HELMERICH & PAYNE, INC.

FORM 8-K
(Current report filing)

Filed 03/27/18 for the Period Ending 03/27/18

Address	1437 S. BOULDER AVE. SUITE 1400
	TULSA, OK, 74119
Telephone	918-742-5531
CIK	0000046765
Symbol	HP
SIC Code	1381 - Drilling Oil and Gas Wells
Industry	Oil & Gas Drilling
Sector	Energy
Fiscal Year	09/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF EARLIEST EVENT REPORTED: **March 27, 2018**

HELMERICH & PAYNE, INC.
(Exact name of registrant as specified in its charter)

State of Incorporation: **Delaware**

COMMISSION FILE NUMBER **1-4221**

Internal Revenue Service — Employer Identification No. **73-0679879**

1437 South Boulder Avenue, Suite 1400, Tulsa, Oklahoma 74119
(Address of Principal Executive Offices)

(918)742-5531
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 7.01 REGULATION FD DISCLOSURE

Helmerich & Payne, Inc. (the "Company") will discuss information to be distributed in investor meetings that includes the slides attached as Exhibit 99.1 to this Current Report on Form 8-K, which are incorporated herein by reference. In addition to other information, the attached slides provide revised expectations for the fiscal year as it pertains to capital expenditures, as well as other recently updated Company and industry drilling activity and market conditions.

This information is not "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing made pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. The furnishing of these slides is not intended to constitute a representation that such information is required by Regulation FD or that the materials they contain include material information that is not otherwise publicly available.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

Exhibit Number	Description
99.1	Slides to be distributed in investor meetings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed by the undersigned hereunto duly authorized.

HELMERICH & PAYNE, INC.
(Registrant)

By: /s/ Cara M. Hair
Name: Cara M. Hair
Title: Vice President, Corporate Services and Chief Legal Officer

DATE: March 27, 2018

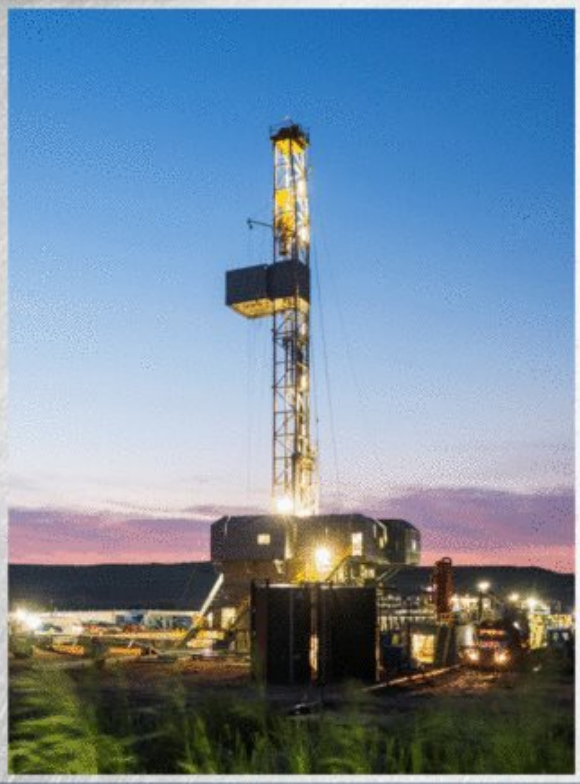
Exhibit 99.1


Helmerich & Payne, Inc.
Scotia Howard Weil 46th Annual Energy Conference
March 27-28, 2018

Forward-looking Statements

Statements within this presentation are “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, and are based on current expectations and assumptions that are subject to risks and uncertainties. All statements other than statements of historical facts included in this presentation, including, without limitation, statements regarding the Company’s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward looking statements. For information regarding risks and uncertainties associated with the Company’s business, please refer to the “Risk Factors” and “Management’s Discussion & Analysis of Financial Condition and Results of Operations” sections of the Company’s SEC filings, including but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. As a result of these factors, Helmerich & Payne, Inc.’s actual results may differ materially from those indicated or implied by such forward-looking statements. We undertake no duty to update or revise our forward-looking statements based on changes in internal estimates, expectations or otherwise, except as required by law.

Presentation Outline



- Market Conditions
- H&P's long term strategy
- Most capable and uniform land drilling fleet – Family of Solutions™
- Market share leader in the U.S.
- Technology driven wellbore quality and accuracy
- Very strong balance sheet and robust term contract backlog

Drilling Market Conditions

- Higher oil prices boding well for increasing drilling demand and continuing dayrate improvement
- Customer level of interest in putting additional rigs to work continues to increase
- Continue to experience additional demand for super-spec rigs as replacement cycle persists and well complexity increases
- Increasing our capital expenditures estimate to a range of $400 to $450 million (from a range of $350 to $400 million) for fiscal 2018 as a result of continuing improvement in market conditions
- Average FlexRig spot pricing in U.S. still in high-teens, while leading-edge super-spec FlexRig pricing is in the low-to-mid $20k/day range

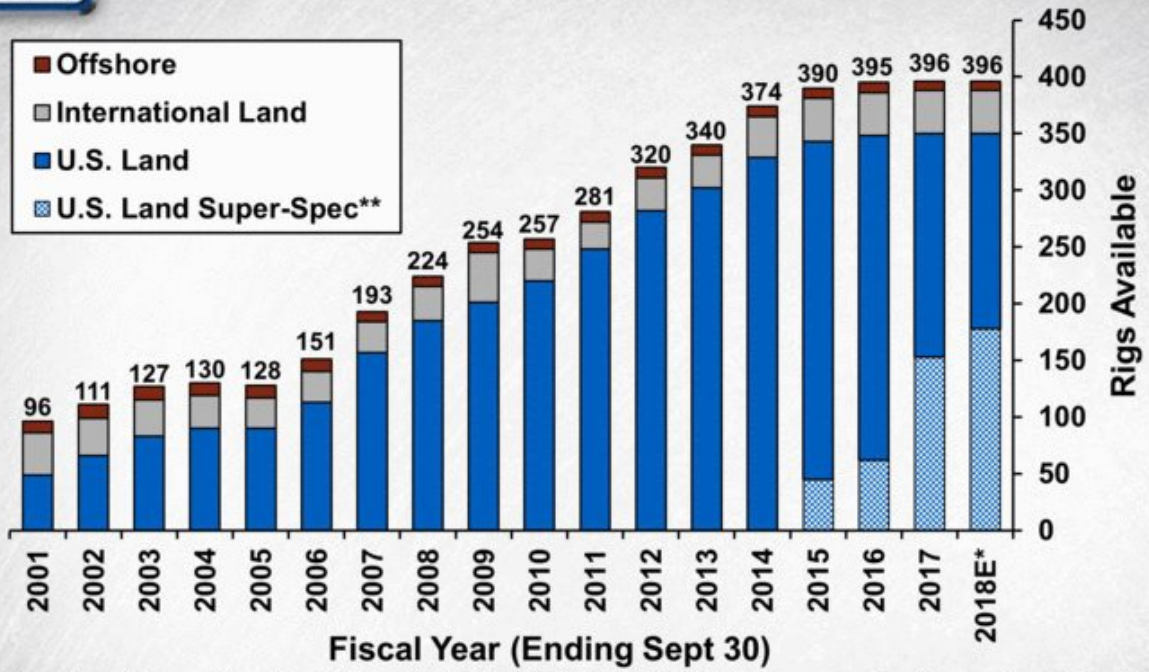
CapEx Upgrade Opportunities

- Continuing to see additional demand for upgrades driving our capex estimates higher for fiscal 2018
- Returns on upgrades are attractive
- Upgrading opportunities include:
  - 7,500 psi mud circulating systems
  - Investing in multi-well pad drilling capability
  - Third mud pump
  - 25,000+ ft setback capability
  - Increased mud volume capability
  - Other customer specific upgrades

H&P's Long Term Strategy

- Innovation
- Technology
- Safety, operational excellence and reliability
- Customer satisfaction
- Financial strength

H&P's Global Rig Fleet



* The U.S. Land Super-Spec portion of the 2018E global rig fleet is as of 3/27/2018. The Company plans to upgrade additional rigs to super-spec status throughout 2018.

** The combined rig specifications of AC drive with 1,500 hp drawworks, 750,000# hookload ratings, 7,500 psi mud circulating systems and multiple-well pad drilling systems fit the description of what some industry followers refer to as "super-spec" rigs (or "Super-Spec"). Additional capabilities, including third mud pumps, 25,000' setback, increased mud volume, etc., may also be included to meet customer requirements.

H&P's Experience and Expertise

- People, systems and the operational support structures in place to drive high performance and reliability
- 2,000+ rig years of AC drive operational experience
- Expertise within an integrated business model (designing, building and upgrading fleet) provides the best value solution for customers

H&P Uniquely Positioned – Family of Solutions™

- Positioned to take market share in a strong or moderate market recovery
- Uniquely leveraged to provide E&P companies the rig of choice
- Design of FlexRig fleet allows for broad range of rig upgrades and provides a digital platform

Competitive Benefits of Uniform FlexRig Fleet

- Uniform fleet creates adaptive environment to reach maximum efficiency for people, equipment and technology
- Uniform fleet is critical in increasingly complex basins providing consistent and reliable operations
- Uniform fleet is efficient and cost advantageous
  - Crew training and rotation
  - Parts and supplies - standardized and available
  - Consistent technology upgrades across fleet
  - Higher level of predictability and consistency
  - Ability to anticipate, identify, control and remove exposures
  - Minimal downtime for super-spec upgrades, which improve drilling performance and provide higher quality wellbores (7500 psi, 3rd pumps, rack back, etc.)

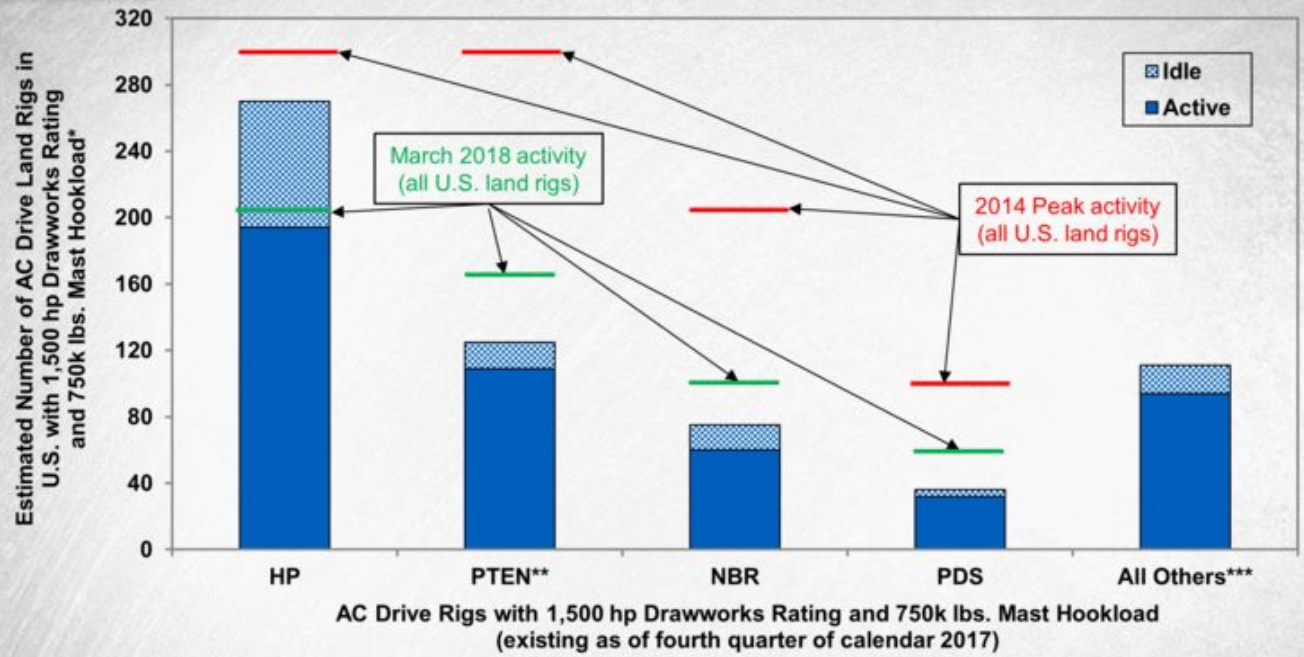
Most Capable & Uniform Fleet Creates Opportunity

(As of March 27, 2018)

- Greater scale than any competitor; ability to upgrade and deploy a total of 270 FlexRigs in U.S. Land segment to rig specifications in highest demand without investing in new builds
- Approximately 40% market share of the active rigs in highest demand (super-spec) in U.S. Land
- 92 upgradeable FlexRigs remaining in U.S. Land segment (27 already contracted); attractive leverage to our bottom line
- Higher specification rigs provided in a capital-efficient way without the need to over invest (compared to building new rigs)
- Integrated Model, with proven ability to deliver the best rigs and the best returns in sector creates opportunity

H&P's Lead in U.S. Land AC Drive Rigs

with 1,500hp Drawworks Rating and 750,000 lbs. Mast Hookload



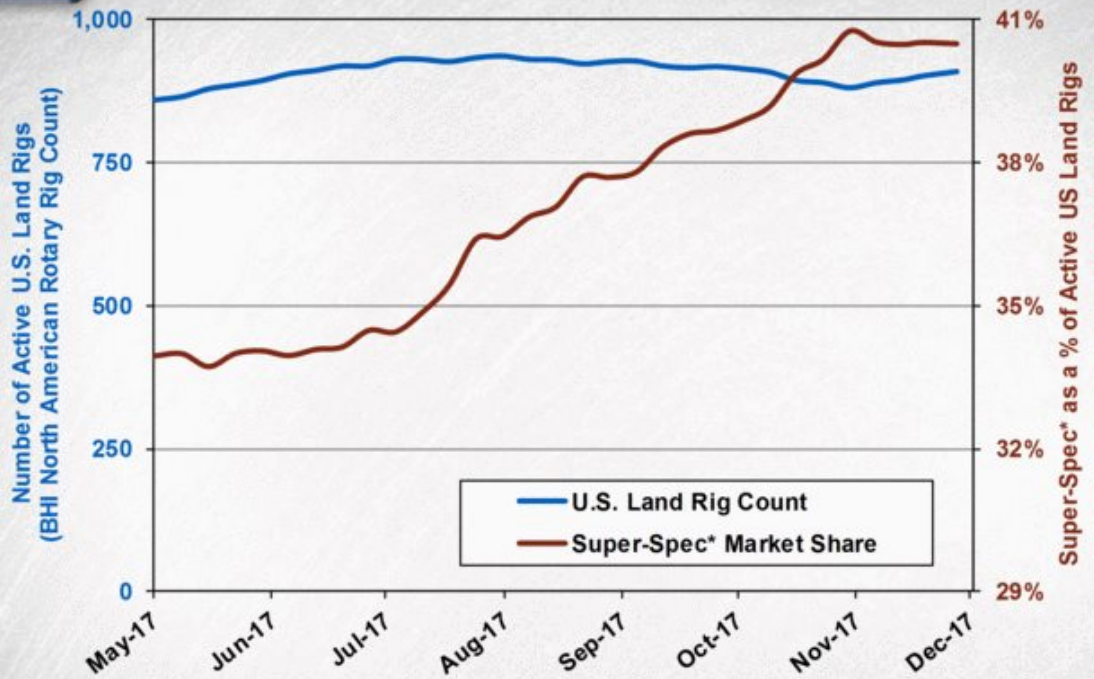
AC Drive Rigs with 1,500 hp Drawworks Rating and 750k lbs. Mast Hookload (existing as of fourth quarter of calendar 2017)

* The above estimates corresponding to U.S. lower 48 1,500 hp AC Drive fleets with a 750,000 lbs. mast hookload are derived from Rig Data and corporate filings.

** Values for PTEN include active AC drive rigs recently acquired from Seventy Seven Energy (SVNT).

*** Estimated number of all other available AC Drive rigs not including those owned by HP, PTEN, NBR, and PDS.

"Super-Spec*" Rigs Rapidly Gain Market Share



* The combined rig specifications of AC drive with 1,500 hp drawworks, 750,000# hookload ratings, 7,500 psi mud circulating systems and multiple-well pad drilling systems fit the description of what some industry followers refer to as "super-spec" rigs (or "Super-Spec"). Additional capabilities, including third mud pumps, 25,000' setback, increased mud volume, etc., may also be included to meet customer requirements.

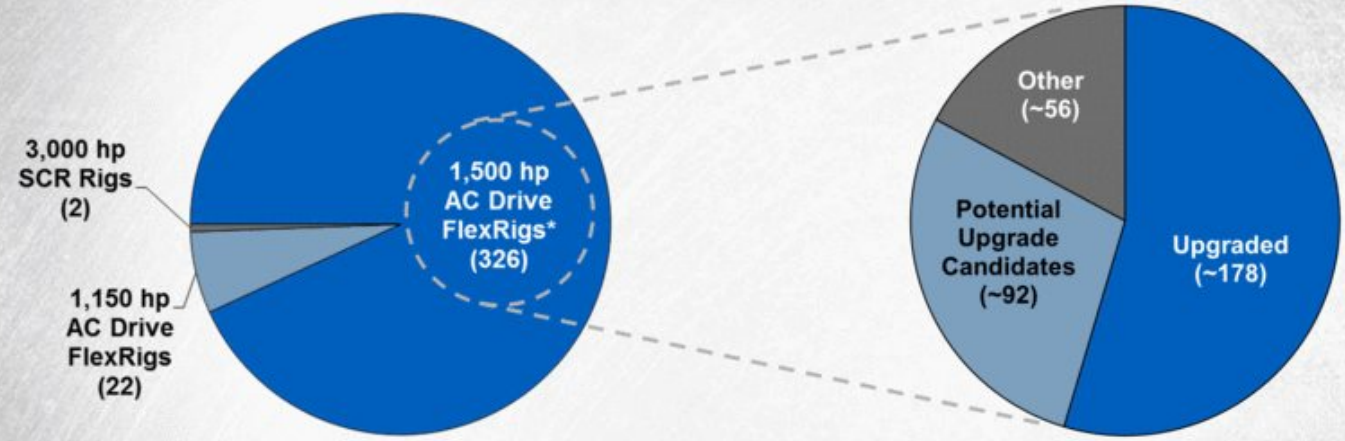
Source: The above estimates corresponding to "Super-Spec* Market Share" are derived from multiple sources including Rig Data.

H&P U.S. Land Fleet – Family of Solutions™

(As of March 27, 2018)

350 Available H&P U.S. Land Rigs

1,500 hp AC Drive FlexRigs*, including 270 Upgraded or Upgradeable to Rig Specifications in High Demand**

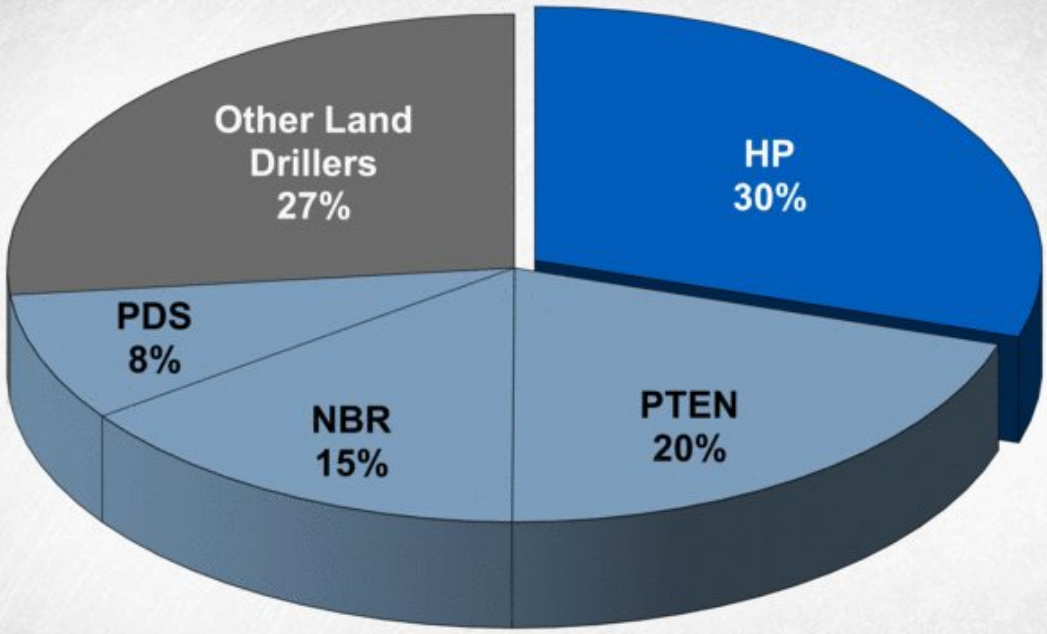


* ~70% are optimal for multiple-well pad drilling applications.

** AC drive FlexRigs with 1,500 hp drawworks and 750,000# hookload ratings (270) that do not already have 7,500 psi mud circulating systems and multiple-well pad drilling systems can be upgraded to include these two capabilities. These five combined rig specifications are in high demand and fit the description of what some industry followers refer to as "super-spec" rigs ("Upgraded"). Additional capabilities, including third mud pumps, 25,000' setback, increased mud volume, etc., may also be included to meet customer requirements.

Active AC Drive U.S. Rig Market Share

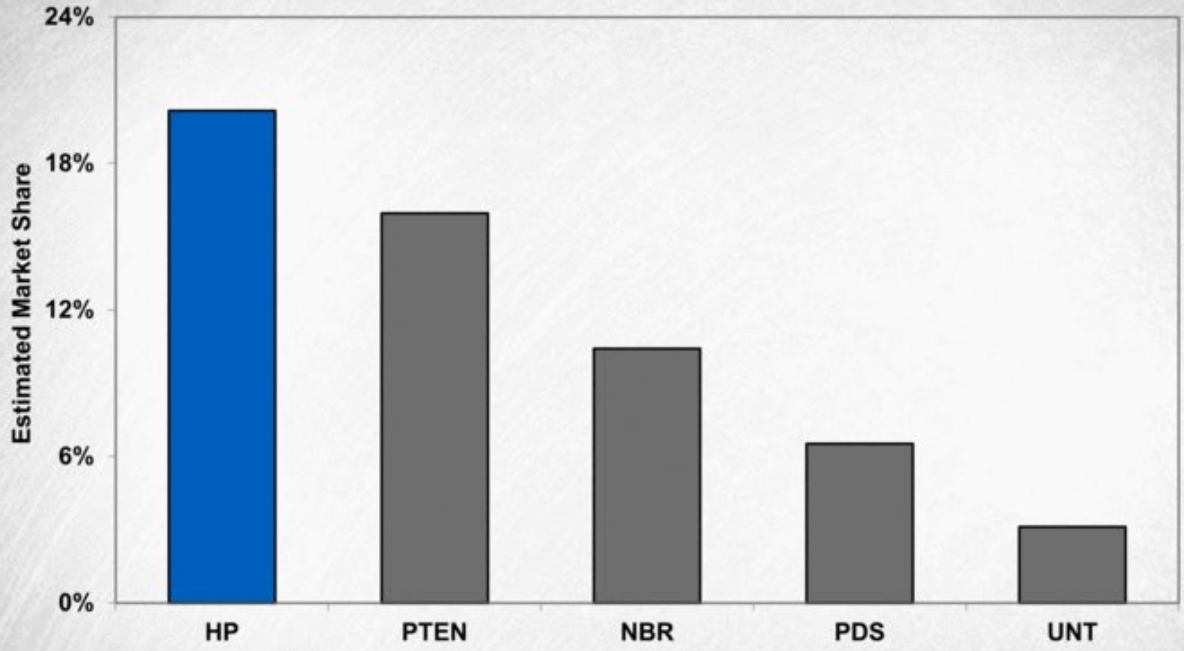
(~695 Rigs as of March 2018)



Note: The above estimates corresponding to rig activity are derived from multiple sources including Rig Data and corporate filings. Additionally, the drawworks capacity of each land rig included in the above analysis was greater than or equal to 600 horsepower. Values for PTEN include active AC drive rigs recently acquired from Seventy Seven Energy (SVNT).

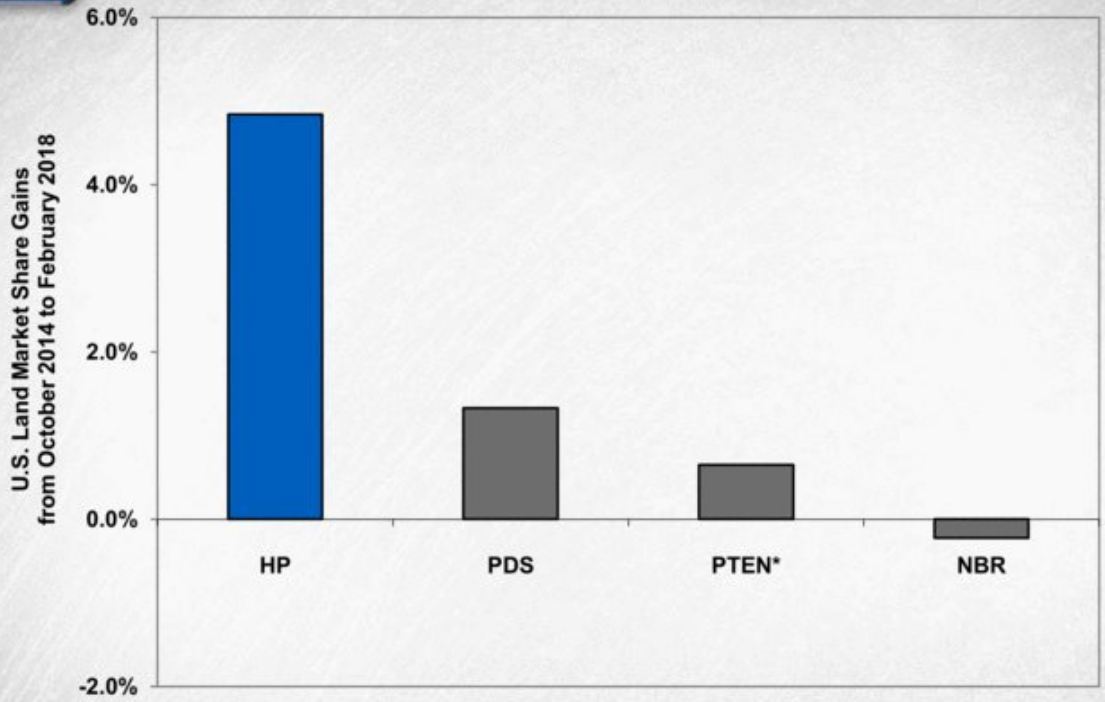
U.S. Land Market Share Leader

As of March 2018
(~1,030 Active Rigs in U.S. Land)



Note: The above estimates corresponding to market share are derived from Rig Data. Additionally, the drawworks capacity of each land rig included in the above analysis was equal to or greater than 600 horsepower. Values for PTEN include active rigs acquired from Seventy Seven Energy (SVNT).

U.S. Land Market Share Gains Since 2014 Peak

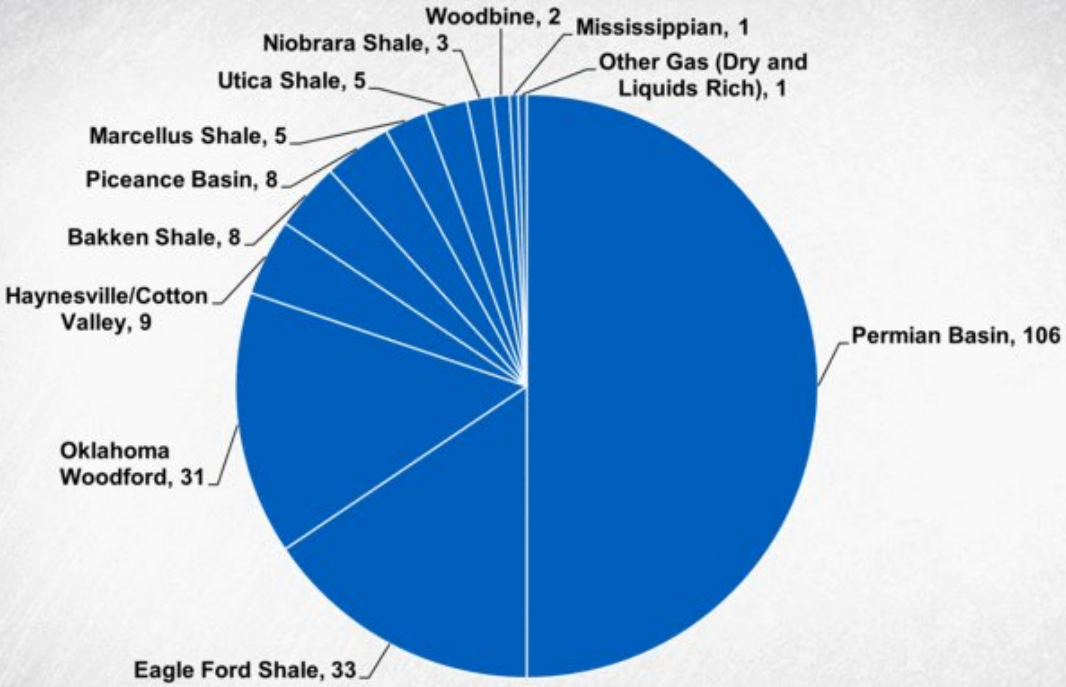


Note: The above estimates corresponding to market share are derived from Rig Data. Additionally, the drawworks capacity of each land rig included in the above analysis was equal to or greater than 600 horsepower.

* Values for PTEN include active rigs recently acquired from Seventy Seven Energy (SVNT).

Leading U.S. Unconventional Driller

(212 H&P Contracted Land Rigs est. for 3/27/18)



Performance Is Not Only About Better Rigs

Our competitive advantage is also about:

- People
- Safety
- Experience
- Training
- Culture
- Uniform Fleet Size & Scale
- Operational Support Network
- Processes/Data
- Maintenance
- Supply Chain

Customer Satisfaction Matters

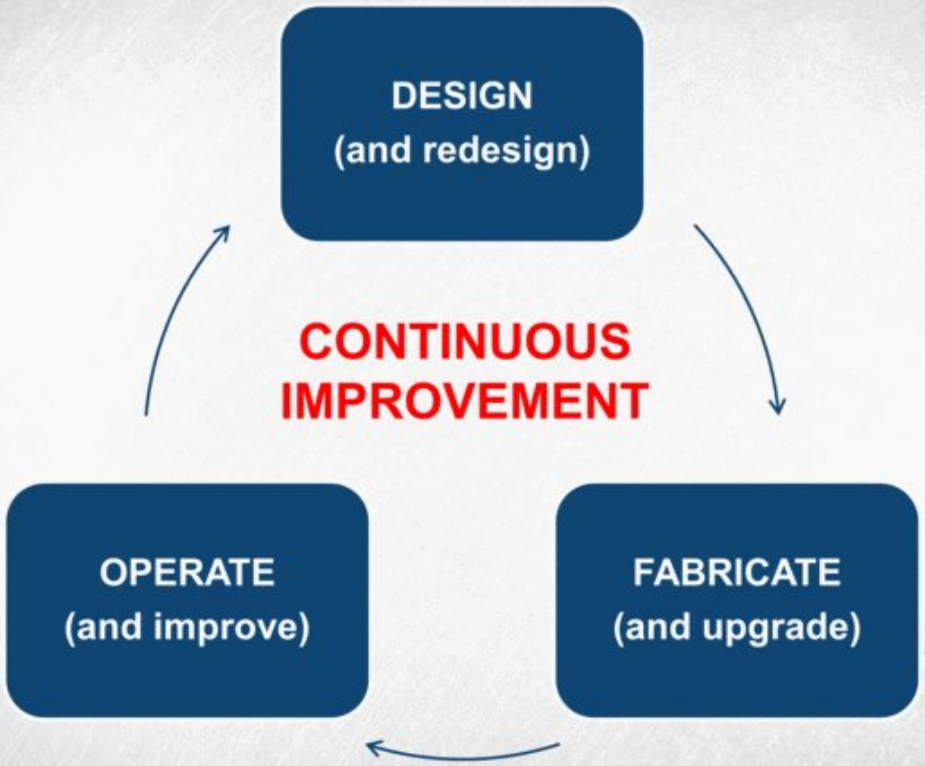
H&P has been rated 1st in total customer satisfaction for

TEN YEARS IN A ROW*

- Value creation for the customer is not only driven by having the right rig.
- It is also driven by service; the ability of an organization to deliver top performance with that rig.
- Better service drives value, customer satisfaction, market share and pricing.
- When combined with capital discipline, customer satisfaction also drives shareholder value.

* Please refer to EnergyPoint Research.

Benefits of an Integrated Model



H&P Adding to the Family of Solutions™

Wellbore Quality and Accuracy

Critical to Extracting Value from Shale Assets

- Recent MOTIVE and MagVAR acquisitions create a powerful platform and compelling value opportunity for E&P companies
  - Offers flexibility to select best technology regardless of drilling contractor
  - Brings new level of accuracy to directional drilling

MOTIVE® DRILLING TECHNOLOGIES

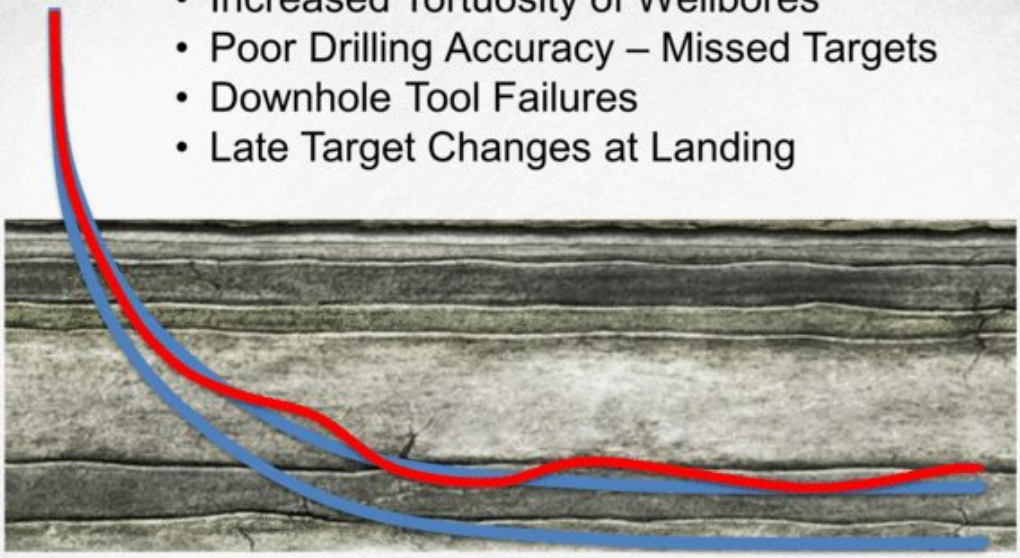
- MOTIVE drills higher quality wellbores with a scalable, repeatable, data driven platform approach

MagVAR®

- MagVAR reduces surveying uncertainty 50-60%, increases horizontal well economics while reducing risk

Challenge: Inconsistent Directional Drilling

- Drilling Performance Varies Widely
- Increased Tortuosity of Wellbores
- Poor Drilling Accuracy – Missed Targets
- Downhole Tool Failures
- Late Target Changes at Landing

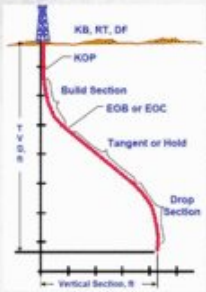


These inefficiencies cost industry billions in lost time and production…

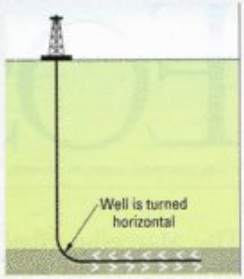
Directional Complexity/Velocity Trend

MOTIVE DRILLING TECHNOLOGIES

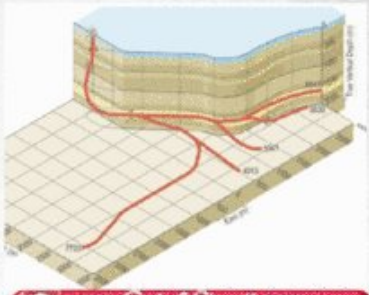
S-Well



Horizontal



Extended Reach Turnazontal



SPEED AND COMPLEXITY CONTINUOUSLY INCREASING

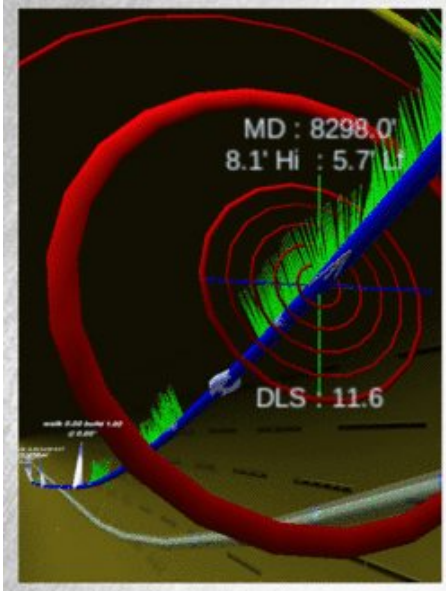
Industry Attempting to Hire Artists, Need to Convert Art Into Science

Motive Bit Guidance System

Bit Guidance is a completely new approach to directional drilling, enabling repeatable execution of **High Quality Wellbores** by:

- **Completely Automating ALL of the Following Tasks:**
  - Data Analysis
  - Real-Time Forward Modeling of Bit Position
  - More Detailed and Truthful Survey and Slide Reports – Creation and Distribution
  - Slide/Rotate/Orientation Guidance **Based on Well Economics**
  - Formation Top Detection for Earlier Determination of Target Changes
- **Providing Real-Time Performance Feedback** for real-time improvement
- **Providing Post Well Analysis** of computations for continuous performance improvement

MOTIVE Drilling Technologies, Inc.



MOTIVE is the industry leader in the use of cognitive computing to guide the directional drilling process. Motive has commercially drilled more than **5 million feet** drilled across all of the major U.S. shale plays and Canada and has been issued **15 US Patents**.

The Motive Bit Guidance System is a directional drilling automation platform that:

- Drills with a higher degree of factory-like consistency by using task automation
- Drills better wells more efficiently by using all available data in real-time
- Reduces lifting costs by delivering less tortuous wellbores
- Improves hydrocarbon production potential through better accuracy and less tortuous wellbores

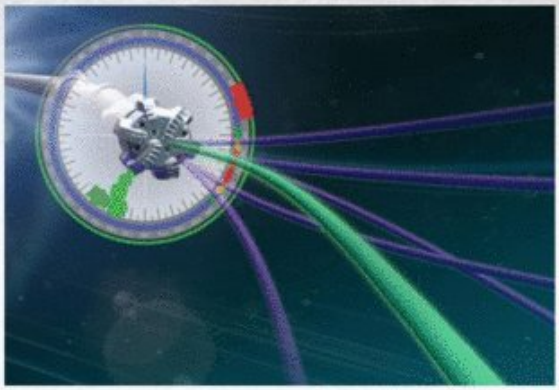
MOTIVE will remain available to all E&P operators and directional drilling service providers regardless of which drilling rig contractor is used

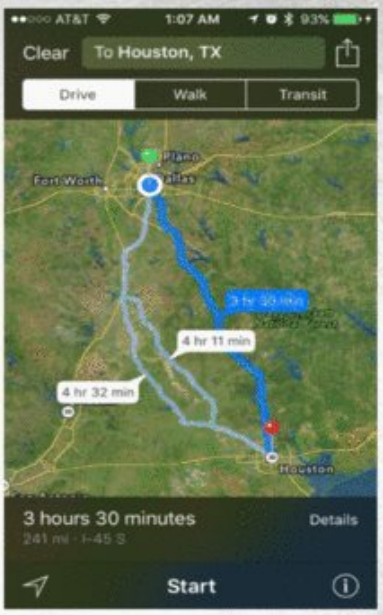
Value Driven Automation™

MOTIVE DRILLING TECHNOLOGIES

Real-Time Economic Driven Decisions

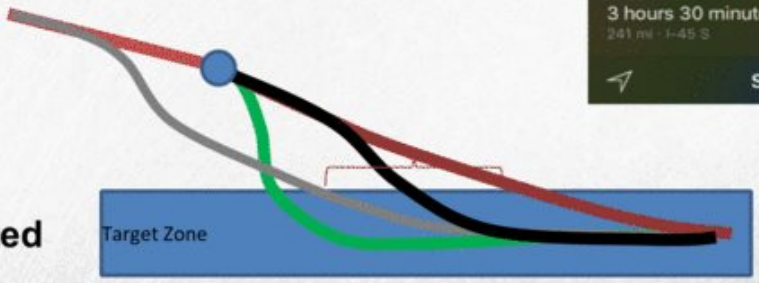
Millions of potential options are considered by Guidance System to find the optimal convergence back to the well plan.





Convergence Planner considers costs and value associated with:

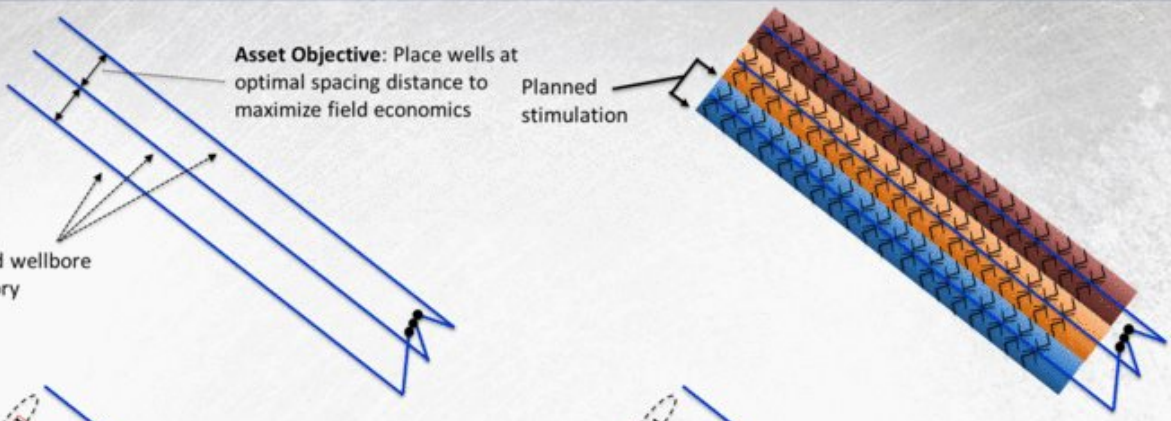
- **Drilling Speed**
- **Risk Associated with Tortuosity**
- **Lost Production Potential**



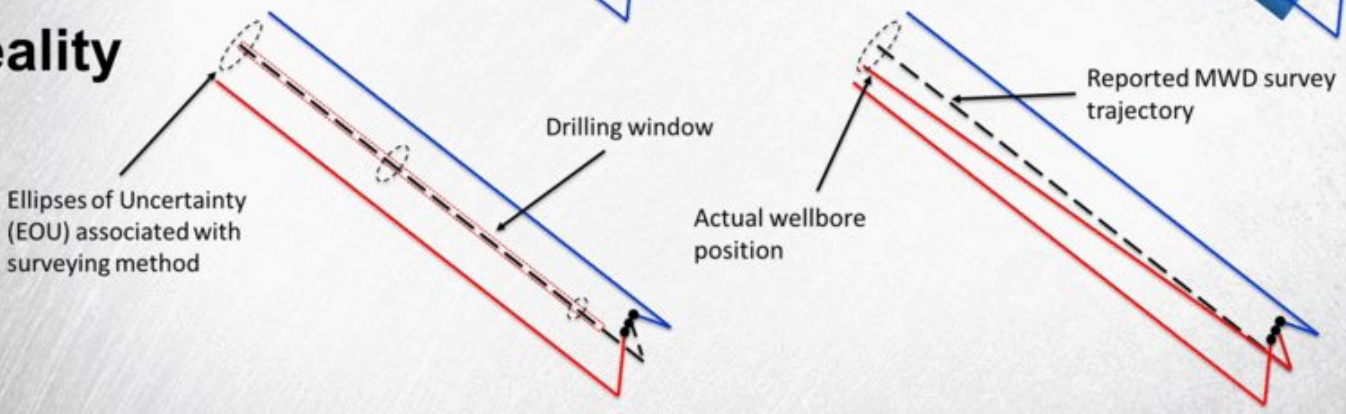
Most Valuable Path Executed

Challenge: Sensor Error Accumulates

Objective



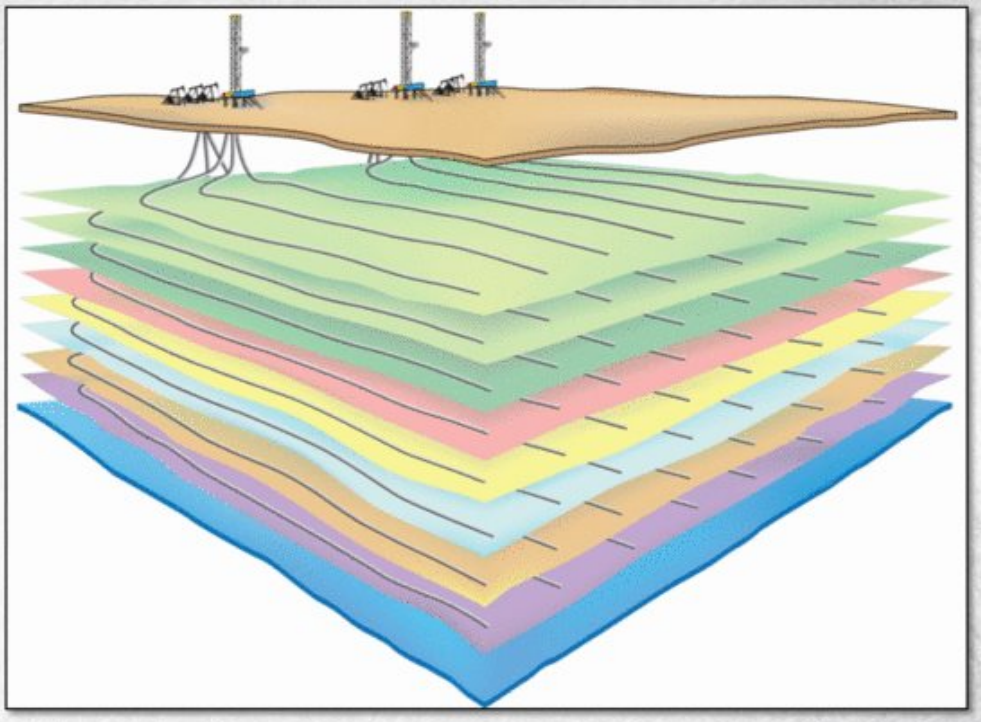
Reality



Accurate Placement/Spacing Critical to Maximize Well Economics

Accurate Wellbore Placement Matters

- **Reservoir:** Optimal drainage
- **Completions:** Controlling hydraulic communication
- **Geology:** Better data for geological mapping
- **Regulatory:** Greater confidence wells are within boundaries
- **Drilling:** Reduced collision risk for future in-fill drilling

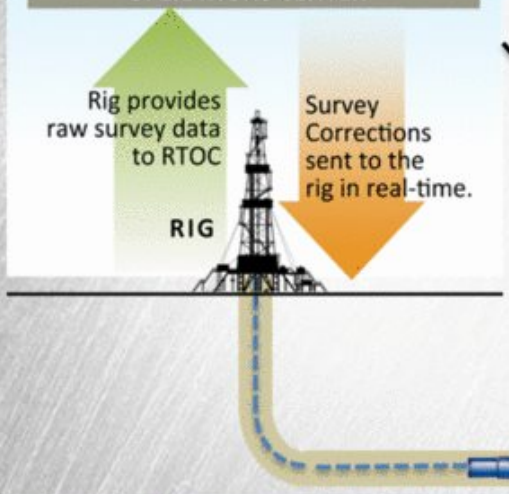


Magnetic Variation Services

MagVAR

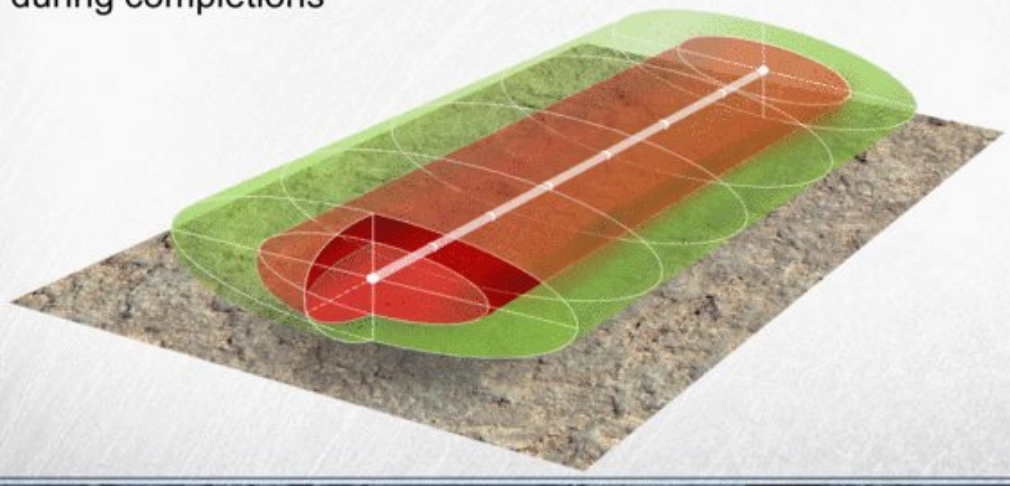
- MagVAR is a leading provider of MWD geomagnetic referencing and survey quality management
- Real-time center serving active horizontal rigs drilling in North America
- Utilized for over 40 E&P companies
- 3,000+ wells analyzed and corrected

REAL-TIME OPERATIONS CENTER



Well Placement is Critical

- MagVAR services reduce standard surveying uncertainty by 50-60%, increasing horizontal well economics while reducing risk.
  - Precise well placement enables maximum reservoir drainage
  - More accurate positional data leads to better geological models
  - Less positional uncertainty reduces risk of well on well collision
  - Maintaining accurate well spacing reduces occurrences of frac hits during completions



H&P / Motive / MagVAR Strategic Value

Technology Leaders:

H&P Provides-

- Industry Leader for High Performance Rigs
- Largest and Most Standardized AC rig Fleet/Platform
- Solutions for Controls & Automation
- Market Share Leader in US Land Rig Deployment

MOTIVE Provides-

- Leading Directional Decision Automation Platform
- Advanced Data Analytics and Visualization Tools
- Proven Remote Directional Drilling Deployment
- >400 Wells of Commercial Directional Drilling Decision Automation

MagVAR Provides-

- Leader in US Land Survey Corrections
- Optimal lateral Spacing Leading to Greater EURs
- Digital Workflows to Reduce Human Gross Error
- Consistent Results in Real-Time

24/7 Technical and Performance Solutions

Center of Excellence
Tulsa, OK
Staffed by Technicians & Drillers

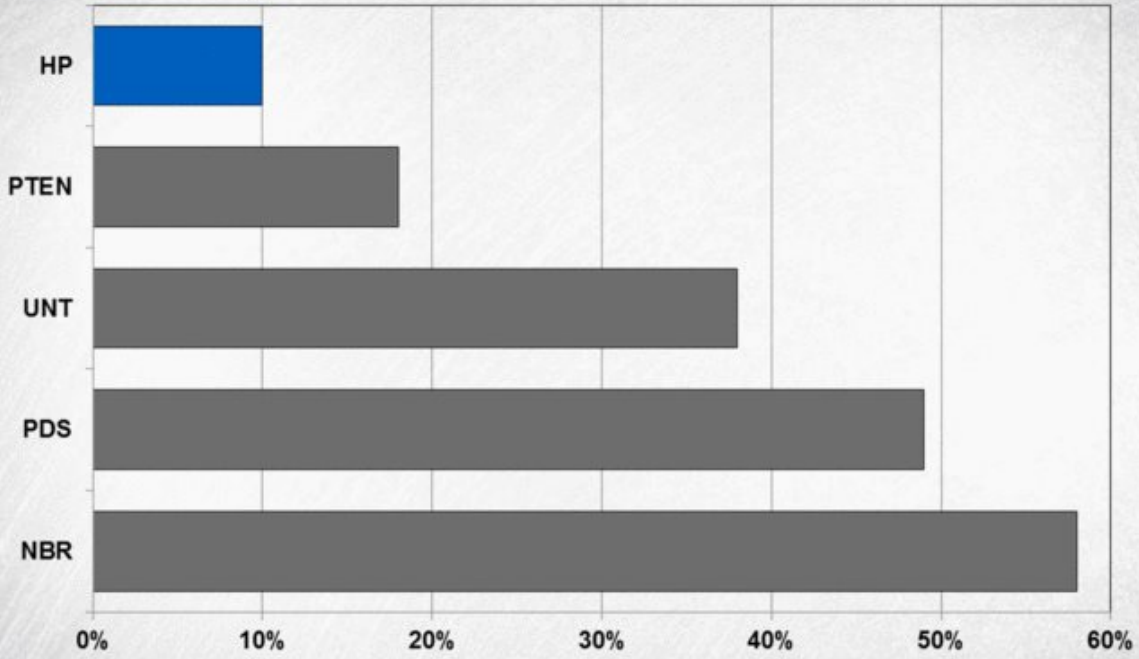
MagVAR Real-Time Center
Denver, CO
Staffed by Engineers

Motive Command Center
Dallas, TX
Staffed by Directional Drillers

H&P's Strong Balance Sheet

(As of December 31, 2017)

Total-Debt-to-Total-Capitalization Ratio[1]



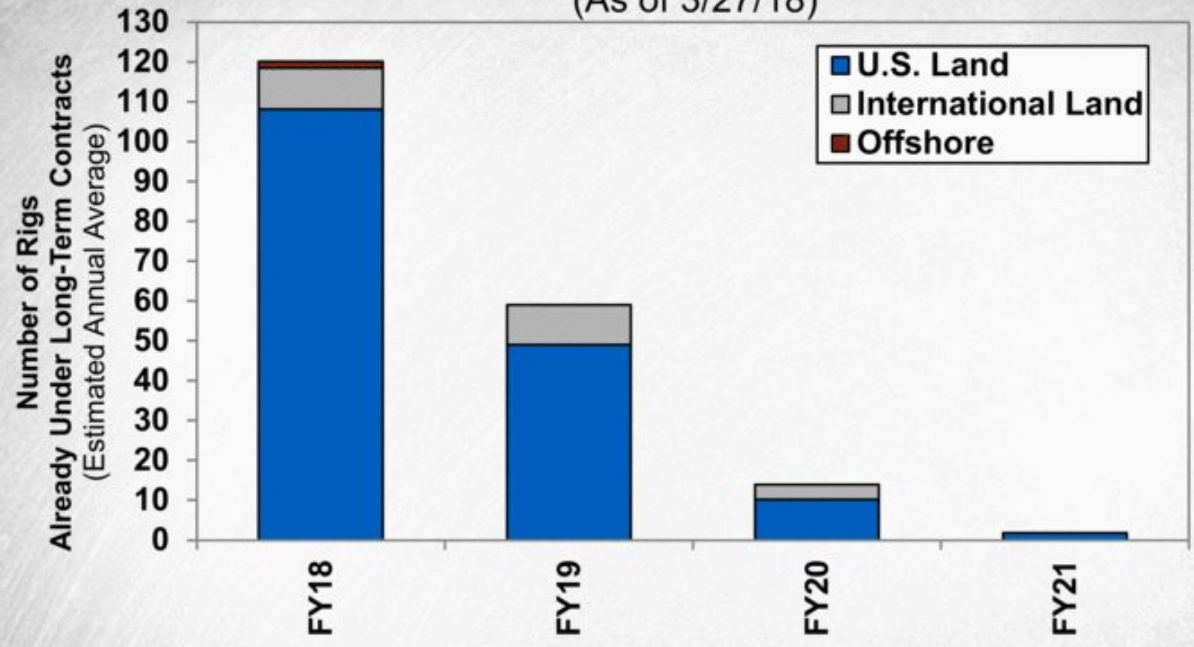
1. Total Capitalization is defined as Total Debt plus Shareholders' Equity.

Source: Company Filings.

H&P Global Fleet Under Term Contract

Term Contract Status - H&P Global Fleet*

(As of 3/27/18)



* The above term contract coverage excludes long-term contracts for which the Company received early contract termination notifications as of 3/27/18. Given notifications as of 3/27/18, the Company expects to generate approximately $4 million in the second fiscal quarter of 2018 and approximately $6 million over the next 9 months from early terminations corresponding to long-term contracts and related to its U.S. Land segment. All of the above rig contracts have original terms equal to or in excess of six months and include provisions for early termination fees.

H&P Winning Strategy

- FlexRig Fleet and a Digital Platform
- Most Capable and Uniform Fleet
- Growing Market Share
- Meeting Wellbore Quality & Accuracy Challenges
- Strong Balance Sheet
- Robust Backlog


H&P
Inc

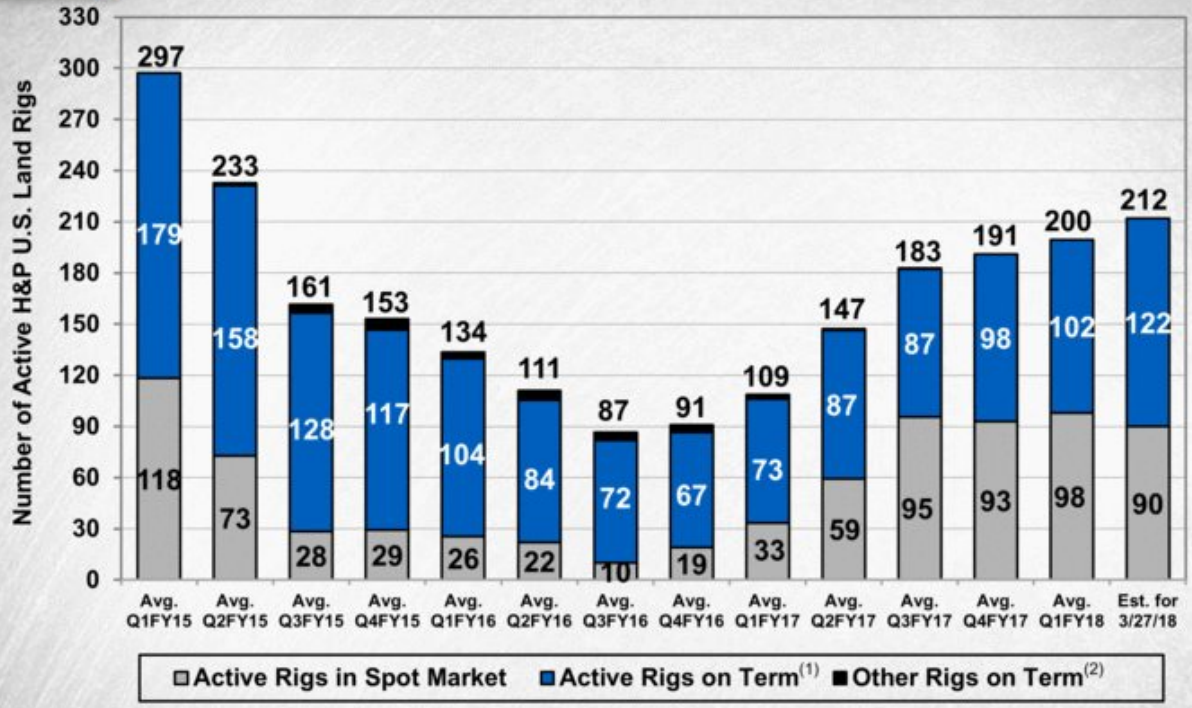
Additional References

H&P Activity as of March 27, 2018

	Rigs Available	Rigs Working/ Contracted	% Contracted
U.S. Land	350	212	61%
AC Drive FlexRigs	348 (1)	212	61%
SCR Fleet	2 (2)	0	0%
Offshore	8	5	63%
International Land	38	18	47%
Total Fleet	396	235	59%

(1) ~235 rigs are optimal for multiple-well pad drilling (~96% of which are equipped with skidding systems and the remainder with walking systems).
(2) The remaining SCR rigs in the U.S. Land segment have a 3,000 hp drawworks rating.

H&P's U.S. Land Fleet Activity



(1) Includes rigs on standby dayrates.
(2) Includes completed new builds pending delivery and not generating revenue days.

H&P's International Land Operations

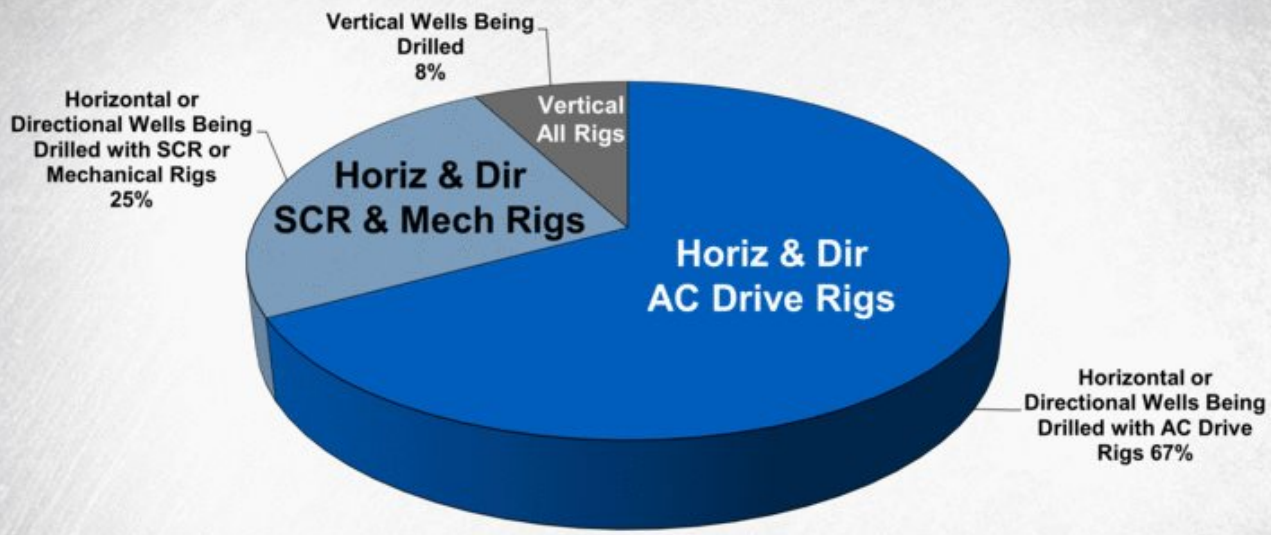
Rig Fleet Status (as of March 27, 2018)

	Contracted	Idle	Total	Long-term Contracts[1]
Argentina	16[3]	3	19	10
Bahrain	1	2	3	
Colombia	1	7	8	
Ecuador		6	6	
U.A.E.		2	2	
Total	**18**	**20**	**38**	**10**[2]

(1) Rigs on term contract that have greater than or equal to 180 days remaining.
(2) 10 of 25 FlexRigs, included in the international fleet of 38 rigs, are under long-term contracts.
(3) Four of the 16 active rigs are being leased (i.e. H&P is not crewing and managing the rigs), and as such the average rig margin per day for those four rigs is lower than our average rig margin per day in the segment.

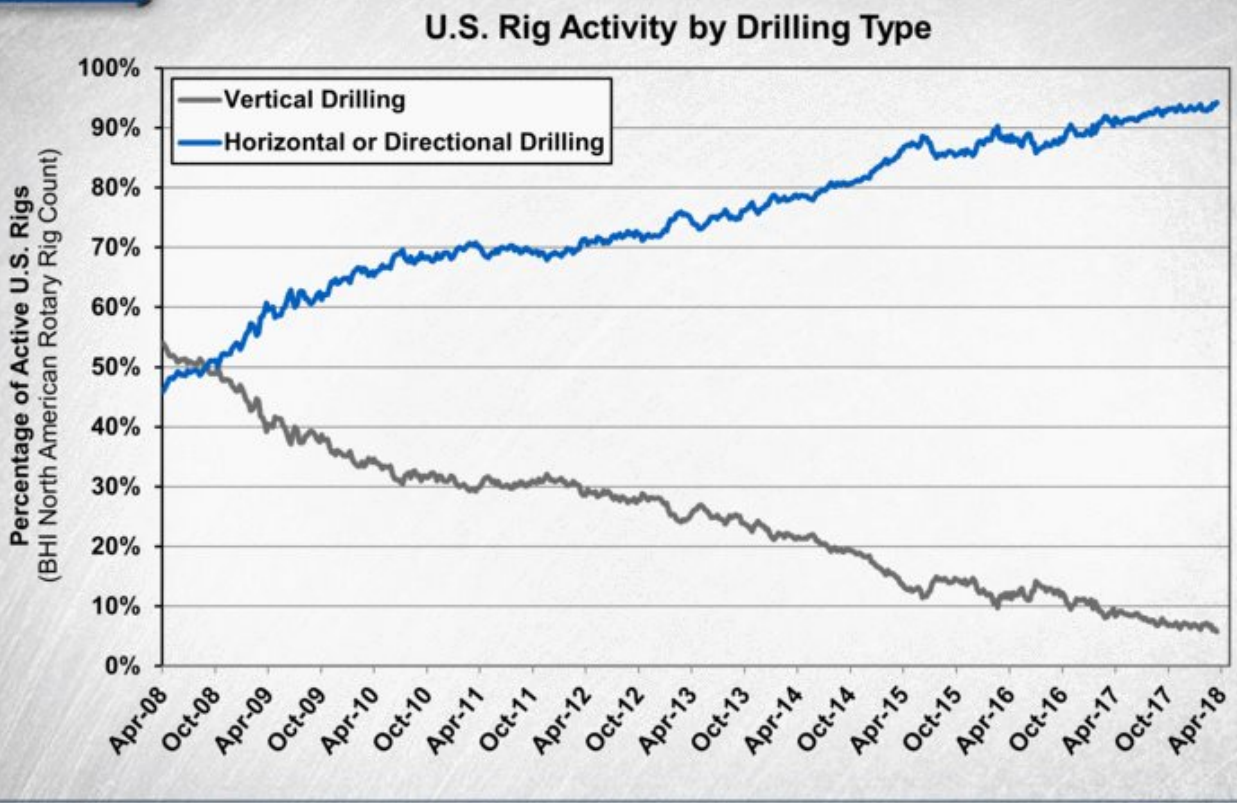
U.S. Activity by Well and Rig Type

~1,030 Active U.S. Land Rigs (March 2018)



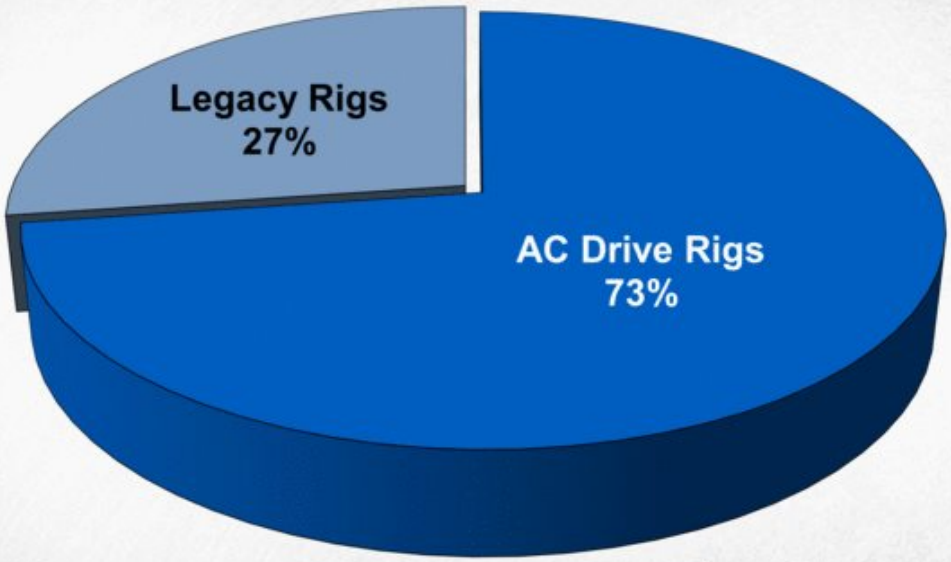
Note: The above estimates corresponding to rig activity and rig type are derived from multiple sources including Rig Data and corporate filings. Additionally, the drawworks capacity of each land rig included in the above analysis was equal to or greater than 600 horsepower.

Increasing Focus on More Difficult Drilling



U.S. Land Horizontal and Directional Activity

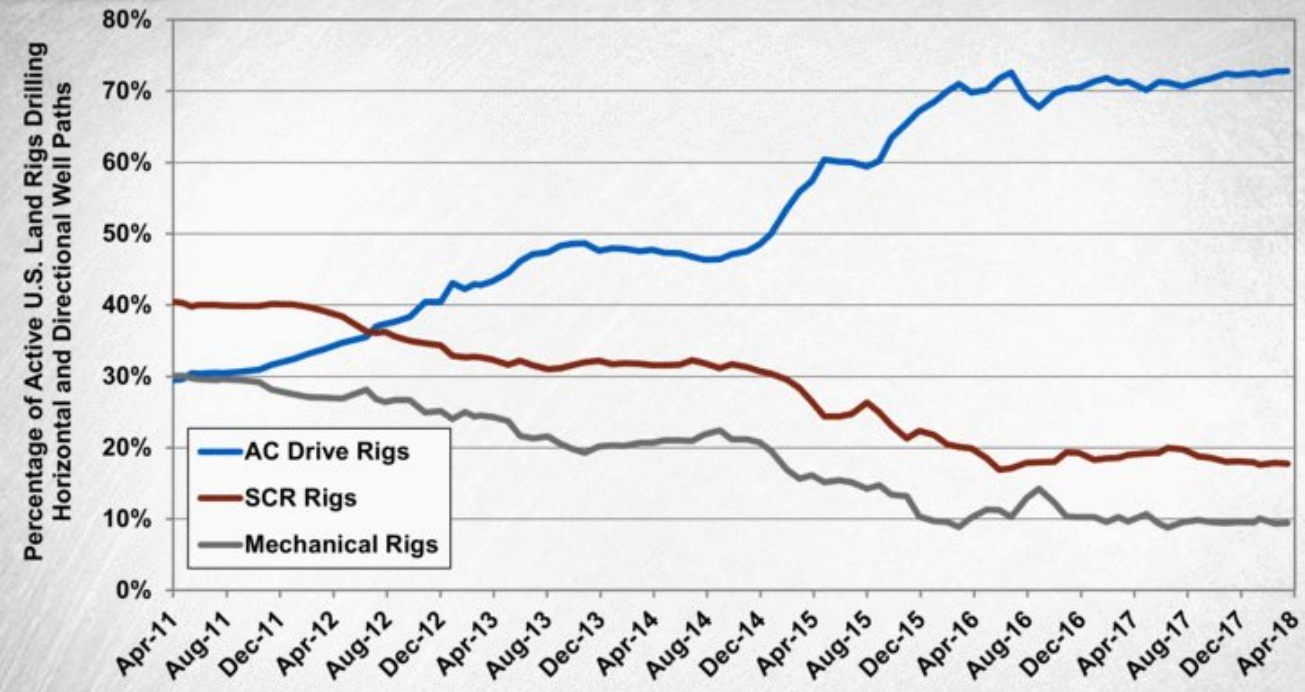
(~940 Rigs as of March 2018)



Note: The above estimates corresponding to rig activity are derived from multiple sources including Rig Data and corporate filings. Additionally, the drawworks capacity of each land rig included in the above analysis was greater than or equal to 600 horsepower.

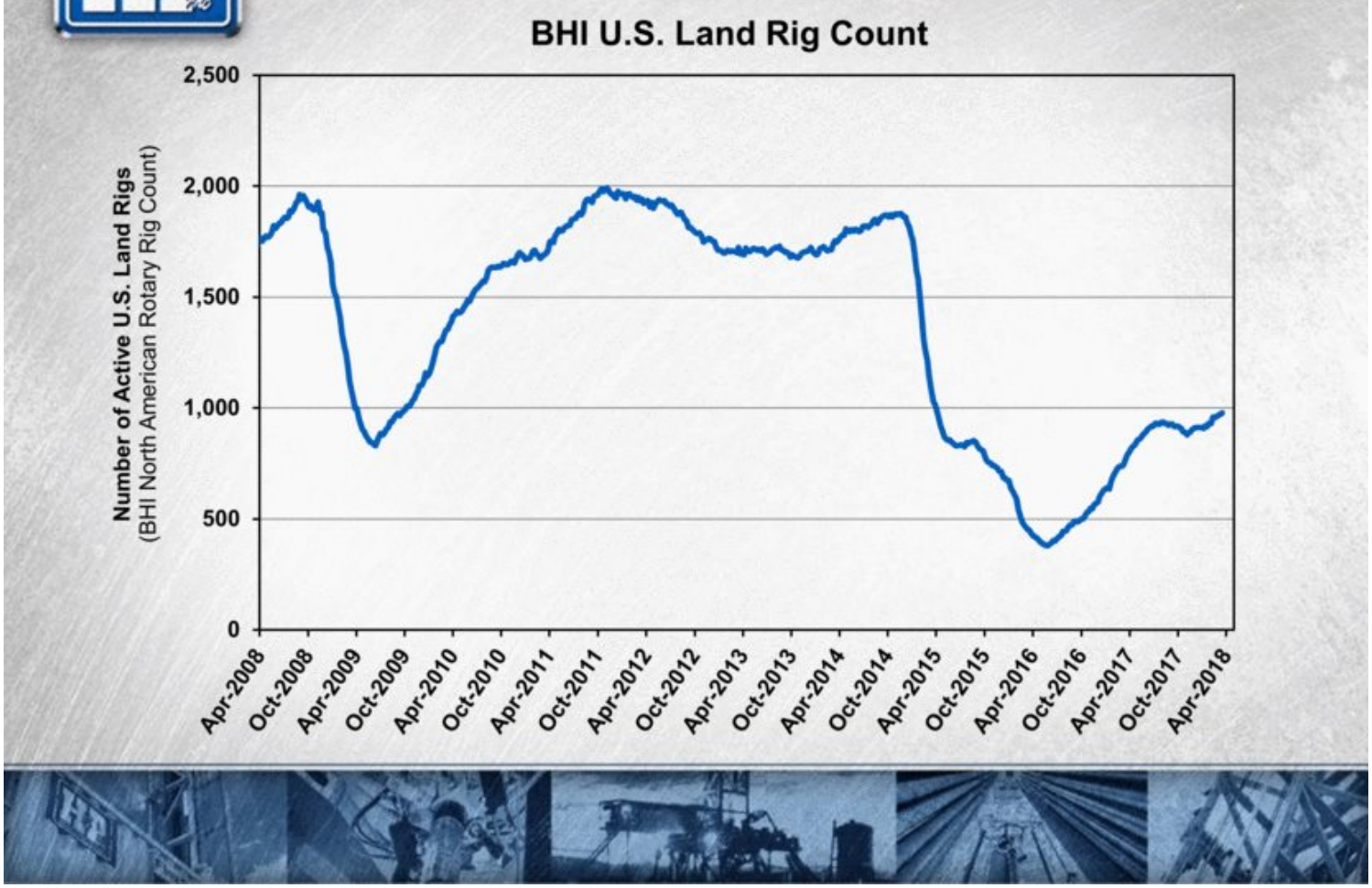
U.S. Land Horizontal and Directional Activity

(As of March 2018)



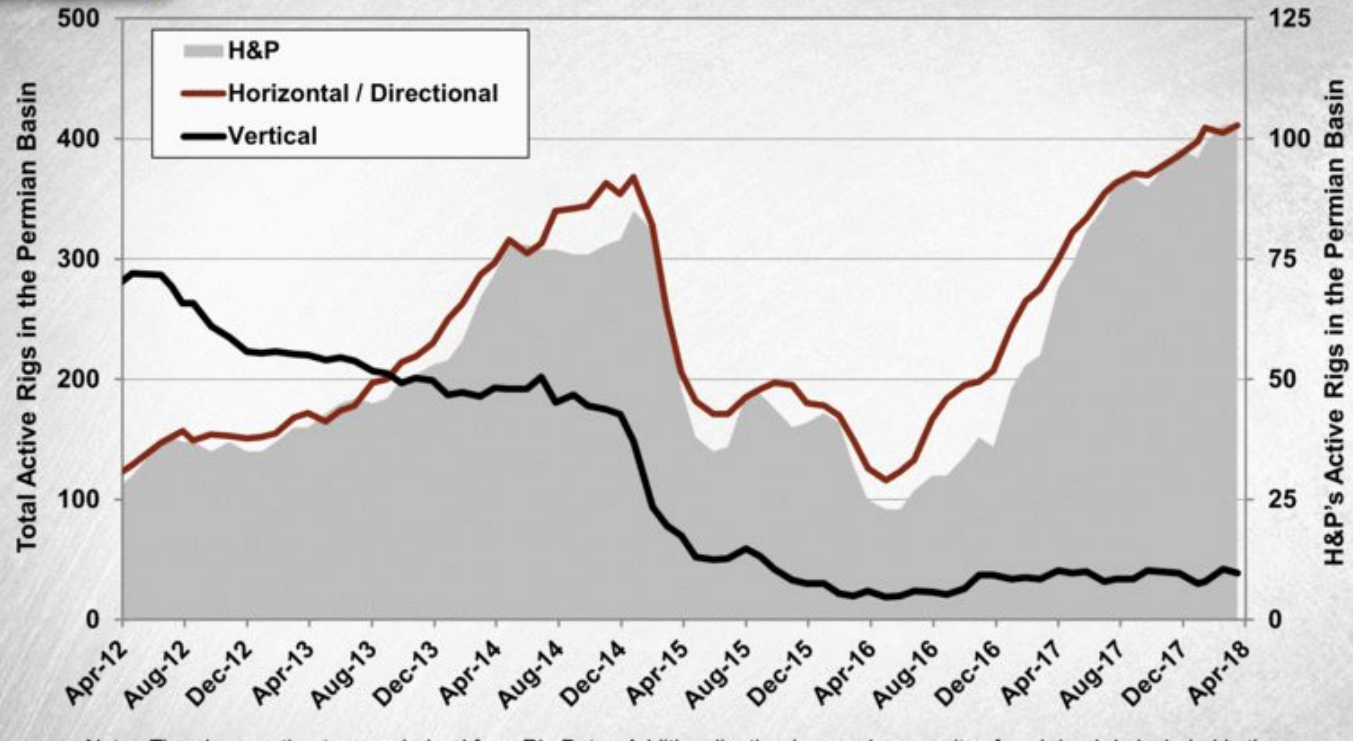
Note: The above estimates corresponding to horizontal and directional rig activity by power type are derived from multiple sources including Rig Data and corporate filings. Additionally, the drawworks capacity of each land rig included in the above analysis was greater than or equal to 600 horsepower. Certain assumptions were made in relation to the power systems on certain unidentified rigs.

Drilling Activity in the U.S.



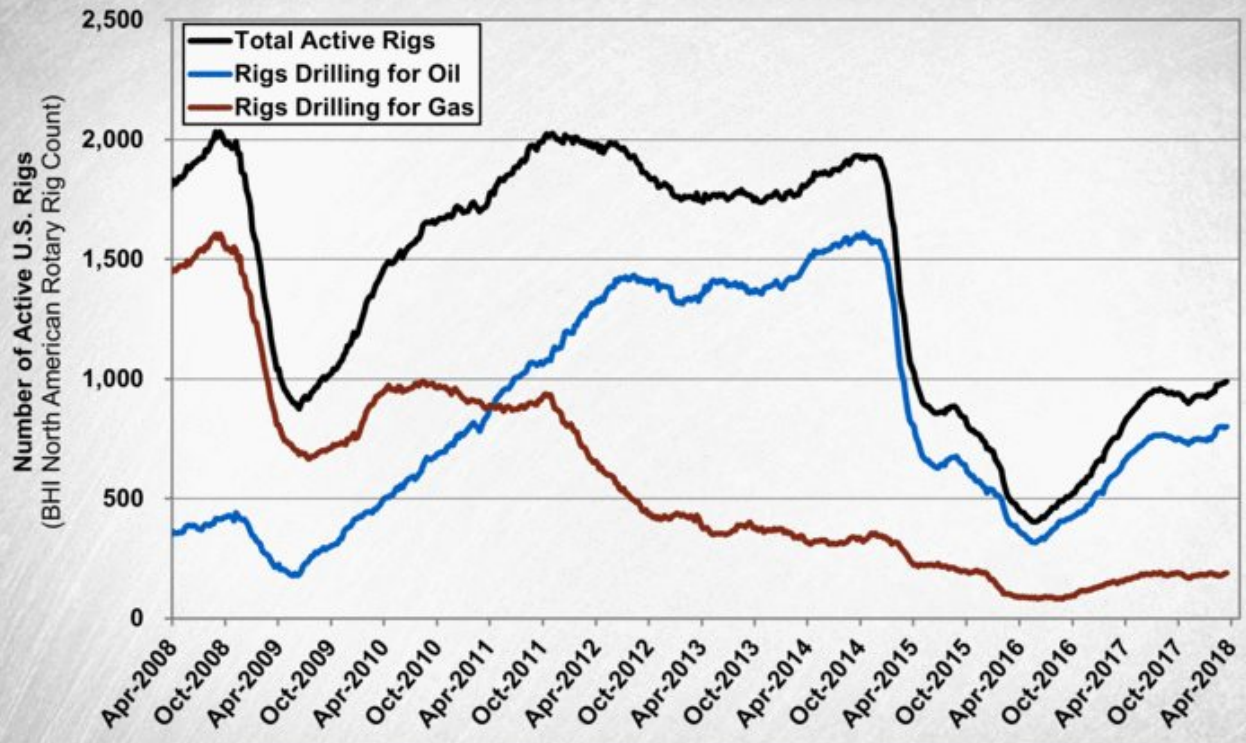
Unconventional Drilling in the Permian

(As of March 2018)

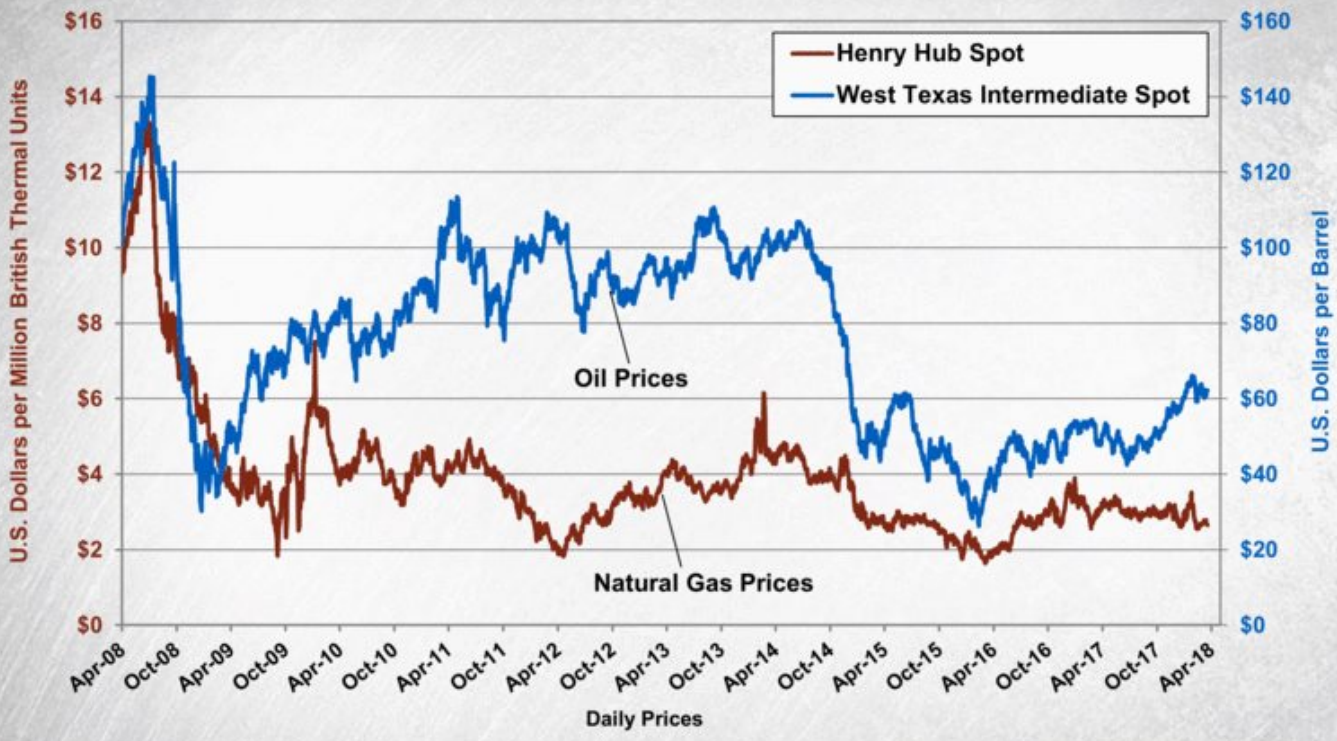


Note: The above estimates are derived from Rig Data. Additionally, the drawworks capacity of each land rig included in the above analysis was greater than or equal to 600 horsepower.

Oil vs. Natural Gas Directed Rig Count



Oil and Natural Gas Prices



Source: Energy Information Administration and Nasdaq IR Insight (FactSet).

H&P's FlexRig Advantage

The FlexRig Difference: Key Advantages

- **Increased drilling productivity and reliability**
  - Variable frequency AC technology providing precise control and increased capability
  - Computerized electronic driller more precisely controls down-hole parameters
  - FlexRig designs are suited for both efficient well to well moves and multiple-well pad applications
- **Accelerated well programs and NPV gains**
- **A safer and more environmentally friendly workplace**
- **Fleet size and uniformity**
- **Total well cost savings even at premium dayrates**

The Value Proposition: The Power of Efficiency

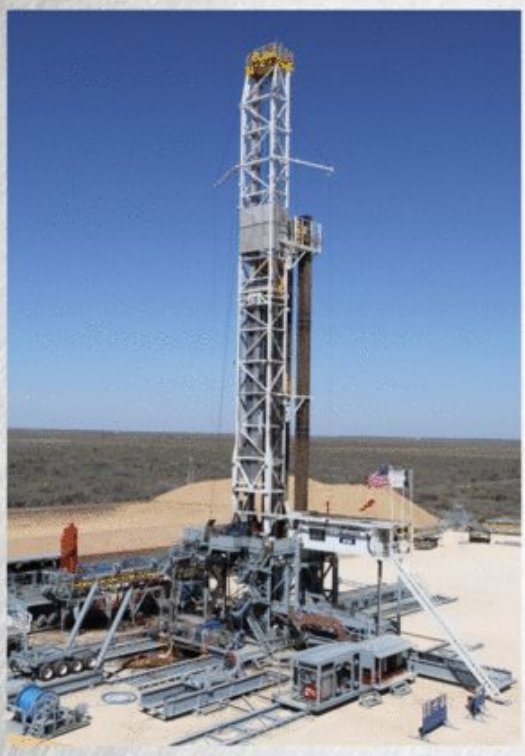
	Theoretical Base Case	20% Efficiency Improvement	40% Efficiency Improvement
1. Drilling days average	13.5	10.8	8.1
Other days average	5.0	4.0	3.0
Moving days average (several multi-well pads)	1.5	1.2	0.9
Total rig days per well	*20.0*	*16.0*	*12.0*
Efficiency (Reduced Well Cycle Time)	-	*20%*	*40%*
2. Drilling contractor dayrate	$15,000	$20,000	$25,000
Operator's other intangible (services) cost per day estimate	$35,000	$35,000	$35,000
Total daily cost estimate	$50,000	$55,000	$60,000
Total cost per well (daily services)	*$1,000,000*	*$880,000*	*$720,000*
3. Total well savings for customer – per well		$120,000 (12% Savings)	$280,000 (28% Savings)
per year		$2.74 MM	$8.52 MM
4. Incremental number of wells per rig per year		4.6 wells	12.2 wells

Center of Excellence – Tulsa, OK

24/7 Technical and Performance Solutions:

- Support Structure
- Data Analysis
- Best Practices

FlexRig Family of Solutions™ - Pad Design

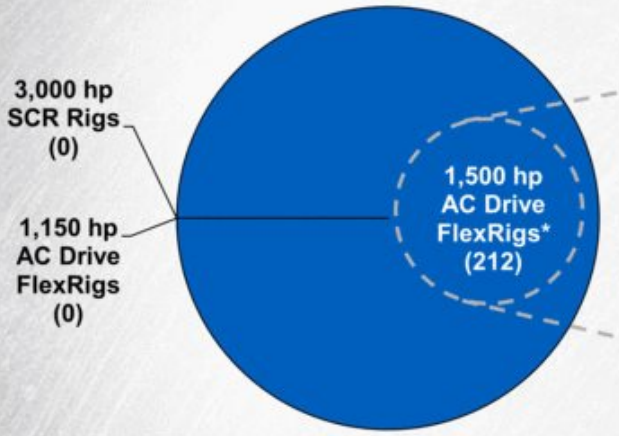


- FlexRig3 skid system is designed to meet the requirements for standard pad drilling. Typically customers drill 2-4 wells per pad.
- FlexRig5 skid system is a bi-directional design, with the typical pad having 2-4 wells, and in some cases range from 6-8 wells.
- The “walking” option for the FlexRig3 will enable us to capture additional market share and will enhance our Family of Solutions™ offering.
- As a result of customer demand, we continue to upgrade standard FlexRig3s with skid and walking systems.

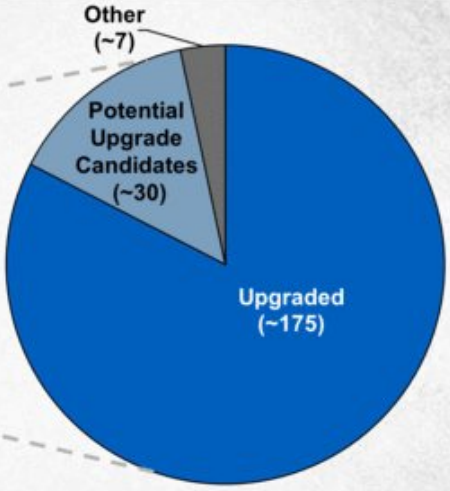
H&P U.S. Land Fleet – Family of Solutions™

(As of March 27, 2018)

212 Contracted H&P U.S. Land Rigs



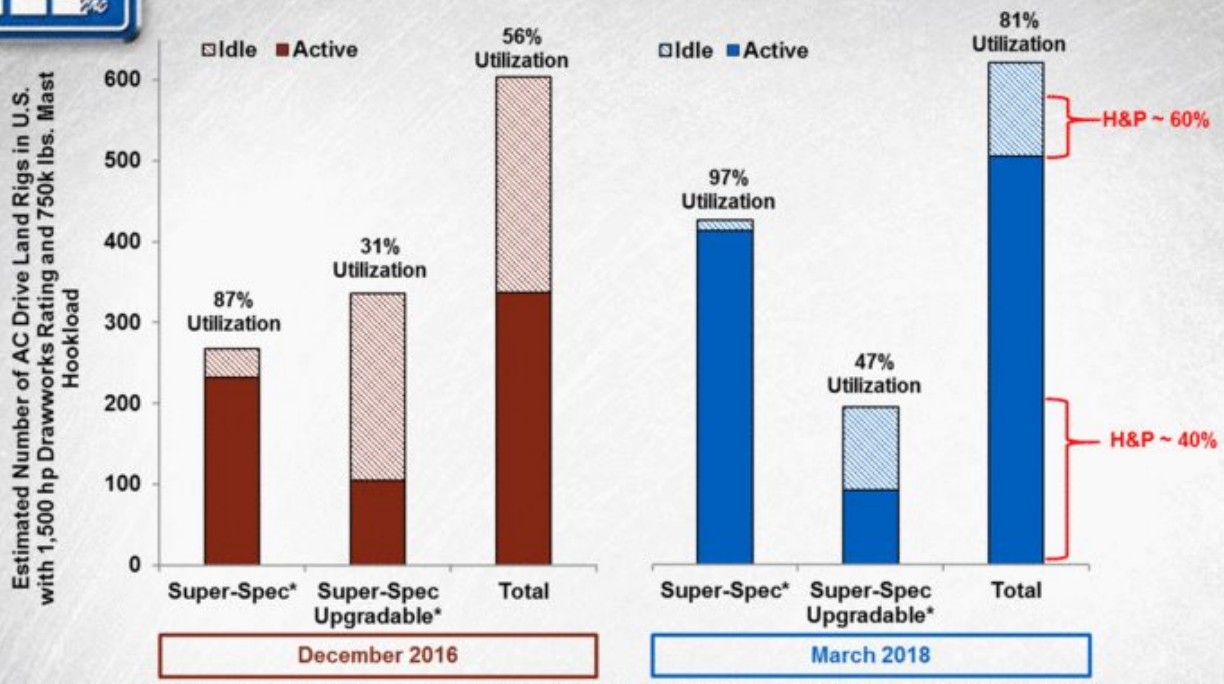
1,500 hp AC Drive FlexRigs*, including 205 Upgraded or Upgradeable to Rig Specifications in High Demand**



* ~90% are optimal for multiple-well pad drilling applications.

** AC drive FlexRigs with 1,500 hp drawworks and 750,000# hookload ratings (205) that do not already have 7,500 psi mud circulating systems and multiple-well pad drilling systems can be upgraded to include these two capabilities. These five combined rig specifications are in high demand and fit the description of what some industry followers refer to as "super-spec" rigs ("Upgraded"). Additional capabilities, including third mud pumps, 25,000' setback, increased mud volume, etc., may also be included to meet customer requirements.

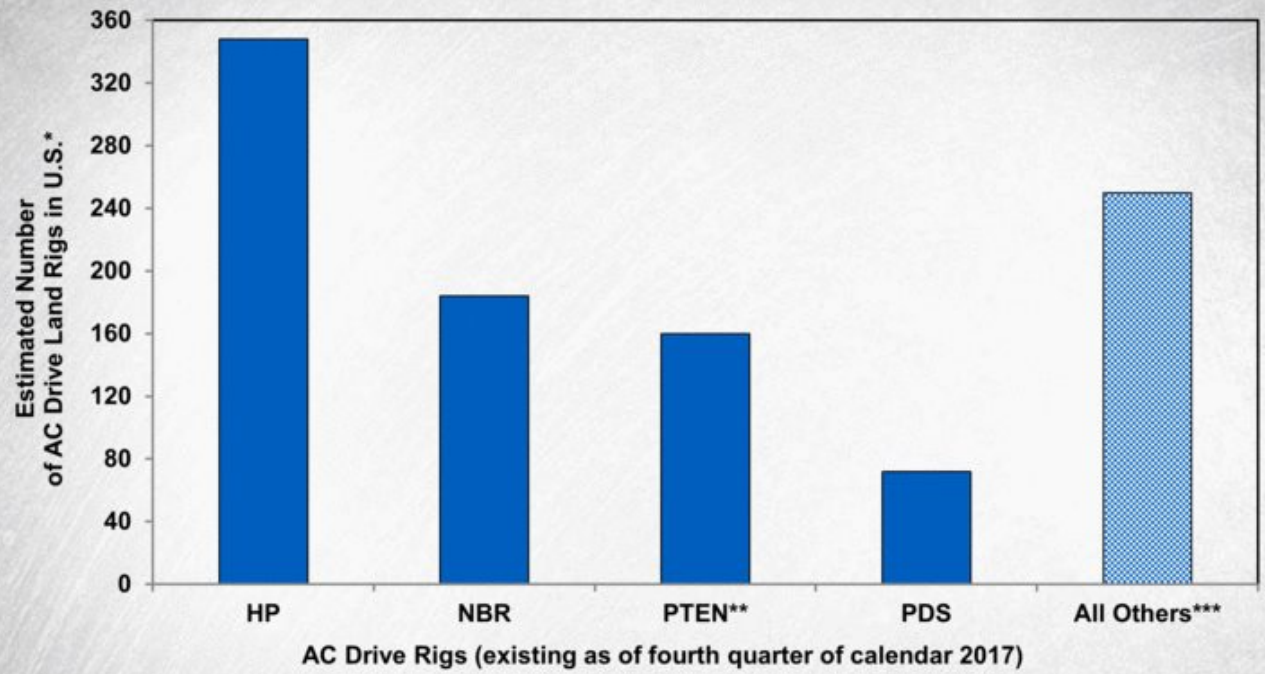
Industry's "Super-Spec*" and Upgradable Utilization



* AC drive FlexRigs with 1,500 hp drawworks and 750,000# hookload ratings that do not already have 7,500 psi mud circulating systems and multiple-well pad drilling systems (herein referred to as "Super-Spec Upgradable") can be upgraded to include these two capabilities. These five combined rig specifications are in high demand and fit the description of what some industry followers refer to as "super-spec" rigs (herein referred to as "Super-Spec"). Additional capabilities, including third mud pumps, 25,000' setback, increased mud volume, etc., may also be included to meet customer requirements.

Source: The above estimates corresponding to "Super-Spec" rig count are derived from multiple sources including Rig Data.

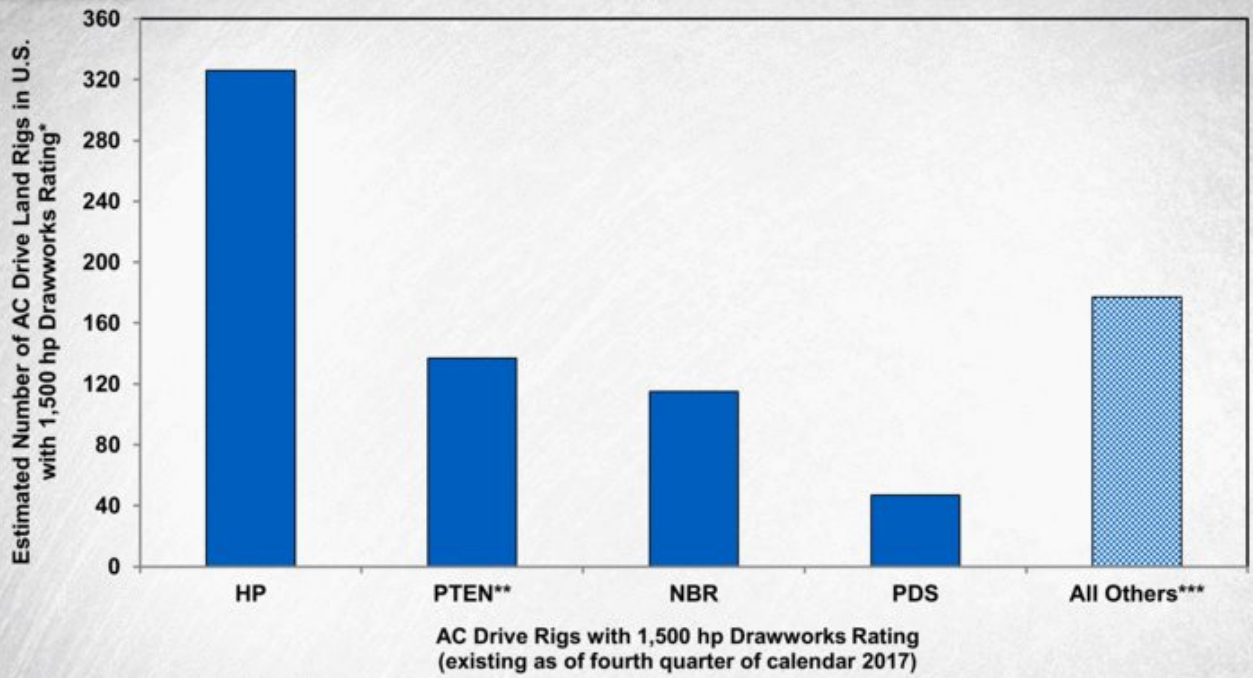
H&P's Lead in U.S. Land AC Drive Rigs



* The above estimates corresponding to U.S. lower 48 AC Drive fleets are derived from Rig Data and corporate filings.
** Values for PTEN include AC drive rigs recently acquired from Seventy Seven Energy (SVNT).
*** Estimated number of all other available AC Drive rigs not including those owned by HP, NBR, PTEN, and PDS.

H&P's Lead in U.S. Land AC Drive Rigs

with 1,500hp Drawworks Rating

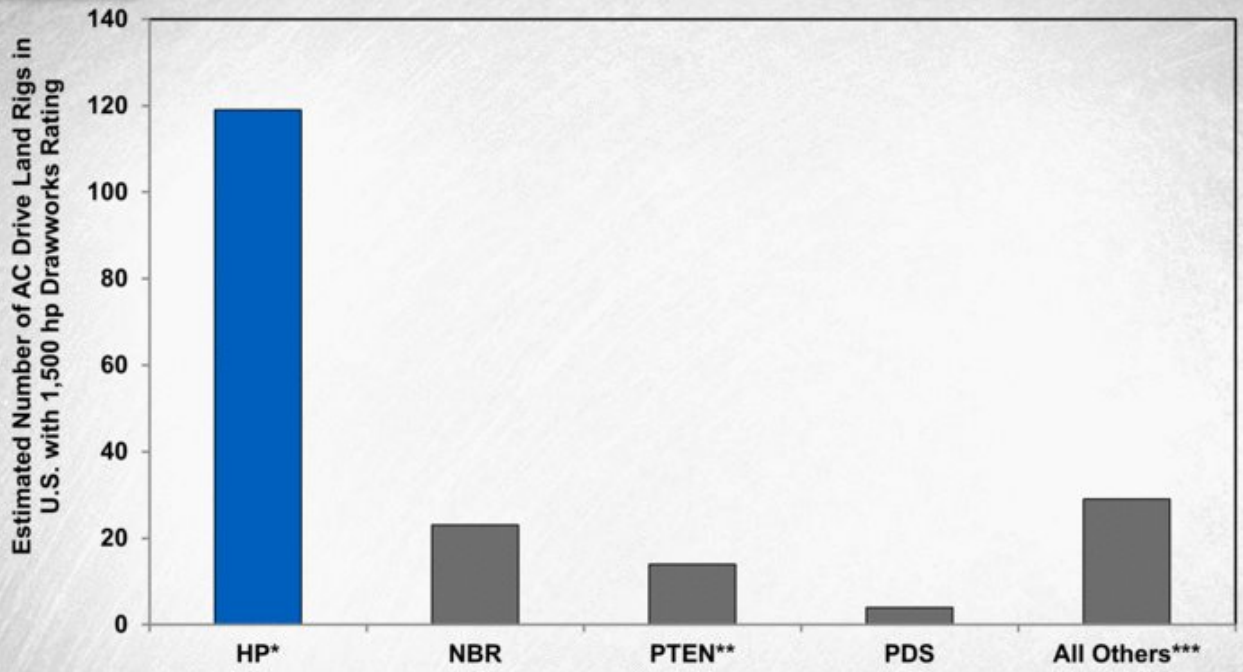


AC Drive Rigs with 1,500 hp Drawworks Rating
(existing as of fourth quarter of calendar 2017)

* The above estimates corresponding to U.S. lower 48 AC Drive fleets are derived from Rig Data and corporate filings.
** Values for PTEN include AC drive rigs recently acquired from Seventy Seven Energy (SVNT).
*** Estimated number of all other available AC Drive rigs not including those owned by HP, NBR, PTEN, and PDS.

H&P Very Well Positioned to Gain Share

Idle 1,500 hp AC Drive Land Rigs (as of March 2018)



Note: The above estimates are derived from multiple sources including Rig Data and corporate filings.

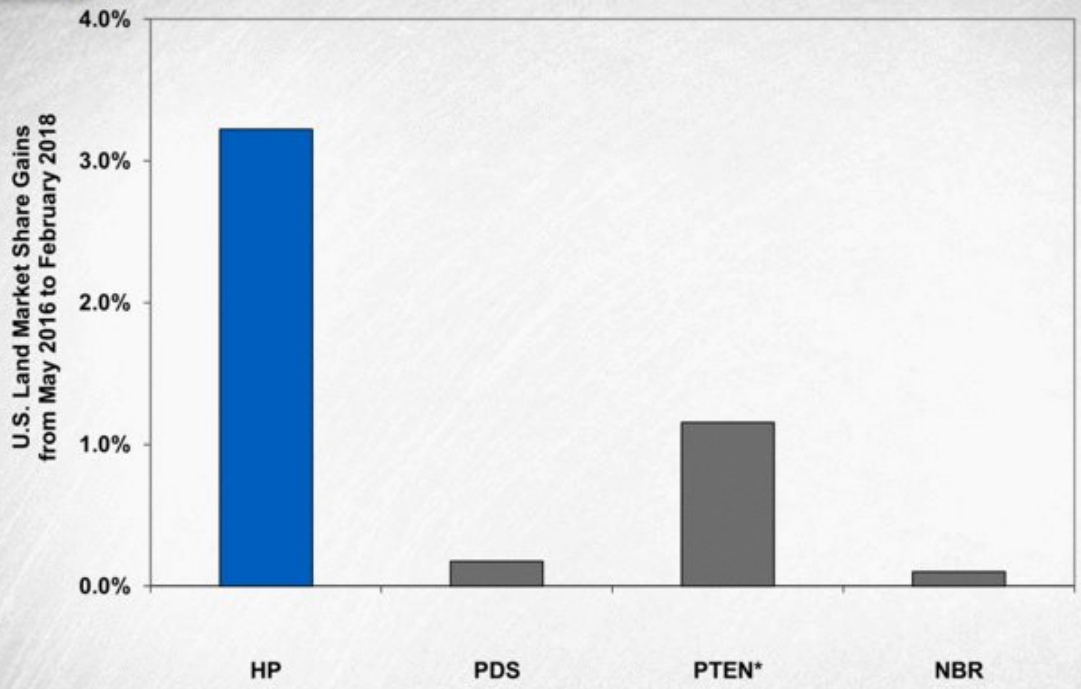
* Includes ~70 FlexRigs that have been or can be upgraded to what some industry followers refer to as "super-spec" rigs.

** Values for PTEN include AC drive rigs recently acquired from Seventy Seven Energy (SVNT).

*** Estimated number of idle 1,500 hp AC Drive Land rigs not including those owned by HP, NBR, PTEN, and PDS.

U.S. Land Market Share Gains Since 2016 Trough

(As Every Contractor's Best Rigs Competed for Work)

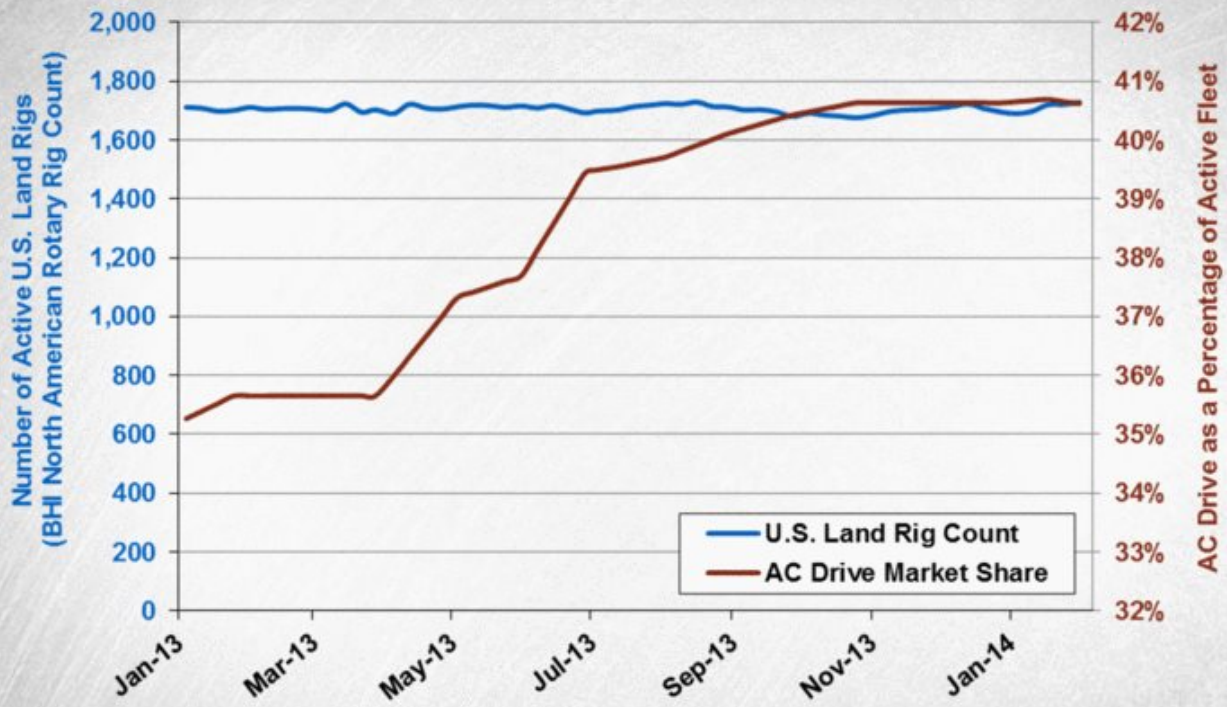


Note: The above estimates corresponding to market share are derived from Rig Data. Additionally, the drawworks capacity of each land rig included in the above analysis was equal to or greater than 600 horsepower.

* Values for PTEN include active rigs acquired from Seventy Seven Energy (SVNT).

AC Drive Gains Share with Relatively Flat Rig Count

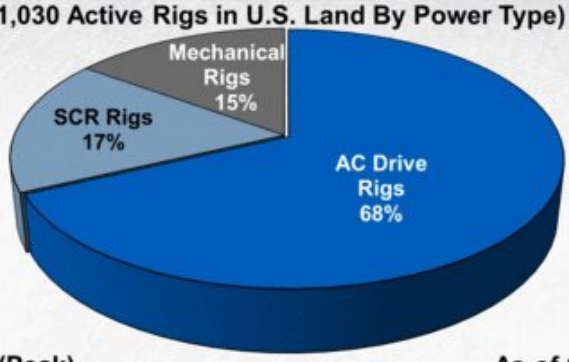
(Historical Example: January 2013 – January 2014)



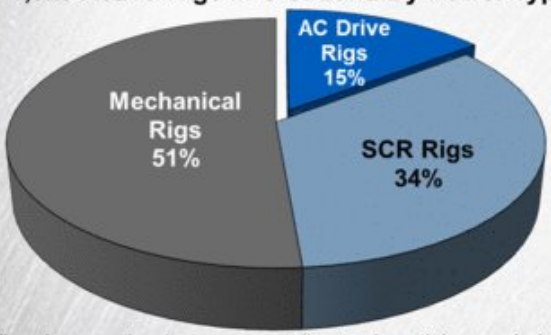
Source: The above estimates corresponding to AC Drive market share are derived from Rig Data.

The Replacement Cycle Continues

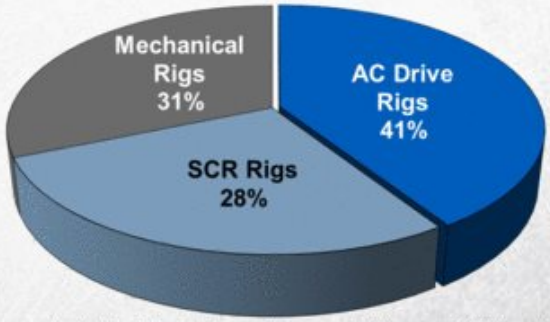
As of March 2018
(~1,030 Active Rigs in U.S. Land By Power Type)



As of October 2008 (Peak)
(~1,925 Active Rigs in U.S. Land By Power Type)



As of October 2014 (Peak)
(~1,930 Active Rigs in U.S. Land By Power Type)

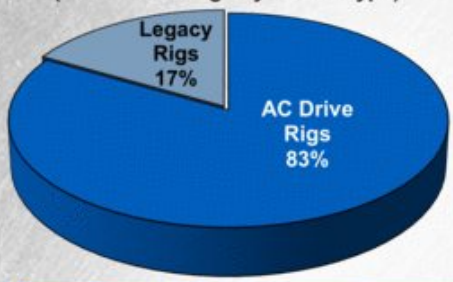


Note: The above estimates corresponding to rig activity are derived from multiple sources including Rig Data and corporate filings. Additionally, the drawworks capacity of each land rig included in the above analysis was greater than or equal to 600 horsepower. Certain assumptions were made in relation to the power systems on certain unidentified rigs.

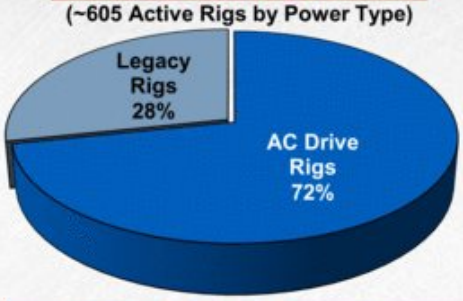
The Replacement Cycle: Customer Adoption

U.S. Land Market (as of March 2018)

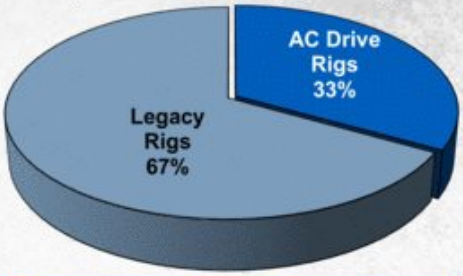
Top 10 E&P Operators
(~240 Active Rigs by Power Type)



Next ~135 E&P Operators
(~605 Active Rigs by Power Type)



Remaining E&P Operators
(~185 Active Rigs by Power Type)



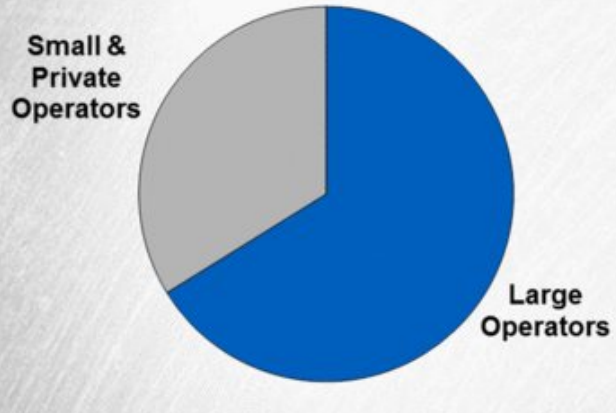
Top 10 E&P Operators	Next ~135 E&P Operators	Remaining E&P Operators
They represent the 10 most active E&P operators and employ ~23% of the industry's active drilling rigs.	They represent the next ~135 most active operators and employ ~59% of the industry's active drilling rigs.	They represent all other remaining active operators and employ ~18% of the industry's active drilling rigs.
~97% of their rigs are drilling horizontal or directional wells.	~95% of their rigs are drilling horizontal or directional wells.	~72% of their rigs are drilling horizontal or directional wells.
~16% of their rigs are drilling horizontal or directional wells with SCR or Mechanical rigs.	~24% of their rigs are drilling horizontal or directional wells with SCR or Mechanical rigs.	~39% of their rigs are drilling horizontal or directional wells with SCR or Mechanical rigs.

Note: The above estimates corresponding to rig activity are derived from multiple sources including Rig Data and corporate filings. Additionally, the drawworks capacity of each land rig included in the above analysis was greater than or equal to 600 horsepower. Certain assumptions were made in relation to the power systems on certain unidentified rigs.

H&P vs. Industry U.S. Land Customer Base

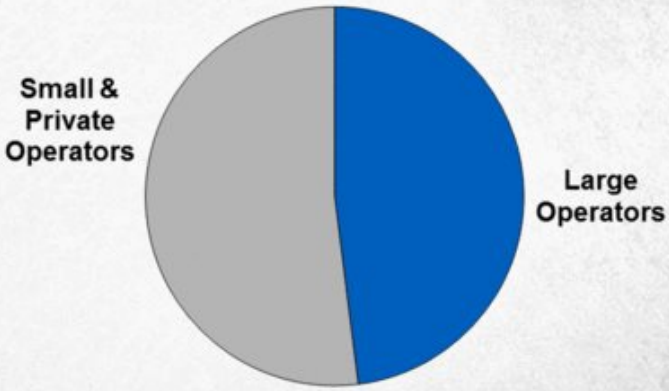
H&P

U.S. Land Activity
Estimated Customer Distribution
(March 2018)



Industry

U.S. Land Activity
Estimated Customer Distribution
(March 2018)



Note: The above estimates corresponding to the active rig fleet in the U.S. are derived from multiple sources including Rig Data. The category "Large Operators" includes majors and large independent E&P operators.

H&P Global Fleet Under Term Contract

Number of Rigs Already Under Long-Term Contracts*

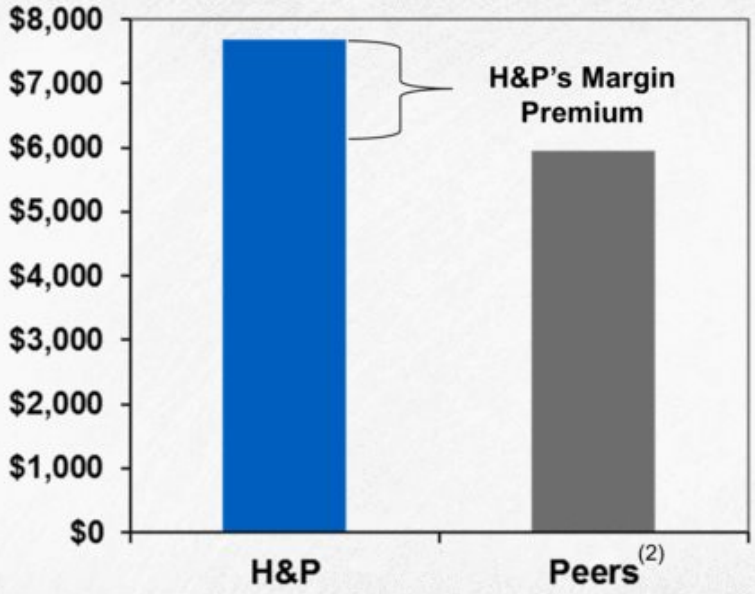
(Estimated Quarterly Average - as of 3/27/18)

Segment	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
U.S. Land	118.1	117.8	95.1	83.6	46.2	36.9	29.4
International Land	10.8	10.0	10.0	10.0	10.0	10.0	10.0
Offshore	2.0	1.9	0.3	0.0	0.0	0.0	0.0
Total	**130.9**	**129.7**	**105.4**	**93.6**	**56.2**	**46.9**	**39.4**

* The above term contract coverage excludes long-term contracts for which the Company received early contract termination notifications as of 3/27/18. Given notifications as of 3/27/18, the Company expects to generate approximately $4 million in the second fiscal quarter of 2018 and approximately $6 million over the next 9 months from early terminations corresponding to long-term contracts and related to its U.S. Land segment. All of the above rig contracts have original terms equal to or in excess of six months and include provisions for early termination fees.

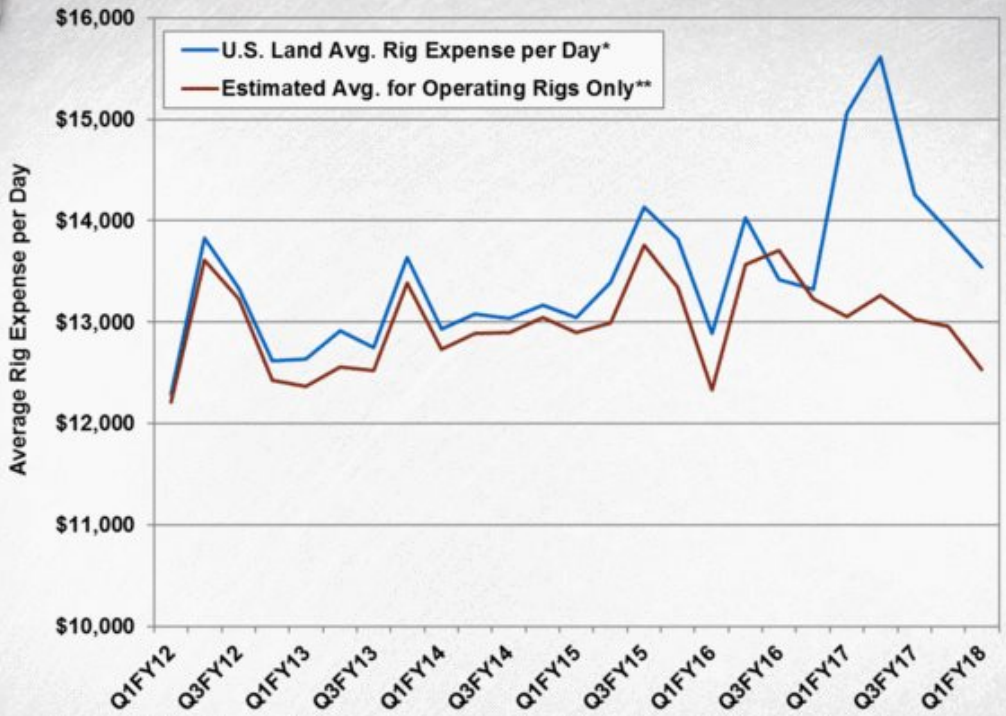
Technology & Quality Service Make a Difference

Average U.S. Land Rig Margin per Day[1]
(12 Months Ended December 31, 2017)



(1) Does not include the impact of early contract termination revenue.
(2) Represents weighted-average rig margin per day for PTEN, NBR, PDS, and UNT.

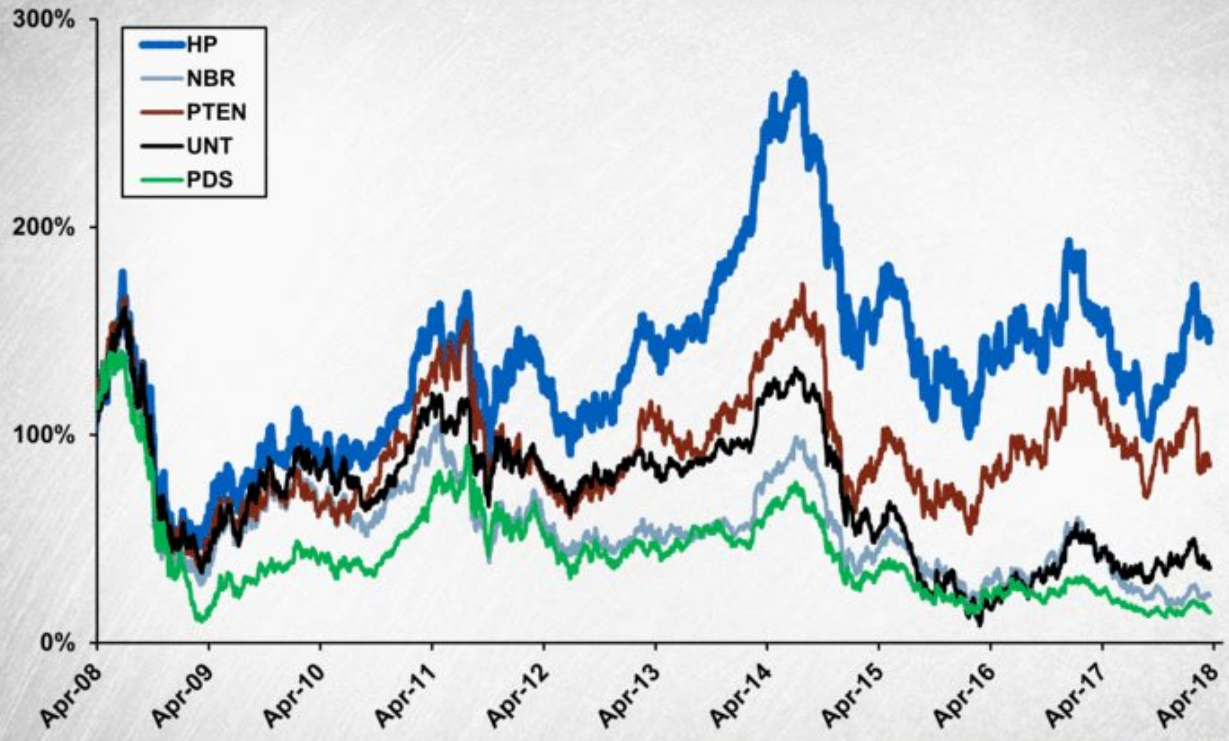
U.S. Land Average Rig Expense per Day



* Excludes extraordinary items mentioned in a particular quarter's press release (e.g. lawsuit settlement charges).

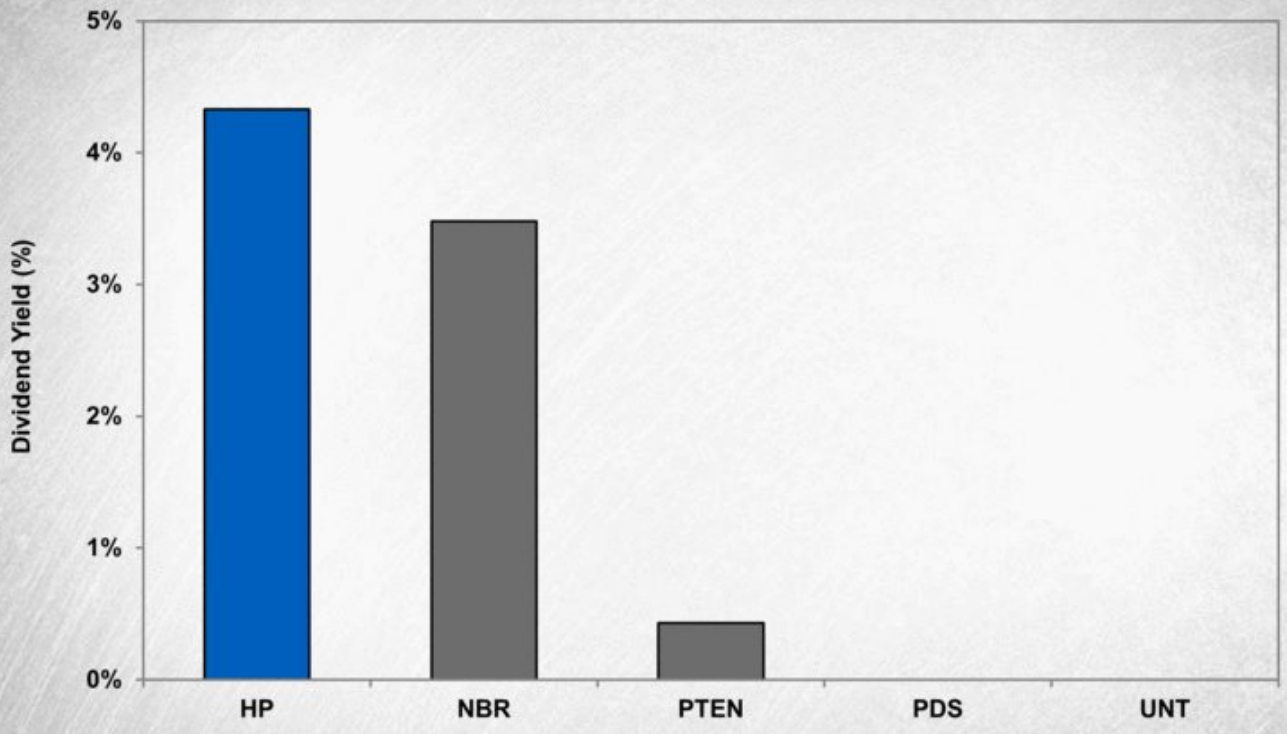
** Estimated average rig expense per day for operating rigs only excludes estimated expenses associated with transitory and idle rig costs (e.g. rig idling expenses, ongoing idle rig costs like property taxes and insurance, the start-up expenses related to the reactivation of idle rigs, and the estimated effect of idle rigs on standby).

Ten-Year Relative Shareholder Return



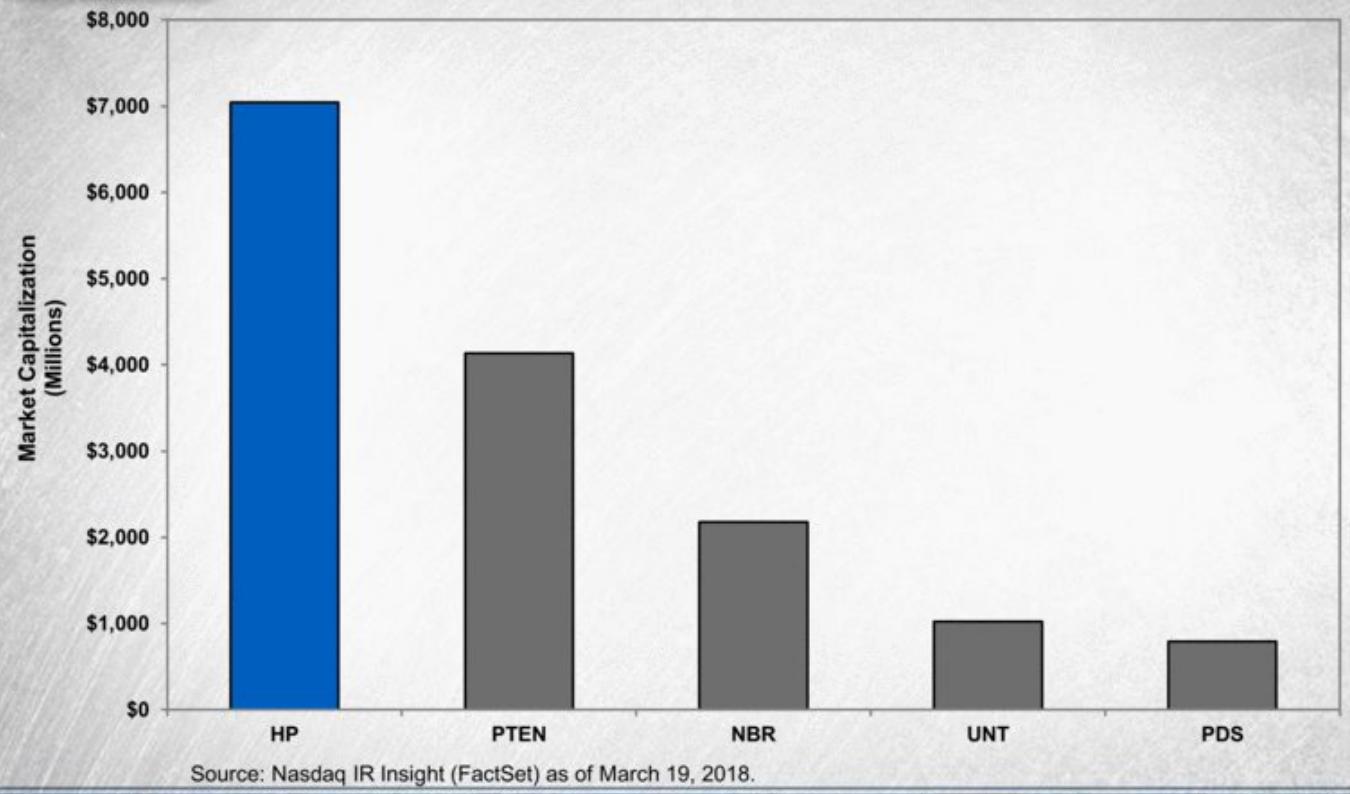
Source: Nasdaq IR Insight (FactSet) as of March 19, 2018.

Current Dividend Yields



Source: Nasdaq IR Insight (FactSet). Yields calculated as of market close on March 19, 2018.

Land Drilling Market Valuations



Source: Nasdaq IR Insight (FactSet) as of March 19, 2018.