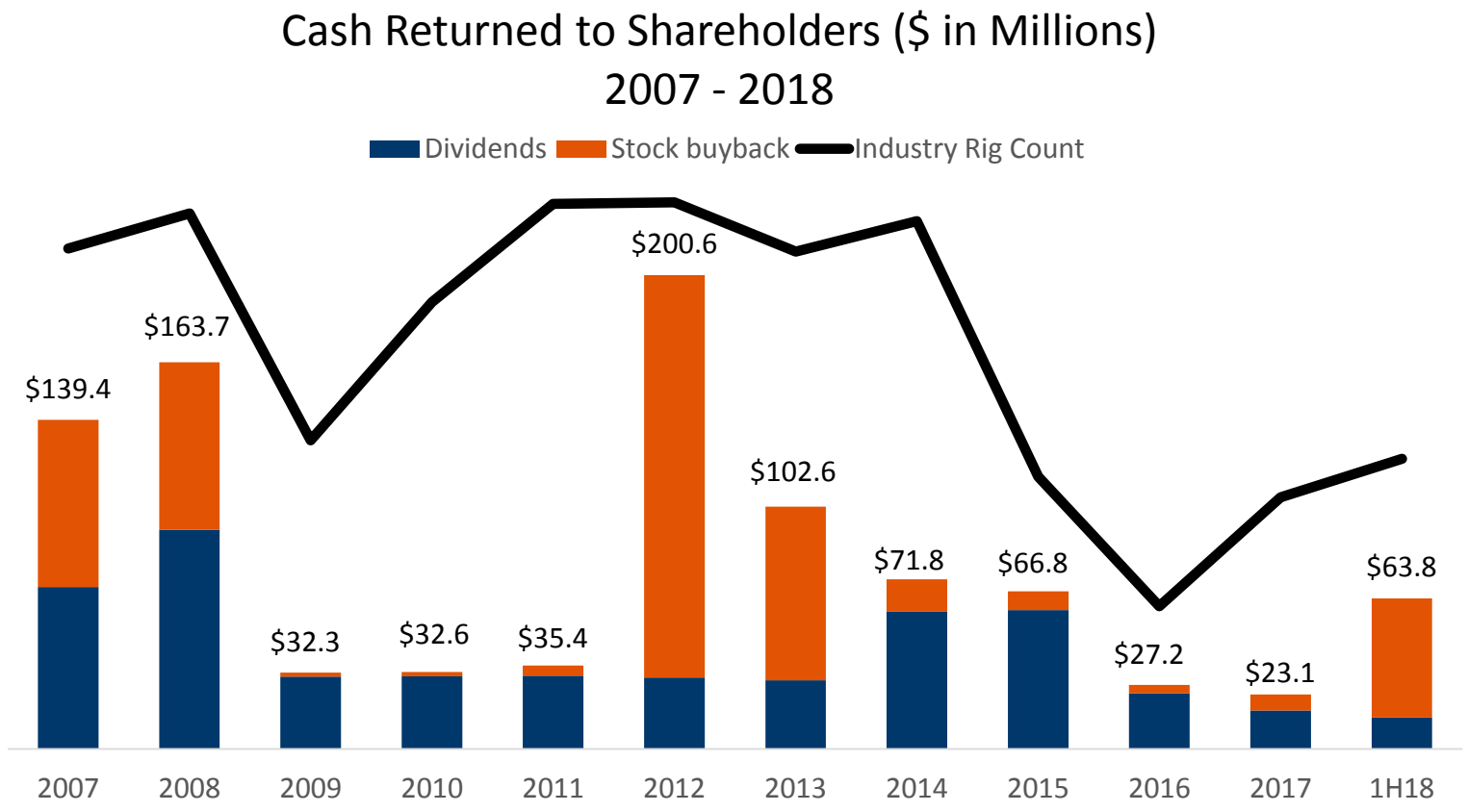
No term debt maturities until October 2020

Investment Grade Credit Rating

- Moody's – Baa2
- Standard & Poor's - BBB

A History of Returning Capital to Shareholders

- We expect to generate free cash flow in 2018
- Patterson-UTI has a history of returning capital to shareholders



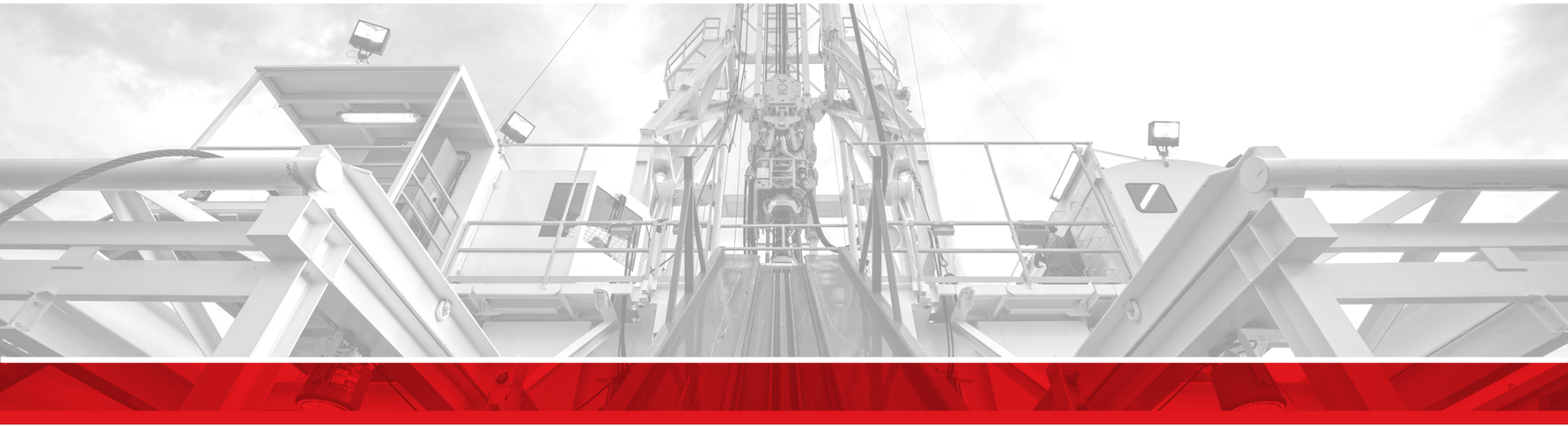
Source: Patterson-UTI company filings and Baker Hughes Rig Count

Why Invest in Patterson-UTI Energy?

- Patterson-UTI is the only company in the U.S. onshore unconventional market leveraged to the critical path services of contract drilling, pressure pumping, and directional drilling
- Patterson-UTI has a history of returning cash to shareholders when appropriate
- Patterson-UTI has a strong balance sheet



PATTERSON-UTI
ENERGY INC.



PATTERSON-UTI ENERGY INC.

Additional References



APEX® Class Rigs

198

APEX SERIES®

APEX-XK 1500®	67
APEX-XC®	1
APEX 300-Series®	52
APEX 1500®	41
APEX PK™	33
APEX 1000®	2
Other AC	2

Non-U.S. GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended March 31,
	2018	2017	2018	2017	2018
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (1)					
Net loss	$ (10,713)	$ (92,184)	$ (45,130)	$ (155,723)	$ (34,417)
Income tax benefit	(8,382)	(56,354)	(8,100)	(93,301)	282
Net interest expense	10,307	8,433	22,509	16,297	12,202
Depreciation, depletion, amortization and impairment	212,384	219,328	422,276	375,545	209,892
Adjusted EBITDA	$ 203,596	$ 79,223	$ 391,555	$ 142,818	$ 187,959
Total Revenue	$ 854,418	$ 579,186	$ 1,663,582	$ 884,361	$ 809,164
Adjusted EBITDA Margin (Adjusted EBITDA / Total Revenue)	23.8%	13.7%	23.5%	16.1%	23.2%
Adjusted EBITDA by operating segment:					
Contract drilling	$ 130,687	$ 88,052	$ 244,501	$ 136,905	$ 113,814
Pressure pumping	78,499	52,441	160,410	71,800	81,911
Directional drilling	4,196	—	10,185	—	5,989
Other	5,052	3,557	10,277	3,778	5,225
Corporate	(14,838)	(64,827)	(33,818)	(69,665)	(18,980)
Consolidated Adjusted EBITDA	$ 203,596	$ 79,223	$ 391,555	$ 142,818	$ 187,959

(1) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is not defined by U.S. GAAP. We define Adjusted EBITDA as net income (loss) plus net interest expense, income tax expense (benefit) and depreciation, depletion, amortization and impairment expense (including impairment of goodwill). We present Adjusted EBITDA because we believe it provides to both management and investors additional information with respect to the performance of our fundamental business activities and a comparison of the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be construed as an alternative to the U.S. GAAP measure of net income (loss). Our computations of Adjusted EBITDA may not be the same as similarly titled measures of other companies. Set forth below is a reconciliation of the non-U.S. GAAP financial measure of Adjusted EBITDA to the U.S. GAAP financial measure of net income (loss).