MAMMOTH ENERGY

# 2Q 2017 Earnings Presentation

# Forward Looking and Cautionary Statements

**Forward-Looking Statements**

The information in this investor presentation of Mammoth Energy Services, Inc. ("Mammoth" or "Mammoth Energy") includes "forward-looking statements." All statements, other than statements of historical fact included in this presentation, regarding Mammoth's strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Mammoth's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in Mammoth's annual report on Form 10-K filed for the year ended December 31,2016 with the Securities and Exchange Commission (the "SEC") on February 24, 2017, and other risks described in subsequent filings Mammoth makes with the SEC, including Mammoth's reports on Form 10-Q and Form 8-K. We caution you that these forward-looking statements are subject to the risks and uncertainties, of which are beyond our control, incident to the exploration for and development, production, gathering and sale of oil and natural gas most of which are difficult to predict and are beyond our control. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures and the risk factors discussed in or referenced in the annual report on Form 10-K referenced above and other filings Mammoth makes with the SEC. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. Except as otherwise required by applicable law, we disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

This presentation includes financial measures that are not presented in accordance with generally accepted accounting principles ("GAAP"), including Adjusted EBITDA. While management believes such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. Please see the Appendix for reconciliations of those measures to comparable GAAP measures.

**Industry and Market Data**

This presentation has been prepared by Mammoth and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Mammoth believes these third-party sources are reliable as of their respective dates, Mammoth has not independently verified the accuracy or completeness of this information. Some data are also based on the Mammoth's good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

# Key Investment Highlights

Acquisitions Enhance Service Offerings – Demand Remains Strong

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| | |
|---|---|
| **STRONG 2Q17 RESULTS** | ❑ 2Q revenues of \$98 million, net loss of \$1.2 million and adjusted EBITDA of \$15 mm(1), resulting in EBITDA margins of 16%<br>❑ Rig count increases driving pressure pumping and sand demand with pricing remaining strong despite recent industry supply additions |
| **ACCRETIVE ACQUISITIONS** | ❑ Taylor Frac and Chieftain Sand transactions will expand processing capability to ~4 Mmtpa by year-end 2017 with an estimated 75 million tons of reserves(2)<br>❑ Further integration of OFS offerings through acquisitions of Stingray Cementing and Stingray Energy Services<br>❑ Fully integrated completion model including pressure pumping, sand, logistics and water transfer |
| **SIGNIFICANT EXPOSURE TO THE SPOT MARKET** | ❑ Nearly 300,000 Hhp or 6 high pressure fleets(3) underpinned with 1/3 capacity dedicated to Gulfport Energy under contract through 3Q 2018. Four fleets will be exposed to improving spot market.<br>❑ Demand for both pressure pumping and sand remains high with frac calendar fully booked into 4Q 2017 and discussions on-going for 2018. Strong demand expected to put upward pressure on pricing.<br>❑ Anticipate potential organic expansion of pressure pumping capacity to 400,000+ Hhp by YE 2019 based on customer demand |
| **INTEGRATED PRESENCE IN LOW COST BASINS** | ❑ Integrated portfolio of sand, pressure pumping, drilling and OFS assets exposed to the most economic plays in North America including the Utica, Permian, Eagle Ford and the SCOOP/STACK<br>❑ Taylor Frac, Piranha Proppants (formerly Chieftain Sand) and Muskie add integrated sand offering<br>❑ Last-mile solutions in the Marcellus/Utica, SCOOP/STACK and Permian |
| **PROVEN MANAGEMENT TEAM AND BALANCE SHEET** | ❑ Management has significant experience in operational efficiency and cost control<br>❑ Division heads have an average of 34 years of oilfield service experience<br>❑ Liquidity of ~\$114 million as of June 30, 2017 |

(1) See reconciliation of Adjusted EBITDA to comparable GAAP measures in the attached reconciliation slide and Mammoth's Form 8-K filed on August 3, 2017
(2) Includes an estimated 37 million tons at Taylor Frac and an estimated 38 million tons at Piranha Proppants (formerly Chieftain Sand)
(3) High pressure fleets consist of ~50,000 Hhp; Includes pressure pumping and related equipment on order for our sixth fleet expected to commence operations in October 2017.

# Financial Highlights

Strong cash flow generation

| ($ In millions except per share amounts) | Three Months Ended June 30 | |
|---|---|---|
| | 2017 | 2016 |
| **Revenue** | **$98** | **$69** |
| Cost of revenue | $77 | $51 |
| SG&A | $8 | $5 |
| Depreciation and amortization | $20 | $19 |
| Impairments | - | $2 |
| Operating gain (loss) | ($7) | ($7) |
| Net gain (loss) | ($1) | ($8) |
| **Adjusted EBITDA (1)** | **$15** | **$13** |
| EBITDA margin | 16% | 19% |
| Average share count (000) | 39,500 | 30,000 |
| Net income (loss) per share | ($0.03) | ($0.28) |

(1) See reconciliation of Adjusted EBITDA to net loss, the most comparable GAAP measure in the attached Adjusted EBITDA reconciliation slide at the end of this presentation and Mammoth's Form 8-K filed on August 3, 2017

# 2017 Capex Budget

Focused on Expanding Organically with Well Priced New Equipment

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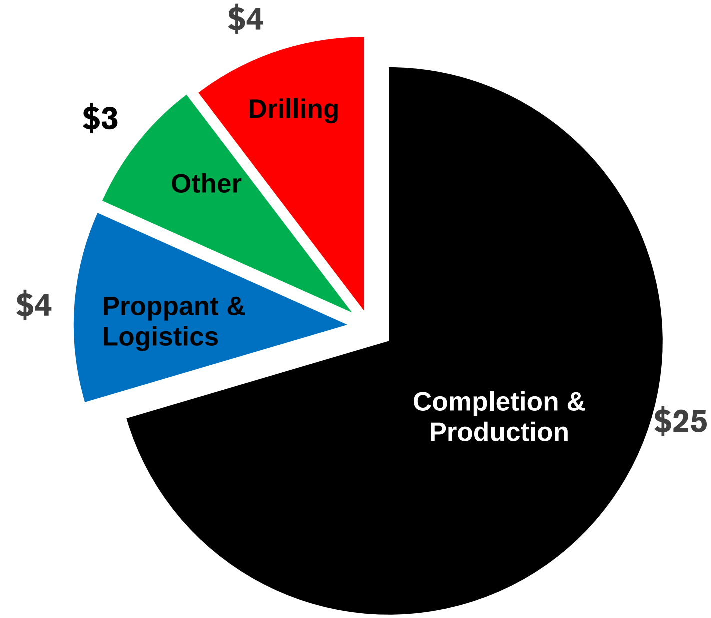
- 2Q capex of ~$35.5 million, excluding the business acquisitions, the majority of which was related to the acquisition of pressure pumping equipment.
- As previously announced, we have acquired 132,500 Hhp (3 high pressure fleets[1]) for less than $500 per horsepower including all associated equipment. Compares favorably to historical pricing of ~$1,000/Hhp and market values of equipment trading in public markets.
- Expand last-mile solution to the SCOOP/STACK and Permian Basins. Similar full integration (mine to wellhead) as Mammoth provides in the Utica/Marcellus basins.
- Expand Taylor Frac sand processing capacity from 0.7 Mmtpa to 1.75 Mmtpa in support of sand needs for six high pressure frac fleets upon delivery of additional equipment.
- Upgrading electrical systems and 7,500 psi mud systems on two of our horizontal rigs, making them more marketable in today's environment.
- Revolver borrowing base recently increased to $170 million (up from $144 million on March 31, 2017).

## 2Q 2017 Capex (in Millions)




**~$35.5 million**

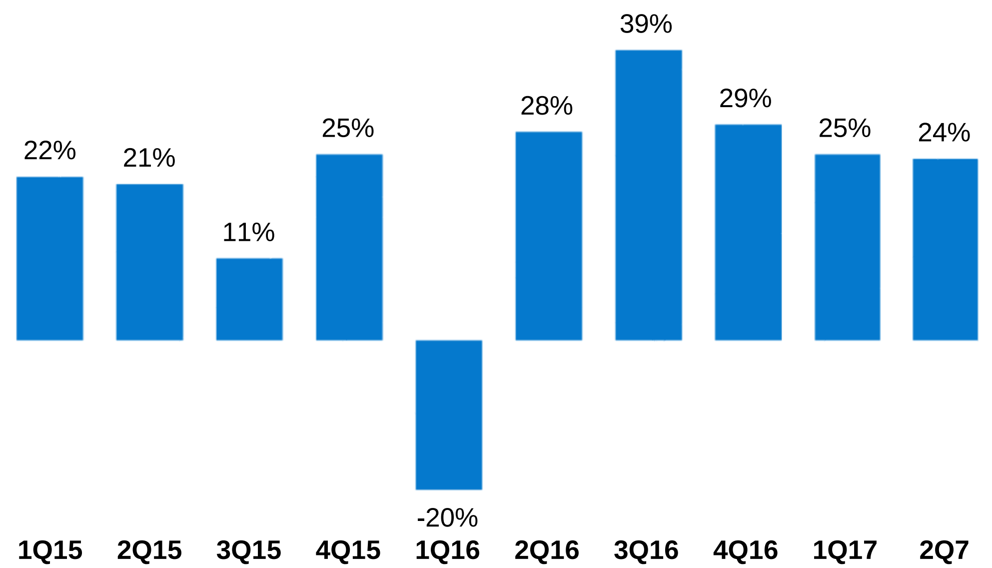
1) High pressure fleets consist of ~50,000 HHP per fleet

# Pressure Pumping Services

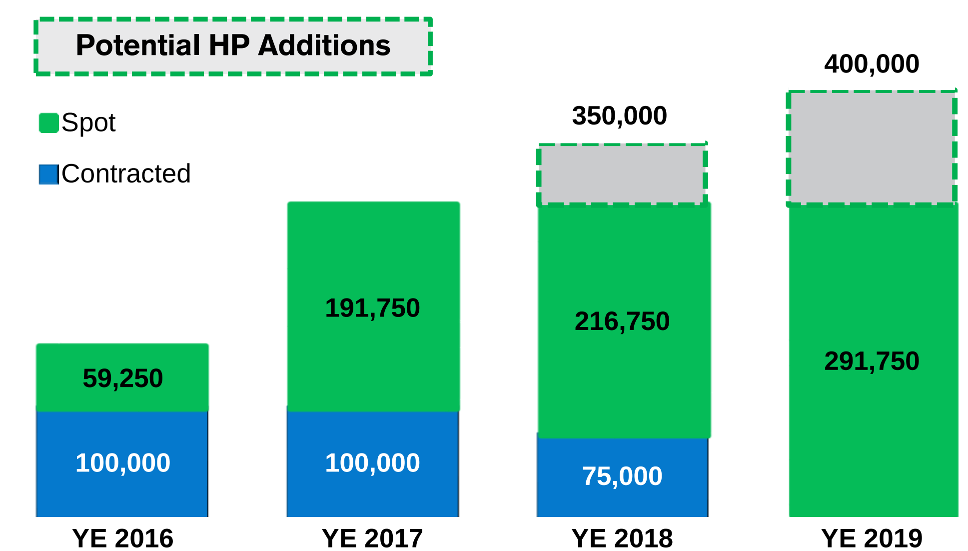
Demand/Price Fundamentals Remaining Strong Despite Recent Industry Supply Additions

- US land rig count increased 299 rigs so far in 2017, which is driving incremental demand for ~4.9 million Hhp(1)
- Staffed and commenced operations of 4th fleet in mid-continent with 5th fleet startup in early August 2017
- Customer demand remains high – frac calendar is full into 4Q 2017 with preliminary discussions for 2018 on-going
- Strong customer demand continuing to put upward pressure on spot market pricing despite recent industry additions
- Sixth fleet expected to commence operations in early 4Q 2017
- EBITDA margins remain strong despite recent startup costs
- Pumped 1,287 stages in 2Q, up 49% sequentially
- Taking a conservative approach to additional expansion given current environment

## Pressure Pumping EBITDA Margins




## Leverage to the spot market (2)




(1) Based on 2.75 rigs per frac spread and an average fleet size of 45,000 Hhp
(2) Two fleets contracted through September 30, 2018

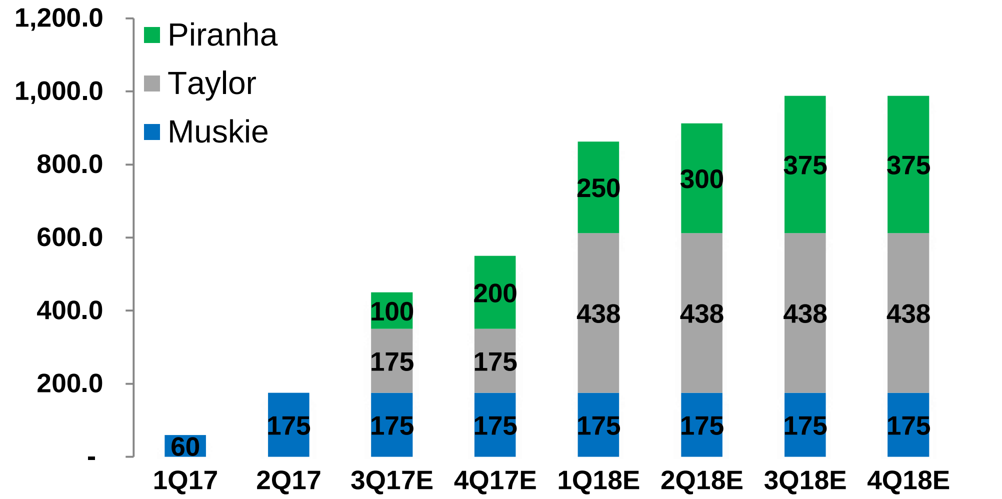
# Proppant Market Showing Strong Demand

Higher intensity completions and longer laterals driving proppant demand

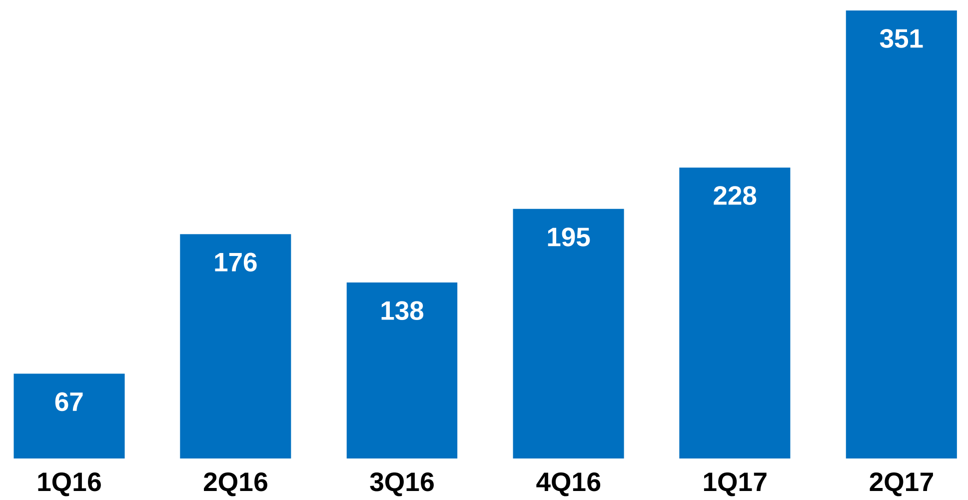
## Demand for High Quality Frac Sand Remains Strong

- Demand for high quality frac sand continues to increase despite recent supply additions
- Pricing for 40/70 remains in the mid $40’s per ton with some spot pricing seen in the $50’s per ton
- Startup of Piranha facility progressing with volumes sold during June.(1)
- Signed attractive three year take-or-pay contract for 0.72 Mmtpa with third-party, securing cash flows
- Adding rail car leases with more than 1,650 cars in fleet today at attractive rates

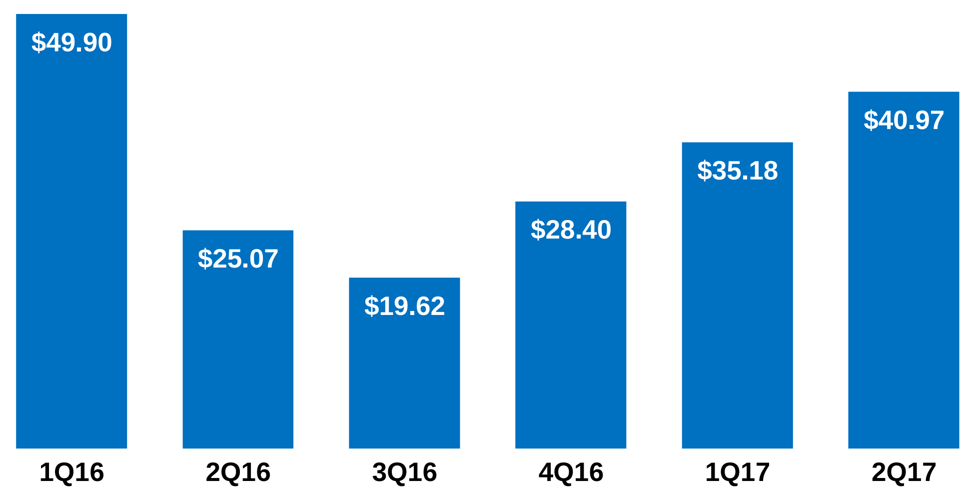
## Anticipated Sand Production (1) (000 tons per Quarter)




## Mammoth Frac Sand Deliveries (000 Tons)




## Sand pricing rebounding off of lows (Avg price/ton)



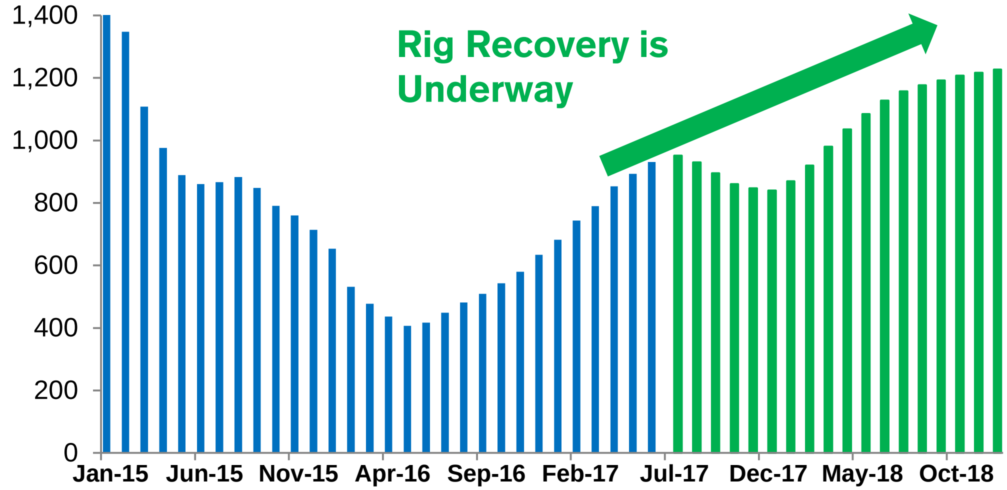

(1) The Muskie plant was restarted in late February and processed minimal volumes in 1Q 2017. The ramp up of production from the Piranha Proppants plant is expected during 2018 to the full capacity of 1.5 Mmtpa.

# Contract and Directional Drilling Services

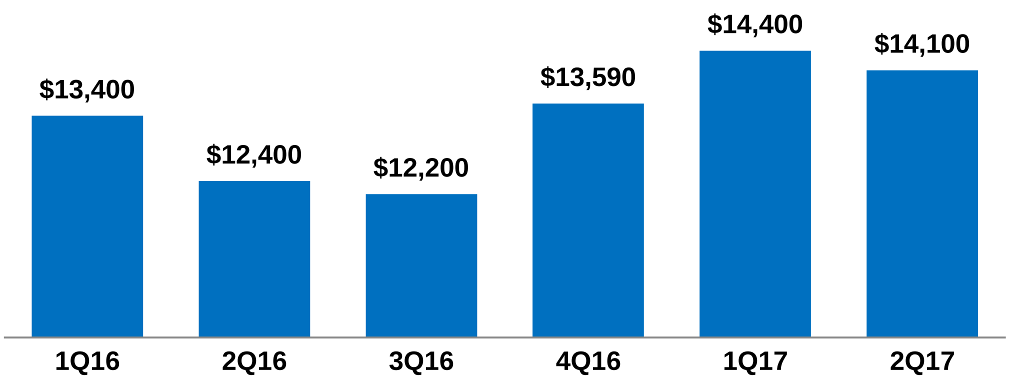
Permian Demand Driving Rig Activations & Rig Moves

- Averaged six rigs operating during 2Q.
- Average day rate in June $15,403
- Completed upgrades to two rigs to convert electrical systems and 7,500 PSI mud systems.
- Expect to operate five to six rigs during second half of 2017.
- ROR will drive additional upgrade opportunities
- Bison trucking seeing strong third-party demand for rig moving services
- Startup of Bison Logistics to capitalize on tightness in sand hauling

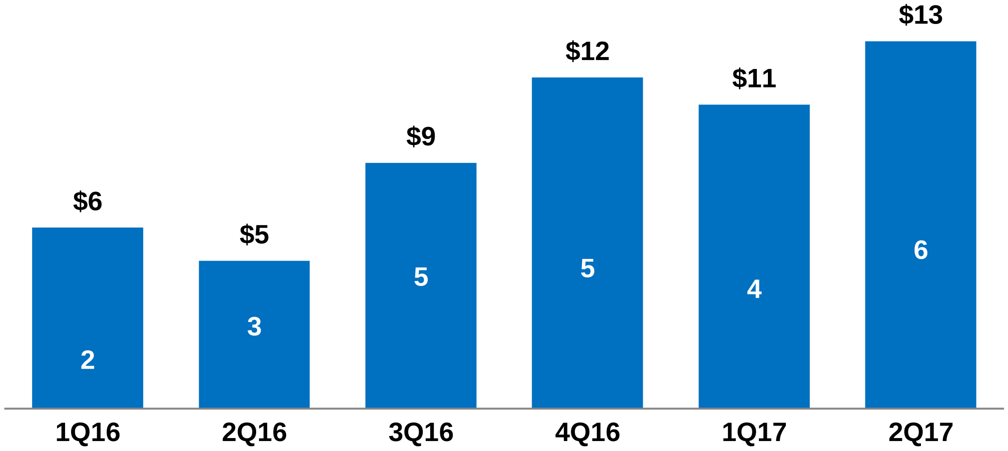
## US Rig Count (1)




## Bison Drilling Average Rig Day Rates




## Drilling Segment Revenue ($MM) and Avg Rig Count




(1) Historical rig count from Baker Hughes; Forecasted rig count provided by Raymond James Research

# Improved Outlook for 2017 and Beyond

Strong Rig Count Growth Driving Increased Demand for Pressure Pumping and Sand

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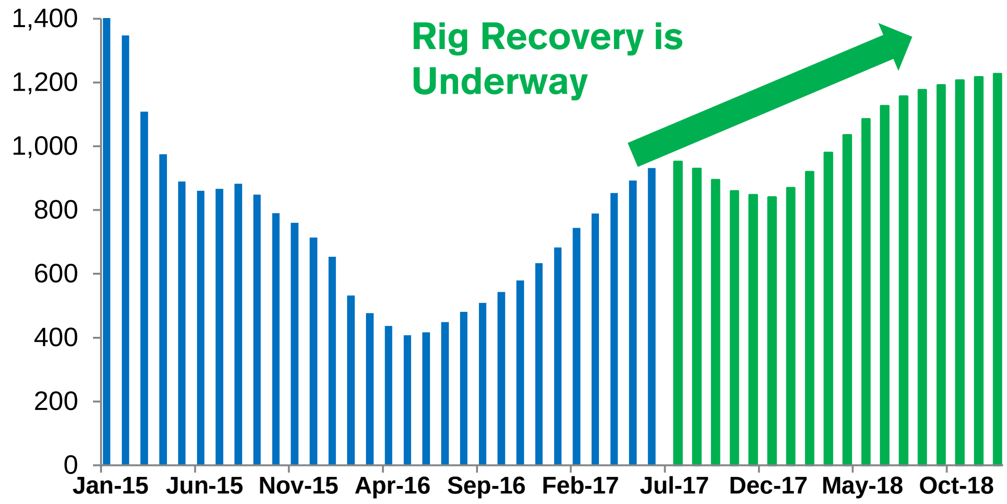
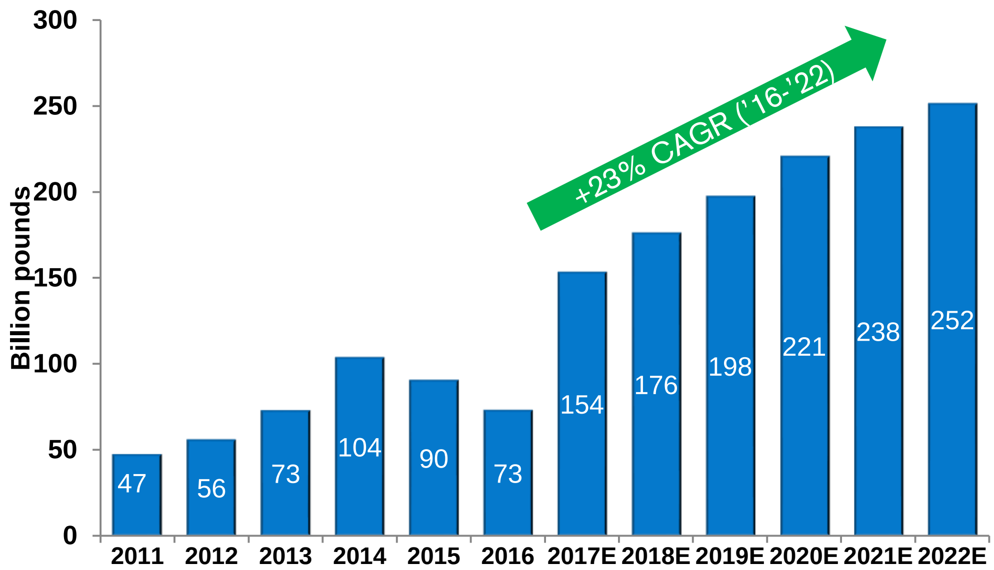
- Expansion into the mid-continent underway with one fleet currently operating in the area and the second expected to commence operations in early August
- US land rig count increases – 299 rigs so far in 2017 (1) - has created demand for ~4.9 million Hhp(2) of incremental demand
- Tight supply of pressure pumping and sand putting continued upward pressure on prices
- Evaluating further expansion opportunities with a particular focus on an integrated completion offering

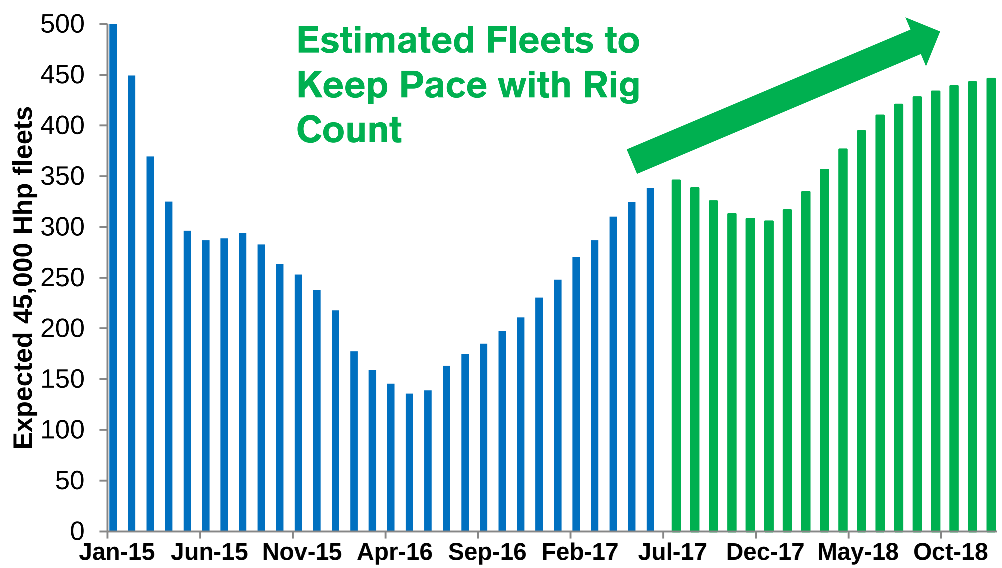
## US Rig Count (1)




## Sand Proppant Market Expanding (Billion pounds)




## Demand for Hydraulic Horsepower Increasing(2)




Source: IHS Energy Research, Raymond James Research
(1) Forecasted rig count from Raymond James; Historical rig count from Baker Hughes
(2) Based on 2.75 rigs per frac spread and an average fleet size of 45,000 Hhp

# Adjusted EBITDA Reconciliation

| Reconciliation of Adjusted EBITDA to net income (loss): | Three Months Ended June 30, 2017 | Three Months Ended June 30, 2016 |
|---|---|---|
| Net Income (Loss) | ($1,169,515 | ($8,403,337) |
| Depreciation and Amortization Expense | $19,893,399 | $18,810,615 |
| Impairment of long-lived Assets | – | $1,870,885 |
| Acquisition Related Costs | $961,237 | – |
| Equity Based Compensation | $1,050,062 | – |
| Bargain Purchase Gain | ($4,011,512) | – |
| Interest Expense | $1,111,608 | $1,012,031 |
| Other Expense (Income), net | $202,496 | ($626,716) |
| (Benefit) Provision for Income Taxes | ($2,804,077) | $789,375 |
| **Adjusted EBITDA** | **$15,233,698** | **$13,452,853** |

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net loss before depreciation and amortization expense, impairment of long-lived assets, acquisition related costs, equity based compensation, bargain purchase gain, interest expense, other non operating (income) expense, net (which is comprised of the (gain) or loss on disposal of long-lived assets) and (benefit) provision for income taxes. We exclude the items listed above from net income 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 considered as an alternative to, or more meaningful than, net income (loss) or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measure of other companies. We believe that Adjusted EBITDA is a widely followed measure of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

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