



Acquisition of GEODynamics

December 13, 2017



Forward-looking Statements

We include the following cautionary statement to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statement made by us, or on our behalf. The factors identified in this cautionary statement are important factors (but not necessarily all of the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by us, or on our behalf. You can typically identify forward-looking statements by the use of forward-looking words such as "may," "will," "could," "project," "believe," "anticipate," "expect," "estimate," "potential," "plan," "forecast," and other similar words. Forward-looking statements may include statements regarding our future financial position, budgets, capital expenditures, projected costs, plans and objectives of management for future operations and possible future acquisitions. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, we caution that, while we believe such assumptions or bases to be reasonable and make them in good faith, assumed facts or bases almost always vary from actual results. The differences between assumed facts or bases and actual results can be material, depending upon the circumstances. Where, in any forward-looking statement, we, or our management, express an expectation or belief as to the future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. Taking this into account, the following are identified as important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, our company: the level of demand for and supply of oil and gas, fluctuations in the current and future prices of oil and gas, the level of drilling activity, the level of offshore oil and gas developmental activities, general economic conditions, our ability to find and retain skilled personnel, the availability of capital, and the other factors discussed within the "Business" and "Risk Factors" sections of our Form 10-K for the year ended December 31, 2016 filed by Oil States with the SEC on February 17, 2017, as well as risks and uncertainties relating to our ability to successfully complete the acquisition on a timely basis, including receipt of required regulatory approvals and satisfaction of other conditions; if the acquisition is completed, the ability to retain GEODynamic's customers and employees, the ability to successfully integrate GEODynamic's operations, product lines, technology and employees into our operations, and the ability to achieve the expected synergies as well as accretion in earnings. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof, and, except as required by law, we undertake no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments.

GEODynamics Company Overview

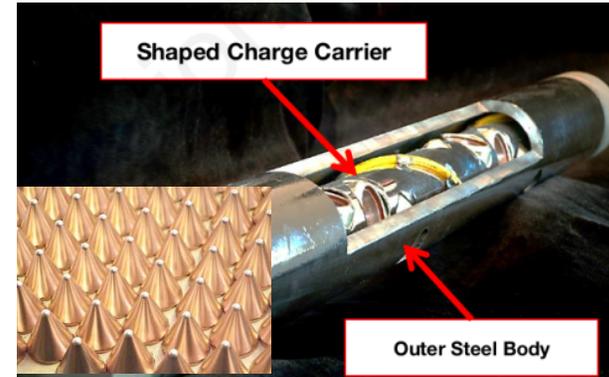
-  Founded in 2004 as a researcher, developer and manufacturer of consumable engineered products for completion applications
- Technology leader for oil and gas well perforating systems, downhole completion, intervention, and wireline conveyed solutions
- Product innovation driven internally by engineering personnel at its manufacturing and testing facilities as well as through collaborative relationships with E&P operators
- Over 40 issued patents
- Headquartered in Millsap, Texas (near Fort Worth) on a 350-acre campus supporting the company's engineering, product testing, manufacturing, sales and administrative functions
- Employs over 370 personnel in 14 locations



GEODynamics Product Offerings

▪ Engineered Perforation Solutions

- Pioneered advancements in perforation technology using patented and proprietary systems combined with advanced modeling and analysis tools
 - Hole size, depth and quality of tunnels are key factors for optimal production



Perforating Gun and Charges (inset)

▪ Completion Products and Technology

- Proprietary toe valve and frac plug products
 - Focused on zonal isolation for hydraulic fracturing of horizontal wells



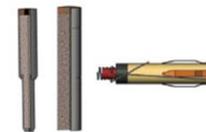
SmartStart PLUS ® Toe Valve



FracTrap ® Composite Plug

▪ Legacy® Oil Tools

- Broad range of consumable products used in completion, intervention and decommissioning applications



Power Charges and Igniters



Setting Equipment



Bi-Directional Booster



Bridge Plug



Jet Cutter



Cement Retainer

Strategic Rationale for Acquisition

- Provider of proprietary consumable completion products
 - Supports recurring revenue streams at attractive margins
 - Supplies products with relatively high barriers to entry due to strict regulatory compliance associated with safe handling of explosive materials
- Proven track record of growth through technology innovation
 - Strong engineering culture supported by an R&D facility and both in-house and outsourced manufacturing
 - Offers robust growth pipeline of technologies complementary to Oil States' current product lines with opportunities to expand domestically and internationally
- Strong free cash flow generation
- Direct technical relationships with blue-chip customer base
- Management team brings a combined 100 years of industry experience
- Strong brand recognition

Transaction Summary

Consideration

- **\$525 million** total consideration due at closing in return for 100% equity ownership of GEODynamics on a cash free, debt free basis
 - **\$300 million payable in cash**
 - To be funded with borrowings under Oil States' Revolving Credit Facility
 - **\$200 million in shares of OIS** (8.66 million shares; approximately 17% of Oil States' outstanding stock)
 - **\$25 million unsecured promissory note payable** to the sellers, bearing interest at 2.5% per annum which is due eighteen (18) months after the closing of the transaction

Financial Impact

- Expected GEODynamics 2017E revenues of approximately \$170 million
- Expect EBITDA margins to be accretive to Oil States
- Expected to be immediately accretive to earnings

Financing and Other

- Cash consideration funded via borrowings available under Oil States' Revolving Credit Facility
 - Will consider more permanent financing options in 2018
- Subject to regulatory approvals and other customary closing conditions
- Tentative closing date is in the first quarter 2018

Transaction Highlights - Executing on Our Strategy for Growth

- Unique acquisition opportunity with meaningful growth potential that combines technology with downhole consumable completion solutions
 - Will create a new segment, likely to be named “Downhole Technologies”
- Our strategic plan has focused on incremental products utilized in U.S. horizontal and U.S. GOM (shelf and deepwater) wells along with international markets
 - Highly complementary products that provide opportunities for incremental revenue and an expanded customer base
- Demand drivers include longer lateral lengths, increased frac stages and more perforation clusters for increased unconventional well productivity
- Focused on driving revenue synergies
 - Expect the acquired technology and products to benefit from Oil States’ U.S. and global footprint, operating excellence and strong balance sheet
- Strong strategic and cultural fit between our companies

