

VIRTUAL EVENT

BI Analyst Briefing: Pressure Pumping Outlook Featuring Primary Vision

November 28, 2023, 10:00am EDT

BI Host: Scott Levine, Senior Energy and Industrial Services Analyst

Guest Speaker: Matt Johnson, Primary Vision Network



Scott Levine

Senior Energy and
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Matt Johnson

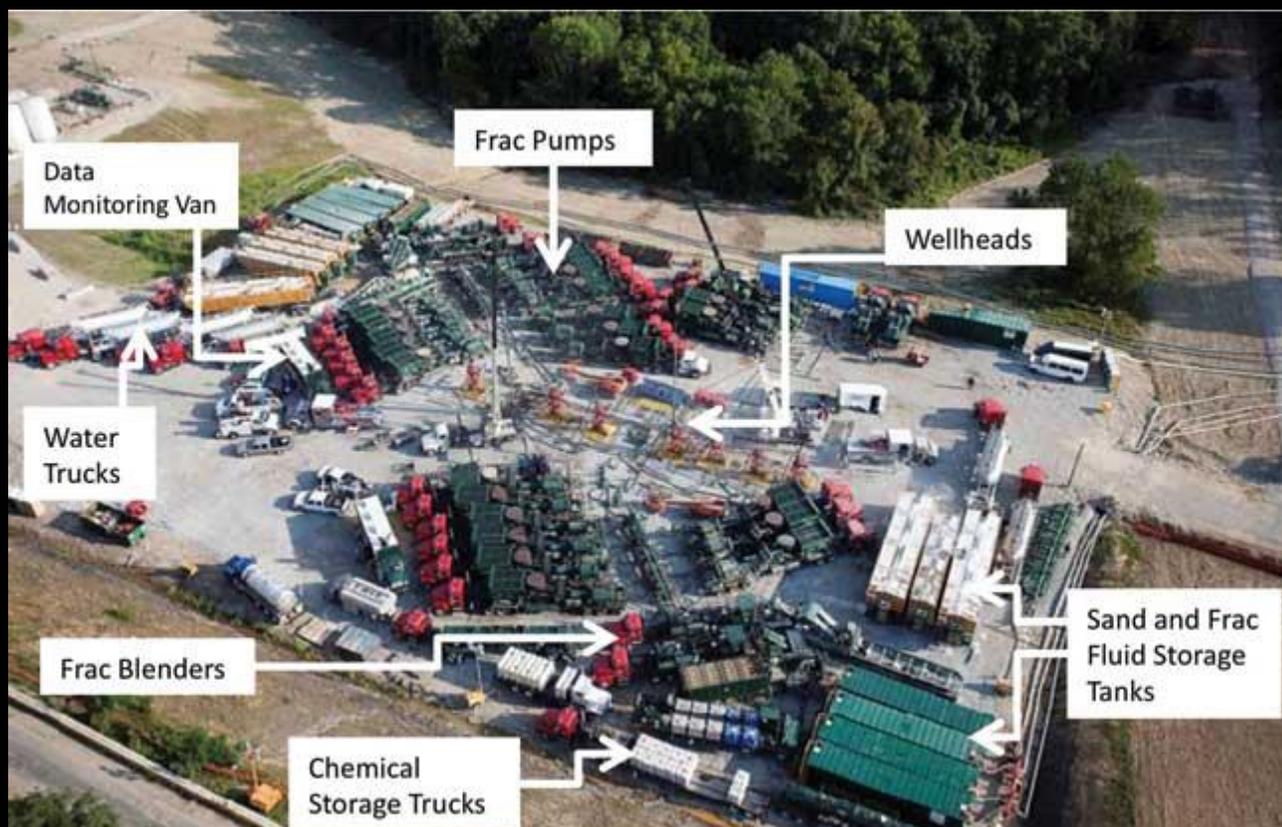
President & CEO
Primary Vision

Matt Johnson

President & CEO, Primary Vision

What is the Frac Spread Count?

The Frac Spread Count is the number of active pressure pumper spreads (or sets of equipment) that perform stimulation's (aka hydraulic fracturing).



The Frac Spread Count is to frac spreads (pressure pumper, stim crews, frac fleets) what the Baker Hughes/Enverus rig counts are to rigs.

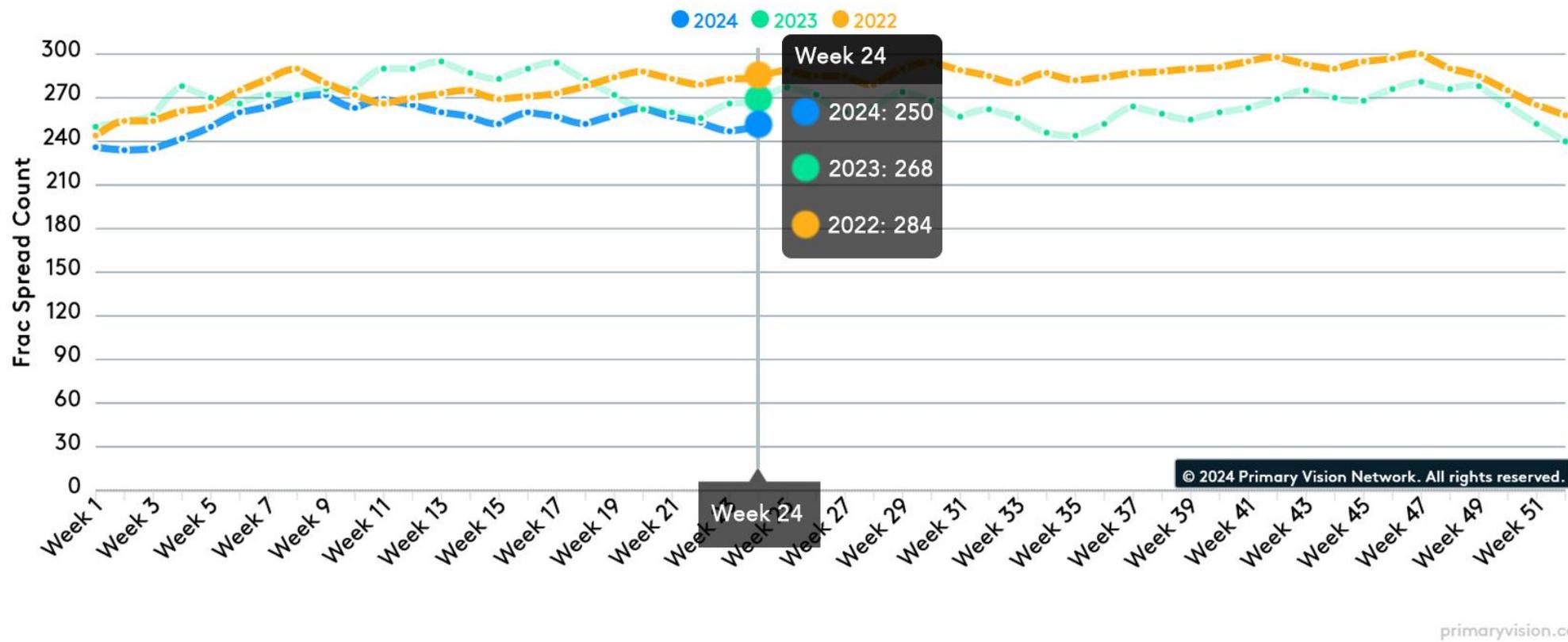
Frac Spread Count and Frac Job Count Definitions

Frac Spread Count – (also known as the FSC) A proprietary method developed by Primary Vision to track active pressure pumpers and help forecast demand in the U.S. nationally and by basin.

Frac Job Count - (also known as the FJC) A proprietary method developed by Primary Vision to compliment the Frac Spread Count with a weekly time series focused on individual completions.

Let's talk about Frac Demand

National Frac Spread Count - Comparison Chart



2024 FSC Evolution...

- 1/5 – 236
- 1/26 – 242
- 2/2 – 250
- 2/23 – 270
- 3/1 – 272
- 3/29 – 260
- 4/5 – 257
- 4/26 – 257
- 5/3 – 252
- 5/31 – 253
- 6/14 – 250

<https://markets.businessinsider.com/news/stocks/us-oil-gas-drillers-stuck-in-a-rut-1033442457>

Learn more at primaryvision.co

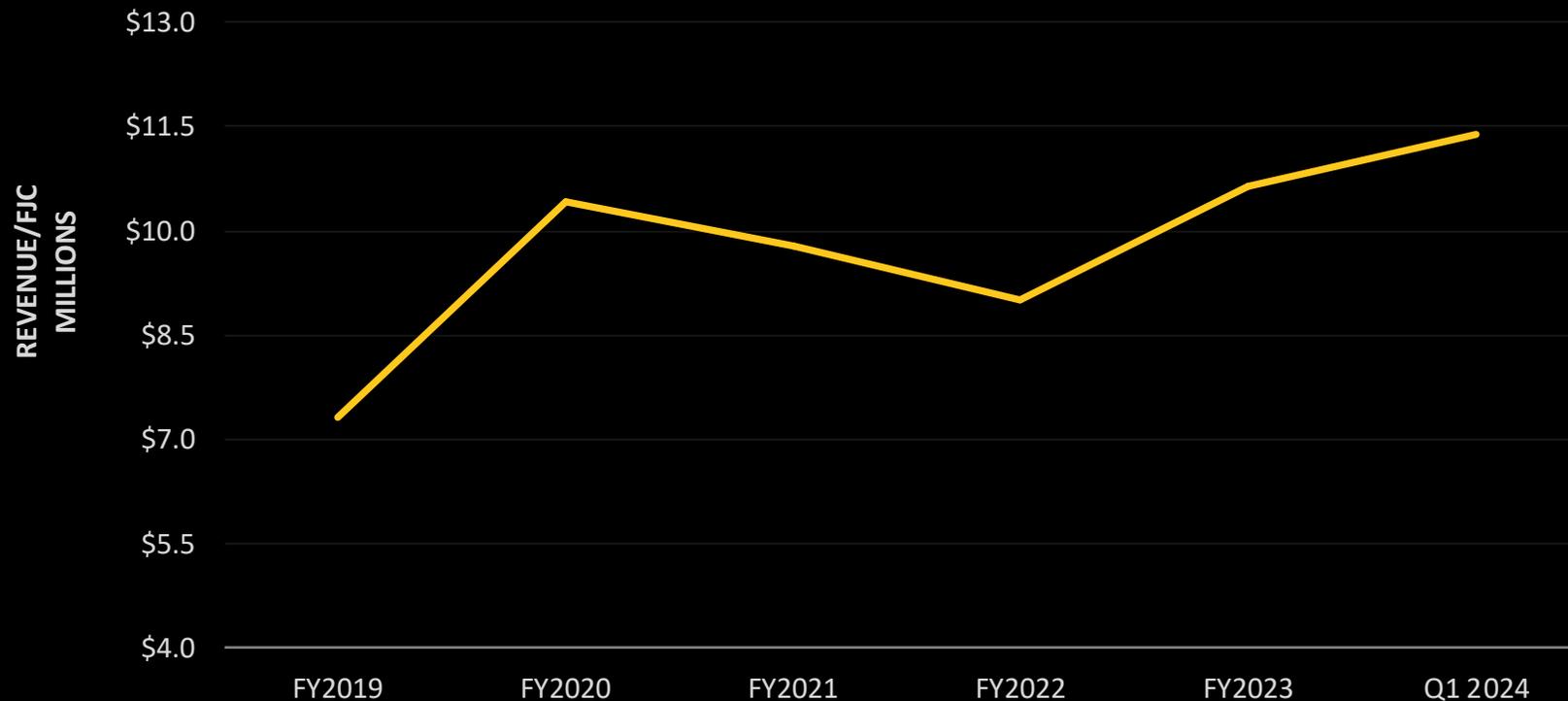
Pressure Pumper Active Frac Spreads

Attributes	United States
Active Spreads	260
Active HHP	14,148,026
Marketed Spreads	304
Marketed HHP	16,447,828
Spare Capacity HHP	2,000,000 - 2,500,000
Total HHP	18,400,000 to 18,900,000

HAL, PTEN, LBRT and ProFrac represent 53% of the frac supply market.

*As of March 31, 2024

OFS Industry: Revenue/FJC per annum

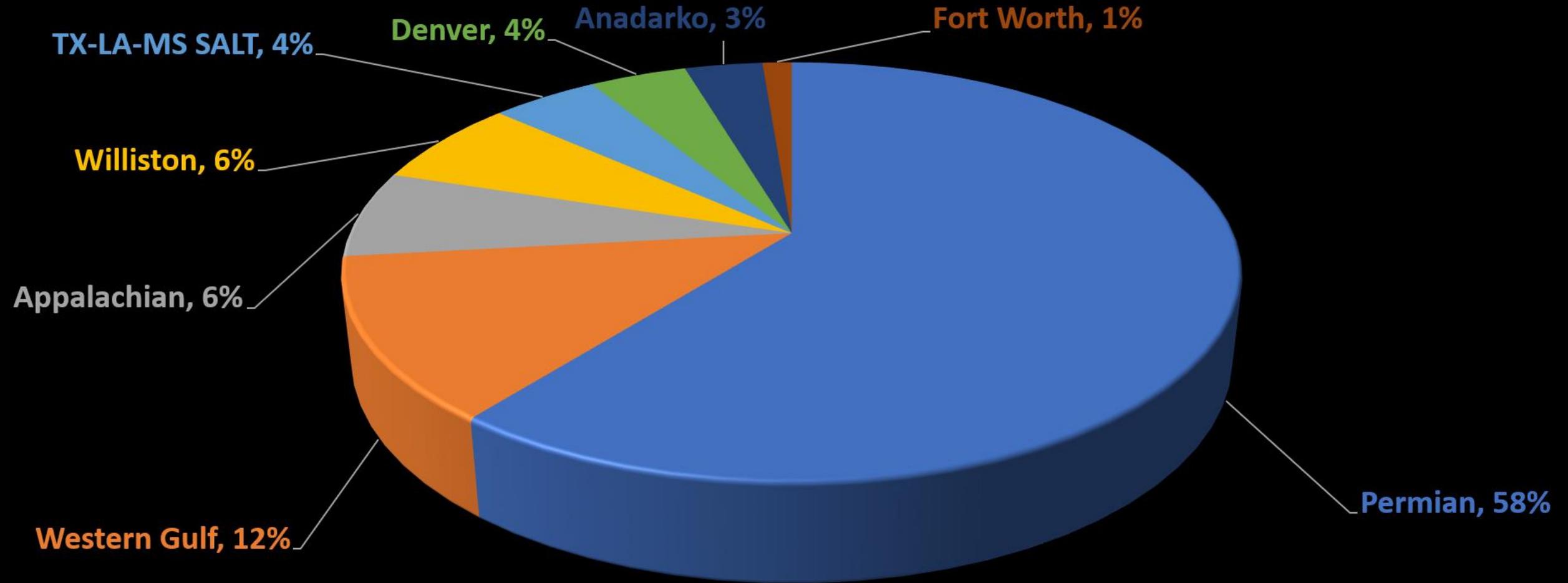


The correlations between 24-hour spreads, zipper/simulfrac'ing, and the use of sophisticated equipment are part of a broader trend towards increased automation and AI integration in the oil and gas industry. This transition aims to enhance efficiency, safety, and cost-effectiveness, ultimately leading to a more streamlined and productive operation. By leveraging these technologies, companies can achieve higher output with fewer resources, positioning themselves for long-term success in a competitive market.

News/Update

PUMP	<p>June 3: PUMP acquired Aqua Prop, a provider of wet sand solutions, for \$35.6 million.</p> <p>April 29: ProPetro Holding Corp. has entered into a three-year agreement to provide electric hydraulic fracturing services to ExxonMobil in the Permian Basin. The agreement includes the deployment of two FORCESM electric hydraulic fracturing fleets, wireline, and pumpdown services in the first half of 2024 with an option for a third FORCESM fleet with wireline and pumpdown services to commence operations in early 2025.</p>
ACDC	<p>On May 16, ACDC disclosed its CFO Lance Turner would resign on June 17. He agreed to serve as a consultant following his separation from the company. Mr. Turner will be replaced by Austin Harbour as the new CFO.</p> <p>Q1 earnings call: We deployed nine fleets since our most recent low in the fourth quarter. As we scale, we were able to absorb costs and deliver greater returns personally and we saw a benefit of that in the first quarter.</p> <p>Recently we completed a pad in the city limits of Midland, and demonstrated the versatility, reliability and quiet nature of our e-fleet which was actually our most efficient fleet in West Texas last month.</p> <p>Efficiency across all our fleet was up nearly 30% in March, over Q1 of 2023.</p> <p>A large portion of this is a product of the focus on efficiency for the entire industry, but this really demonstrates the commercial strategy that we employed, by focusing on dedicated thru-cycle customers.</p>
SLB	<p>On May 16, SLB received a contract from Equinor related to the existing Phase 3 of Equinor's Troll project in the North Sea, offshore Norway.</p> <p>April 21, 2024—SLB today introduced two advanced artificial lift systems: The Reda™ Agile™ compact wide-range electric submersible pump (ESP) system and the rodless Reda PowerEdge™ electric submersible progressing cavity pump (ESPCP) system. Their breakthrough designs deliver enhanced reliability and efficiency. The PowerEdge ESPCP system provides a more energy-efficient rodless alternative for low-flow production rates in mature conventional and unconventional wells. The PowerEdge ESPCP system expands the operating range of traditional PCP systems, being highly resistant to aromatics and able to withstand high temperatures at different pump speeds and intake pressures. The system lowers power consumption and related CO2 emissions by up to 55 percent.</p>
Other Notes	<p>According to a report from Fitch Ratings, the onshore oil-focused rig count will stabilize in the short term, and the number of active gas-focused rigs may increase based on its stable WTI and growing Henry Hub price assumptions. However, the frac count can get lower to the midcycle point, given its WTI oil price deck gradually declining from \$75/bbl in 2024 to \$57/bbl in 2028. International rig activity remains strong, with counts rising and higher margins compared to the US.</p>

Frac Spread Count by Shale Basins



Unlock the Future with AI

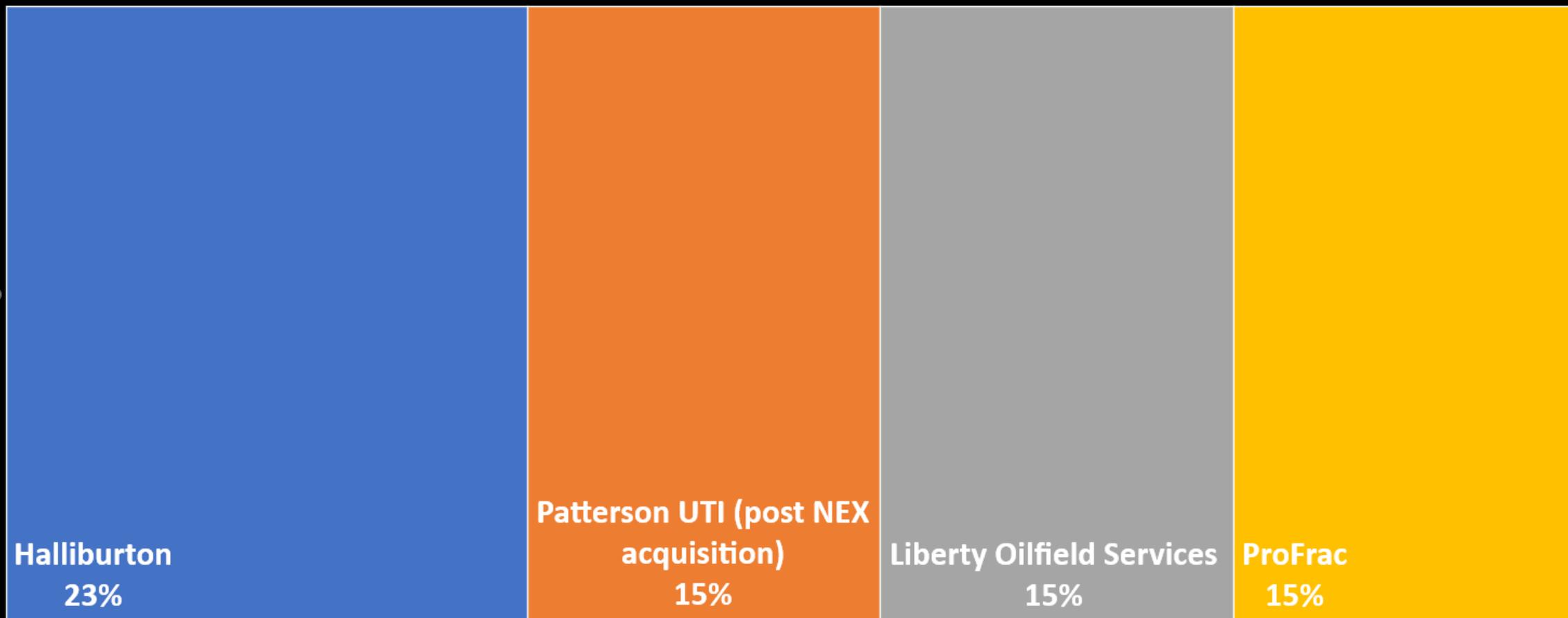
Since 2010, Primary Vision has harnessed AI to convert data into progress, starting with our “Frac Spread Count” a leading indicator for U.S. fracturing activity. Recently, we introduced an interactive tool to provide diagnostic support for neurological disorders. Moreover, in collaboration with a finance company we’re building intelligent agents and critical KPIs.

All designed, developed, tested and launched here at Primary Vision.

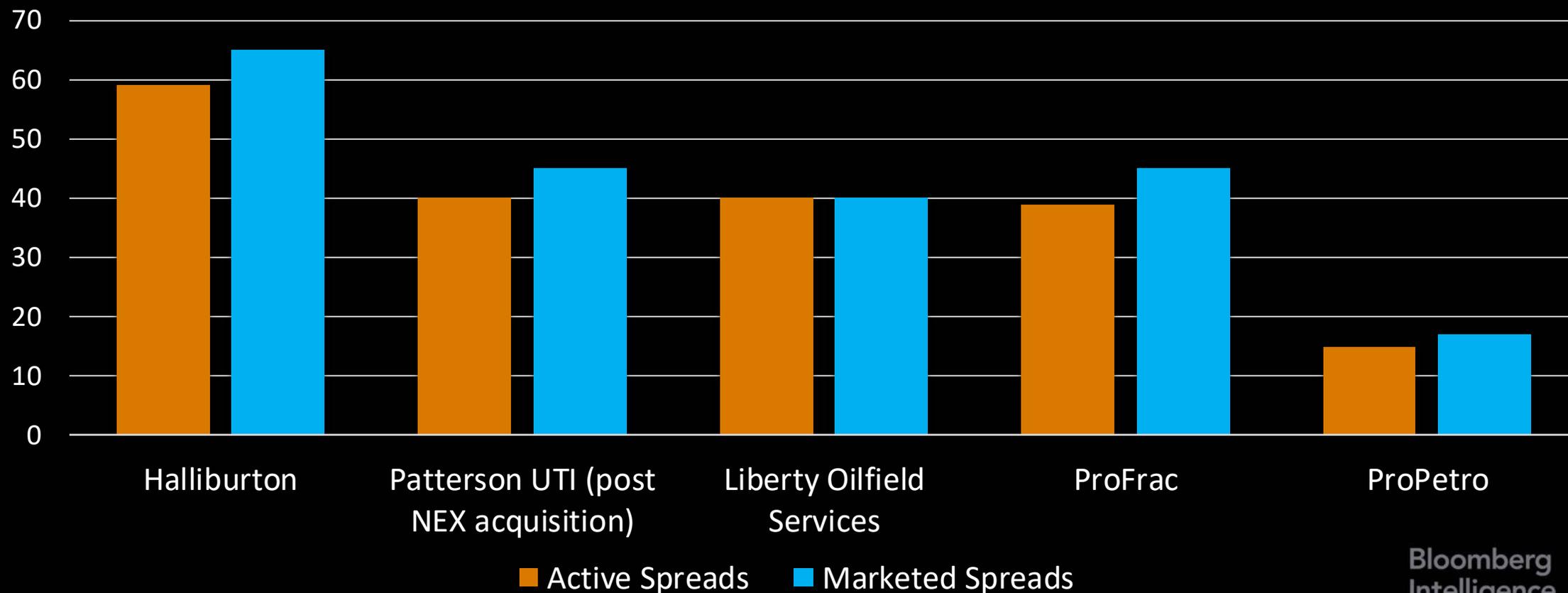
AI is more than technology—it’s the gateway to unlocking your company’s full potential.

Elevate with us. Transform Tomorrow.

Top 4 Pressure Pumper



Top 5 Pressure Pumpers: Active vis-a-vis Marketed

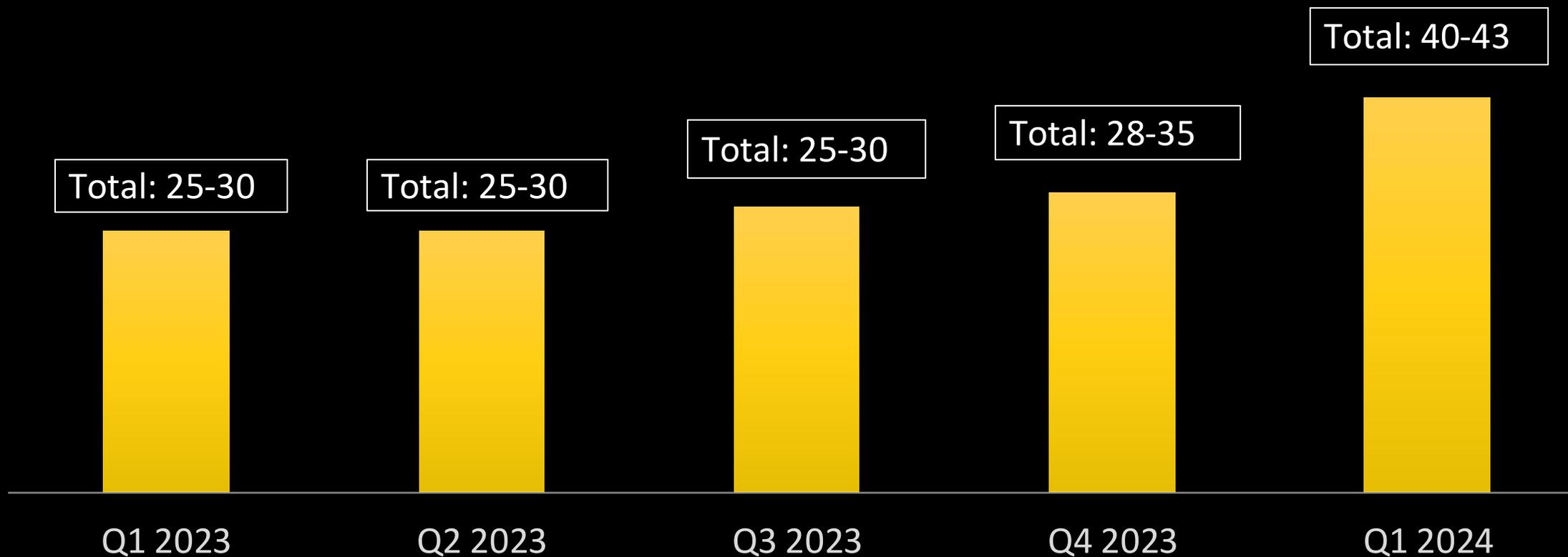


Engine Emissions Standards Breakdown

Efleet	15%
Tier 2 Dual	23%
Tier 4 Dual	22%
Total dual Fuel	45%
Conventional Diesel	40%

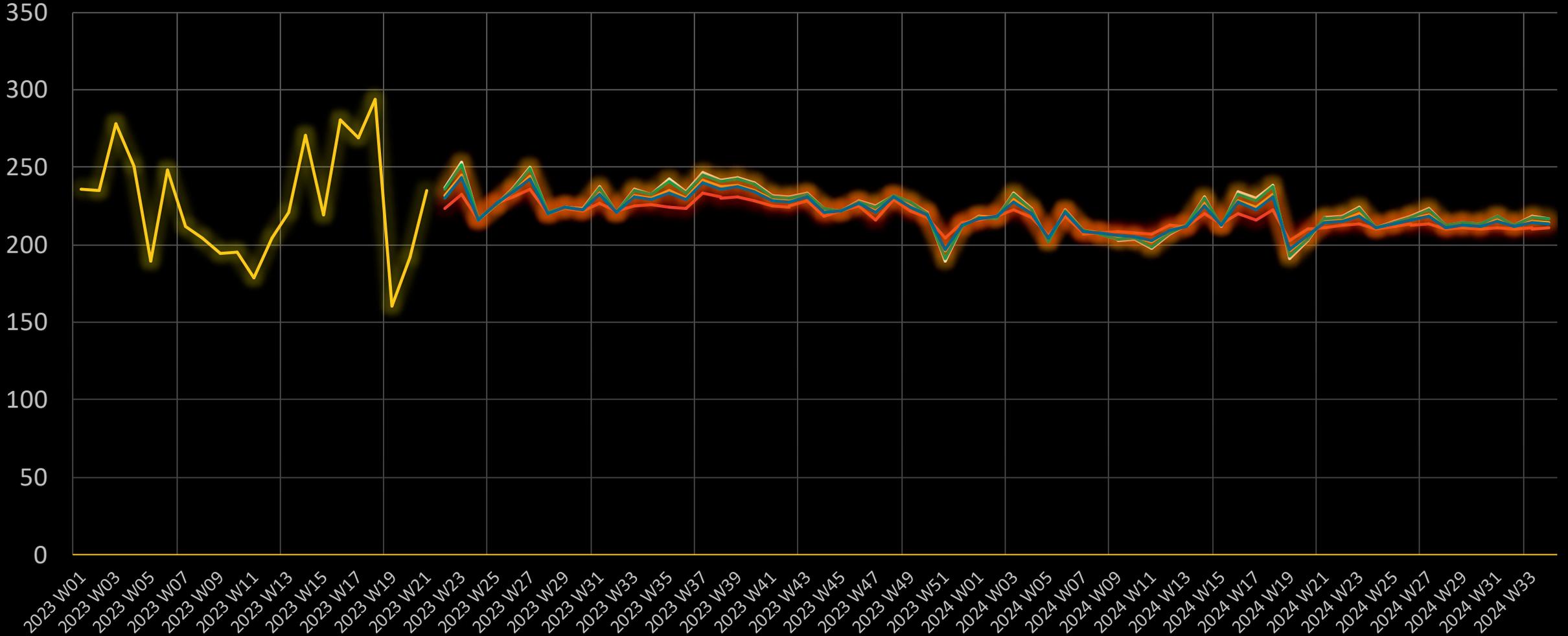
- Tier 1 (pre-1996): No emissions controls, highest emissions levels
- Tier 2 (1996-2001): Some emissions reductions, moderate emissions levels
- Tier 3 (2001-2011): Further emissions reductions, lower emissions levels
- Tier 4 (2011 and later): Most modern and stringent emissions standards, lowest emissions levels

Electric Frac Spread Estimates



Frac Job Count Background Forecasts

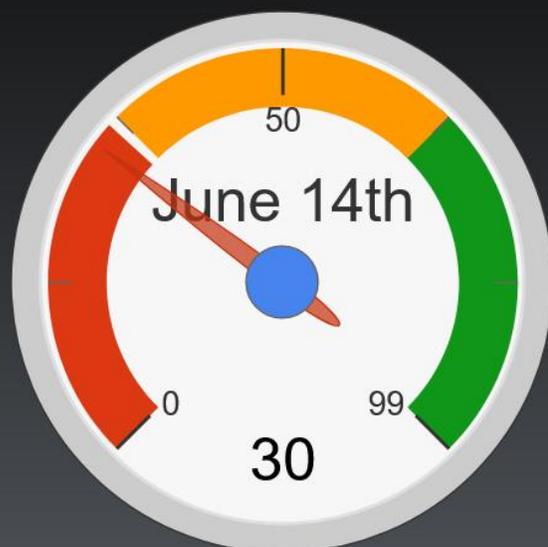
FRAC JOB COUNT WEEKLY FORECASTING MAY 2023 - AUG 2024



Introducing the Frac Index

FRAC INDEX

The health monitor of the overall hydraulic fracturing industry



FRAC SPREAD COUNT

250

LAST 4 WEEKS: -0.02%

LAST 3 MONTHS: -0.07%

FRAC JOB COUNT

217

LAST 4 WEEKS: -0.06%

LAST 3 MONTHS: -0.08%

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