Oilfield Equipment & Service Markets

A 2024 Industry Outlook with Spears & Associates

Highlights for 2024

E&P discipline trumps oil price behavior

US Rig Count climbs 7% from today through Q4 2024

Oilfield "inflation" remains modest throughout the year

Investor capital returns to OFS...both equity and debt

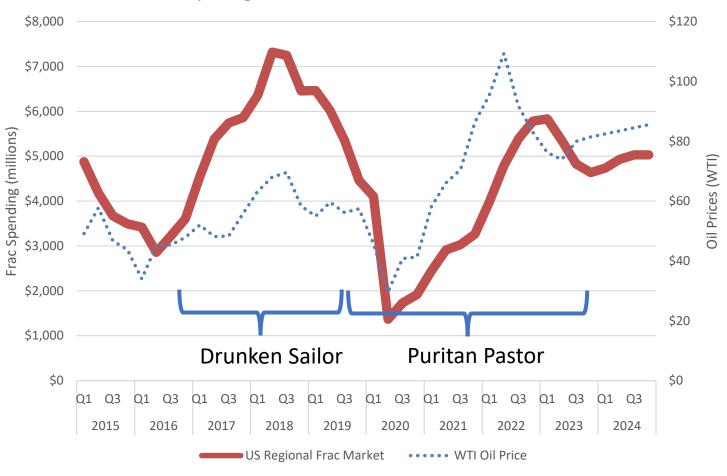
MPD advances globally faster than all other drilling technologies

15,000' laterals will become the standard

Strong drilling growth outside the US will starve capital inside the US

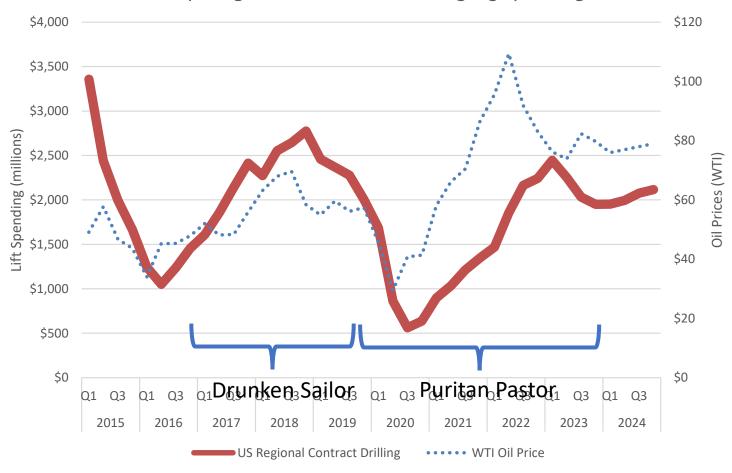
Drunken Sailor vs Puritan Pastor

Comparing Oil Price With US Land Frac Market

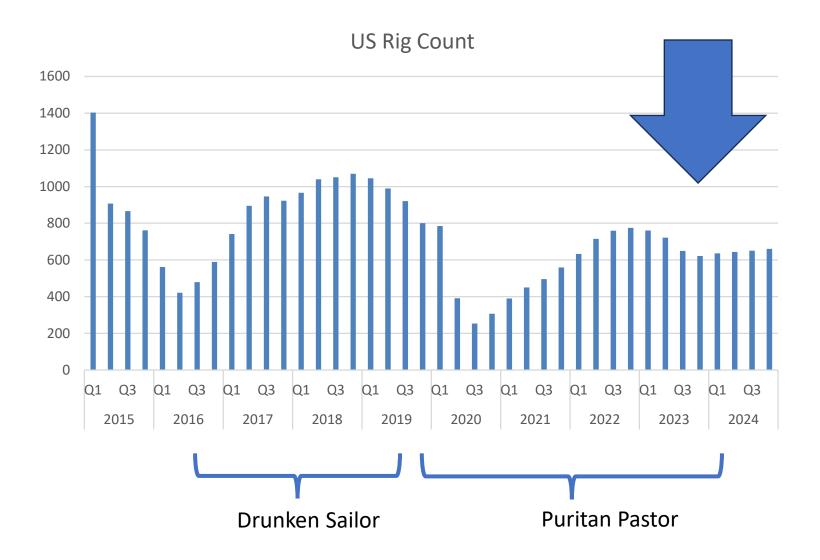


Drunken Sailor vs Puritan Pastor

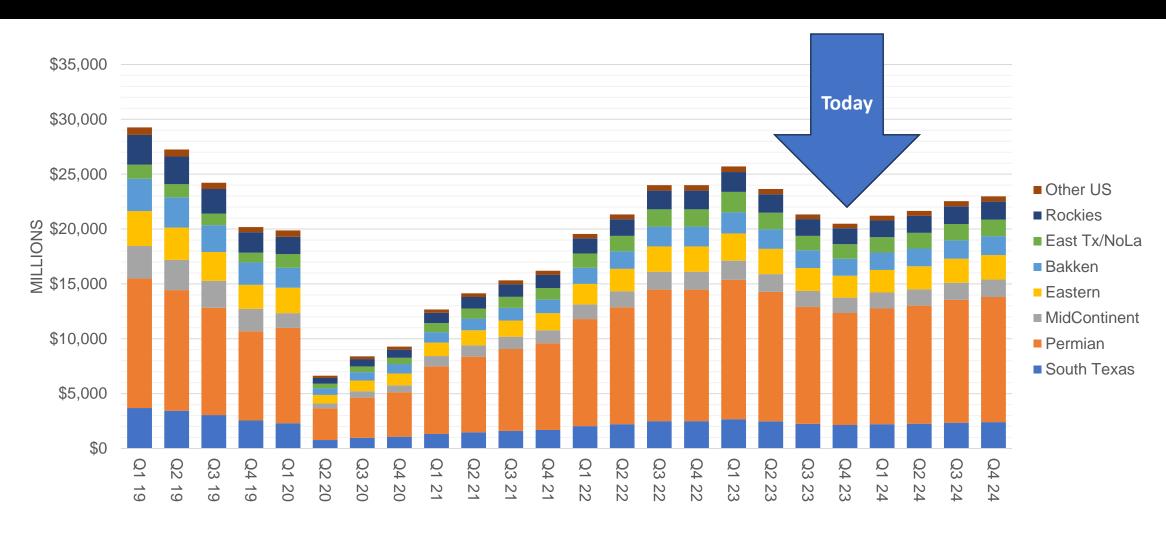
Comparing Oil Price With US Drilling Rig Spending



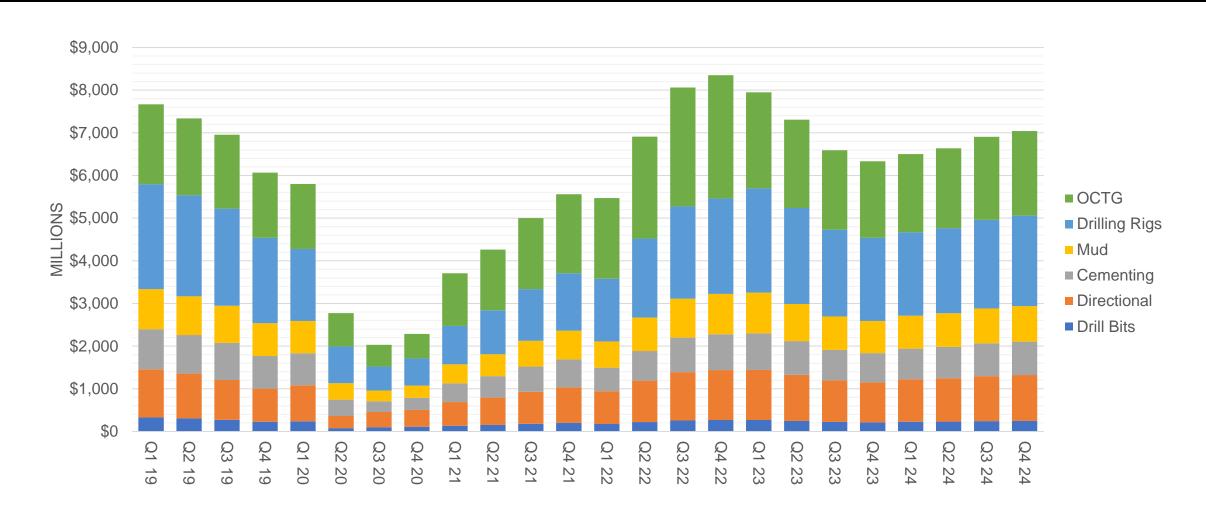
Are we already at the bottom of the cycle?



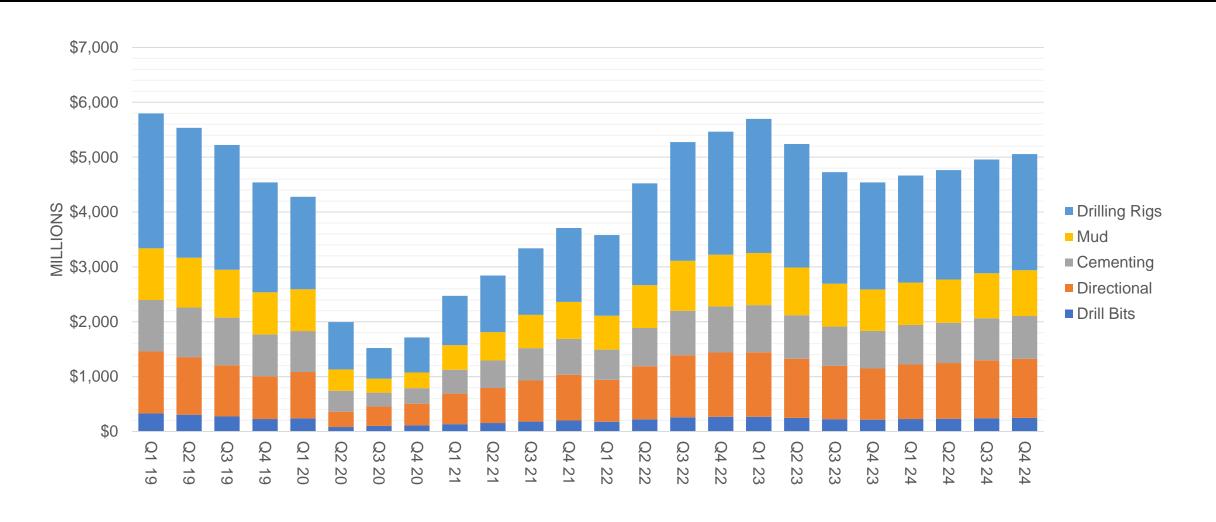
Total OFS Spending US Market by Quarter



A Look At US Land Drilling-Related Product/Service Spending

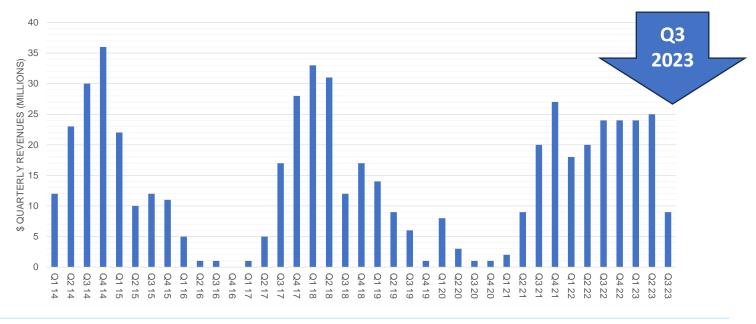


US Land Drilling-Related Product/Service Spending – no OCTG



Even frac companies are behaving like Puritan Pastors

Equipment Allison NoAm Off-Highway Sales



Spears & Associates

Most of Allison Transmissions' oilfield sales are through their North American off-highway group and most of that group's sales have been to the pressure pumping industry...and most notably, frac and cement. Allison's frac sales trail an uptick in the frac market by about one year. We believe that Allison's primary customers are Halliburton and PTEN/Nextier.



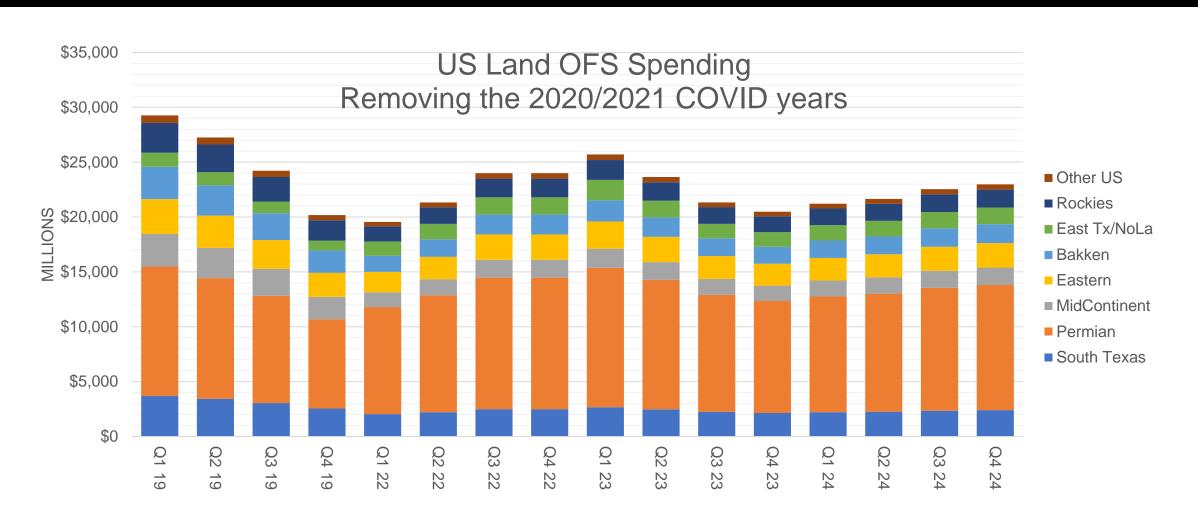
Consolidation Impact on FRAC services

PTEN Frac	LBRT Frac	<u>ProFrac</u>	<u>ProPetro</u>	<u>Halliburton</u>
PTEN NexTier Alamo	LBRT SLB WFT	ProFrac FTSI USWS		
Keene C&J		ProdSvs REV		
Rockpile Trican US				
19%	19%	10%	5% ¹⁰	23%

Consolidation Impact on DRILLING services

<u>DRILLERS</u>	DIRECTIONAL	<u>BITS</u>	<u>MUD</u>	CEMENTING
	Cathedral		Bentonite Mine	Cudd + Spinnaker
				ProPetro + Par Five

What if COVID never happened?



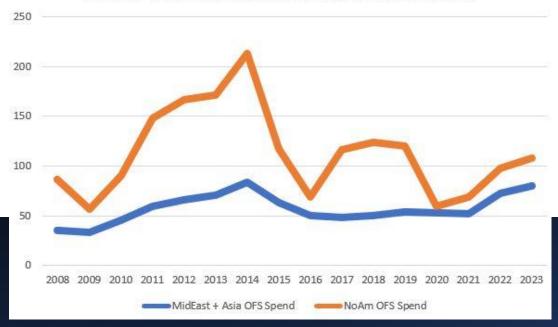
What if COVID never happened?



Does the Middle East distract HAL, SLB, & BKR?



Source: Oilfield Market Report (Spears & Associates)



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Oil & Gas:
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fuel for
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