Risk Factors Comparison 2024-02-27 to 2023-02-13 Form: 10-K

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You should consider each of the following factors as well as the other information in this Report in evaluating our business and our prospects. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks actually occur, our business, financial condition, cash flows and results of operations could be harmed. You should also refer to the other information set forth in this Report, including our consolidated financial statements and the related notes. **Risk Factors Summary The following is a summary of the principal risks included in this Report that we believe could adversely affect our business, financial condition, cash flows and results of operations:** Business and Operating Risks **•** We ~~Are~~ **are** ~~Dependent~~ **dependent** on the ~~Oil~~ **oil** and ~~Natural~~ **natural** ~~Gas~~ **gas** ~~Industry~~ **industry** and ~~Market~~ **market** ~~Prices~~ **prices** for ~~Oil~~ **oil** and ~~Natural~~ **natural** ~~Gas~~ **gas** . Declines in ~~Customers~~ **customers** ' ~~Operating~~ **operating** and ~~Capital~~ **capital** ~~Expenditures~~ **expenditures** and in ~~Oil~~ **oil** and ~~Natural~~ **natural** ~~Gas~~ **gas** ~~Prices~~ **prices** ~~May~~ **may** ~~Adversely~~ **adversely** ~~Affect~~ **affect our operating results. • Global economic conditions may adversely affect our operating results. • A surplus of equipment and a highly competitive oil service industry may adversely affect our utilization and profit margins and the carrying value of our assets. •** Our **operations are subject to a number of operational risks, including environmental and weather risks, which could expose us to significant losses and damage claims. We are not fully insured against all of these risks and our contractual indemnity provisions may not fully protect us. • Our current backlog of contract drilling revenue may decline and may not ultimately be realized, as fixed-term contracts may in certain instances be terminated without an early termination payment. • New technologies may cause our** ~~Operating~~ **operating methods, equipment, products and services to become less competitive, and higher levels of capital expenditures may be necessary to remain competitive. • Loss of key personnel and competition for experienced personnel may negatively impact our financial condition and** ~~Results~~ **results of operations. • The loss of large customers could have a material adverse effect on our financial condition and results of operations. • Shortages, delays in delivery, and interruptions in supply, of equipment and materials could adversely affect our operating results. • Our business is subject to cybersecurity risks and threats. • Our commitments under supply agreements could exceed our requirements, exposing us to risks including price, timing of delivery and quality of equipment and materials upon which our business relies. • Growth through acquisitions, the building or upgrading of equipment and the development of technology is not assured. • Our business relationships may be subject to disruption due to uncertainty associated with any pending or recently completed acquisitions, including the NexTier merger or the Ulterra acquisition, which could have a material adverse effect on our results of operations, cash flows and financial position. • Public health crises, pandemics and epidemics may have a significant adverse impact on our business, liquidity, results of operations and financial condition. • Fuel conservation measures could reduce demand for oil and natural gas, which would, in turn, reduce the demand for our services. Risks Relating to the NexTier Merger and Ulterra Acquisition • Our ability to utilize our historic U. S. net operating loss carryforwards is expected to be limited as a result of the completion of the NexTier merger. • Uncertainties associated with the NexTier merger and the Ulterra acquisition may cause a loss of management personnel and other key employees, which could adversely affect our future business and operations. • We have incurred and are expected to continue incurring transaction costs in connection with the NexTier merger and the Ulterra acquisition, which may be in excess of those we anticipated. • The benefits and synergies attributable to the NexTier merger and the Ulterra acquisition may vary from expectations. Legal and Regulatory Risks • The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, results of operations, and financial condition. • Our and our customers' operations are subject to a number of risks arising out of the threat of climate change that could result in increased operating and capital costs, limit the areas in which oil and natural gas production may occur and reduce demand for our services. • Environmental and occupational health and safety laws and regulations, including violations thereof, could materially adversely affect our operating results. • Technology disputes could negatively impact our operations, costs, revenues and competitiveness. • The design, manufacture, sale or rental, and servicing of products, including drill bits and electrical controls, may subject us to liability for personal injury, property damage and environmental contamination should such equipment fail to perform to specifications. • Legal proceedings and governmental investigations could have a negative impact on our business, financial condition and results of operations. • Political, economic and social instability risk and laws associated with conducting international operations could adversely affect our opportunities and future business. • We are subject to complex and evolving laws and regulations regarding data privacy and security. Financial Risks • Investor sentiment and public perception related to the oil and natural gas industry and to ESG initiatives could increase our costs of capital and our reporting requirements and impact our operations. • Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. • Our ability to access capital markets could be limited, and a downgrade in our credit rating could negatively impact our cost of and ability to access capital. • We may not be able to generate sufficient cash to service all of our debt and we may be forced to take other actions to satisfy our obligations under our debt, which may not be successful. • Our return of capital to stockholders, including through the payment of dividends and repurchases of our common stock, is within the discretion of our Board of Directors, and there is no guarantee that we will return capital to shareholders, including through the payment of**

dividends and repurchases of our common stock, in the future or at levels anticipated by our stockholders. Risks Related to Our Common Stock and Corporate Structure • The market price of our common stock may be highly volatile, and investors may not be able to resell shares at or above the price paid. • Anti- takeover measures in our charter documents and under state law could discourage an acquisition and thereby affect the related purchase price. • Our bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees . We depend on our customers' willingness to make operating and capital expenditures to explore for, develop and produce oil and natural gas ~~in the United States~~ . When these expenditures decline, our business may suffer. Our customers' willingness to explore, develop and produce depends largely upon prevailing industry conditions that are influenced by numerous factors over which we have no control, such as: • the supply of and demand for oil and natural gas, including current natural gas storage capacity and usage, • the prices, and expectations about future prices, of oil and natural gas, • the supply of and demand for drilling **services** , ~~pressure pumping~~ **completion services** and ~~directional~~ drilling ~~services~~ **products** , • the cost of exploring for, developing, producing and delivering oil and natural gas, • the availability of capital for oil and natural gas industry participants, including our customers, and the extent to which they are willing or able to deploy capital, • the availability of and constraints in pipeline, storage and other transportation capacity in the basins in which we operate, • the environmental, tax and other laws and governmental regulations regarding the exploration, development, production, use and delivery of oil and natural gas, and in particular, public pressure on, and legislative and regulatory interest within, federal, state, foreign, regional and local governments to stop, significantly limit or regulate drilling **services** and ~~pressure pumping~~ **completion services** activities, including hydraulic fracturing, • increased focus by the investment and financing community **and the general public** on sustainability practices in the oil and natural gas industry, and • merger and divestiture activity among oil and natural gas producers. In particular, our revenues, profitability and cash flows are highly dependent upon prevailing prices for oil and natural gas and expectations about future prices. Oil and natural gas prices and markets can be extremely volatile. Prices, and expectations about future prices, are affected by factors such as: • market supply and demand, • the desire and ability of the Organization of Petroleum Exporting Countries (" OPEC "), its members and other oil- producing nations, such as Russia, to set and maintain production and price targets, • the level of production by OPEC and non- OPEC countries, • domestic and international military, political, economic, health and weather conditions, including the impacts of war, including the impact of the ongoing **armed** ~~conflict~~ **conflicts** ~~in~~ **between Russia and** Ukraine **and Israel and Hamas and the continuation of, or any escalation in the severity of, these conflicts** , or terrorist activity, pandemics and other unexpected disasters or events, • changes to tax, tariff and import / export regulations and sanctions by the United States or other countries, • legal and other limitations or restrictions on exportation and / or importation of oil and natural gas, • technical advances affecting energy consumption and production, and • the development, price, availability and market acceptance of alternative fuels and energy sources. All of these factors are beyond our control. ~~Reduced demand for crude~~ **Crude** ~~oil and refined products related to the COVID- 19 pandemic led to a significant reduction in crude~~ oil prices and demand for drilling and completion **equipment and** services **increased** in ~~2020~~ **2022 ,** and ~~early~~ **industry supply of Tier- 1, super- spec rigs became constrained. Commodity price volatility in the second quarter of** ~~2021~~ **2023** ~~. However, market fundamentals have improved~~ **resulted in a decline in industry activity; commodity prices subsequently increased during the third quarter before declining in the fourth quarter of 2023** . The current demand for equipment and services ~~and improved market fundamentals remain~~ **remains** dependent on macro conditions, including commodity prices, geopolitical environment, inflationary pressures, economic conditions in the United States and elsewhere, **as well as customer consolidation** ~~response to the COVID- 19 pandemic (including any resurgences~~ and ~~/ or lockdowns in the United States and abroad) and continued~~ focus by exploration and production companies and service companies on capital ~~discipline~~ **returns** . Oil prices averaged $ ~~82~~ **78** . ~~79~~ **53** per barrel in the fourth quarter of ~~2022~~ **2023** and closed at $ ~~77~~ **78** . ~~97~~ **72** per barrel on ~~January 30~~ **February 20** , ~~2023~~ **2024** . Natural gas prices (based on the Henry Hub Spot Market Price) averaged $ ~~5~~ **2** . ~~55~~ **74** per MMBtu in the fourth quarter of ~~2022~~ **2023** and closed at $ ~~2~~ **1** . ~~82~~ **50** per MMBtu on ~~January 30~~ **February 20** , ~~2023~~ **2024** . In light of these and other factors, we expect oil and natural gas prices to continue to be volatile and to affect our financial condition, operations and ability to access sources of capital. Higher oil and natural gas prices do not necessarily result in increased activity because demand for our services is generally driven by our customers' expectations of future oil and natural gas prices, as well as our customers' ability to access ~~sources of~~ **, and willingness to deploy,** capital to fund their operating and capital expenditures. A decline in demand for oil and natural gas, prolonged low oil or natural gas prices, expectations of decreases in oil and natural gas prices or a reduction in the ability of our customers to access capital would likely result in reduced capital expenditures by our customers and decreased demand for our services, which could have a material adverse effect on our operating results, financial condition and cash flows. Even during periods of historically moderate or high prices for oil and natural gas, companies exploring for oil and natural gas may cancel or curtail programs or reduce their levels of capital expenditures for exploration and production for a variety of reasons, which could reduce demand for our services ~~. Global Economic Conditions May Adversely Affect Our Operating Results~~ . Concerns regarding global economic conditions, energy costs, geopolitical issues, supply chain disruptions, inflation and the availability and cost of credit have contributed to increased economic uncertainty. Demand for energy and for oil and natural gas end products is highly sensitive to economic conditions; as a result, global economic conditions, indications that economic growth is slowing and volatility in commodity prices may cause our customers to reduce or curtail their drilling and well completion programs, which could result in a decrease in demand for our services. In addition, uncertainty in the capital markets, whether due to global economic conditions, low commodity prices or otherwise, may result in reduced access to, or an inability to obtain, financing by us, our customers and our suppliers and result in reduced demand for our services. An economic slowdown or recession in the United States or in any other country that significantly affects the supply of or demand for oil or natural gas could negatively impact our operations and

therefore adversely affect our results. Furthermore, these factors may result in certain of our customers experiencing an inability or unwillingness to pay suppliers, including us. The global economic environment in the past has experienced significant deterioration in a relatively short period, such as a result of the COVID- 19 pandemic or the **ongoing armed** ~~conflict~~ **conflicts** ~~in~~ **between Russia and** Ukraine **and Israel and Hamas** , and there is no assurance that the global economic environment, or expectations for the global economic environment, will not quickly deteriorate again due to one or more factors, including as a result of actual or perceived threats to geopolitical stability and changes in production from OPEC, its members and other oil-producing nations. A deterioration in the global economic environment could have a material adverse effect on our business, financial condition, cash flows and results of operations. ~~A Surplus of Equipment and a Highly Competitive Oil Service Industry May Adversely Affect~~ Our ~~Utilization and Profit Margins and the Carrying Value of our Assets. The land drilling and pressure pumping industries~~ **industry is** ~~in the United States are~~ highly competitive, and at times available ~~land~~ drilling **services** ~~rigs and pressure pumping~~ equipment **, completion services equipment, and drilling products** exceed the demand for such equipment **and products** . A low commodity price environment or capital spending reductions by our customers due to customer consolidation **(which is currently occurring in the industry)** , investor requirements or other reasons can result in substantially more ~~drilling rigs and pressure pumping~~ equipment **and products** being available than are needed to meet demand. Low commodity prices and a rise in new and upgraded equipment **or products** can result in excess capacity and substantial competition for a declining number of drilling **services** and ~~pressure pumping~~ **completion services** contracts **and drilling products rentals and sales** . Operating costs for our ~~core~~ **drilling services and completion services** businesses include all direct and indirect costs associated with the operation, maintenance and support of our equipment, which is often not affected by changes in our rates and utilization. During periods of reduced revenue and / or activity, certain of our fixed costs, such as depreciation, may not decline and often we may incur additional costs. During times of reduced utilization, reductions in costs may not be immediate as we may incur additional costs associated with maintaining and stacking equipment, or we may not be able to fully reduce the cost of our support operations in a particular geographic region due to the need to support the remaining operations in that region. Accordingly, a decline in revenue due to lower rates and / or utilization may not be offset by a corresponding decrease in operating costs, which could have a material adverse impact on our business, financial condition and results of operations. Even in an environment of high oil and natural gas prices and / or increased drilling and completion activity, reactivation and improvement of existing drilling ~~rigs~~ **services** and ~~pressure pumping~~ **completion services** equipment, construction of new technology drilling ~~rigs~~ **services** and **completion services** ~~new pressure pumping~~ equipment, ~~and~~ movement of drilling ~~rigs~~ **services** and ~~pressure pumping~~ **completion services** equipment from region to region in response to market conditions or otherwise can lead to a surplus of equipment. In times of reduced demand for our industry' s services, certain of our industry competitors may initiate bankruptcy proceedings or engage in debt refinancing transactions, management changes, or other strategic initiatives in an attempt to reduce operating costs to maintain a position in the market. This could result in such competitors emerging with stronger or healthier balance sheets and, in turn, an improved ability to compete with us in the future. We may also see corporate consolidations among both our customers and competitors, which could significantly alter industry conditions and competition within the industry, and have a material adverse effect on our business, financial condition, cash flows and results of operations. We periodically seek to increase the prices on our services to offset rising costs, earn returns on our capital investment, and otherwise generate higher returns for our stockholders. However, we operate in a very competitive industry, and we are not always successful in raising or maintaining our existing prices. Even if we are able to increase our prices, we may not be able to do so at a rate that is sufficient to offset rising costs, including capital expenditures, without adversely affecting our activity levels. The inability to maintain our pricing and to increase our pricing as costs, including capital expenditures, increase could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may be unable to replace fixed- term contracts that expire or are terminated early, extend expiring contracts or obtain new contracts in the spot market, and the rates and other material terms under any new or extended contracts may be on substantially less favorable rates and terms. Accordingly, high competition and a surplus of equipment **and products** can cause oil and natural gas service contractors to have difficulty maintaining pricing, utilization and profit margins and, at times, result in operating losses. We cannot predict the future level of competition or surplus equipment **and products** in the oil and natural gas service businesses or the level of demand for our ~~contract drilling, pressure pumping or directional~~ drilling services **, completion services or drilling products** . A surplus of operable land drilling rigs, **other drilling services equipment and drilling products,** increasing rig specialization and surplus of **completion services** ~~pressure pumping and directional drilling~~ equipment, which can be exacerbated by capital spending reductions by our customers, could affect the fair market value of our ~~contract~~ drilling **services equipment** , ~~pressure pumping~~ **completion services equipment,** and ~~directional~~ drilling ~~equipment~~ **products** , which in turn could result in additional impairments of our assets. A prolonged period of lower oil and natural gas prices or changes in customer preferences and requirements could result in future impairment to our long- lived assets. For example, we recognized impairment charges of $ **7. 0 million, $** 4. 5 million ~~,~~ **and** $ 267 million ~~and $ 423 million~~ in **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively ~~. Our Operations Are Subject to a Number of Operational Risks, Including Environmental and Weather Risks, Which Could Expose Us to Significant Losses and Damage Claims. We Are Not Fully Insured Against All of These Risks and Our Contractual Indemnity Provisions May Not Fully Protect Us~~ . Our operations are subject to many hazards inherent in the businesses in which we operate, including inclement weather, blowouts, explosions, fires, loss of well control, motor vehicle accidents, equipment failure **, unplanned power outages and surges, computer system disruptions or cybersecurity incidents** , pollution, exposure and reservoir damage. These hazards could cause personal injury or death, work stoppage, and serious damage to equipment and other property, as well as significant environmental and reservoir damages. These risks could expose us to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, pollution and other environmental damages. An accident or other event resulting in significant environmental or property damage, or injuries or fatalities involving our employees or other persons could also trigger

investigations by federal, state or local authorities. Such an accident or other event could cause us to incur substantial expenses in connection with the investigation, remediation and resolution, as well as cause lasting damage to our reputation, loss of customers and an inability to obtain insurance. We have indemnification agreements with many of our customers, and we also maintain liability and other forms of insurance. In general, our contracts typically contain provisions requiring our customers to indemnify us for, among other things, reservoir and certain pollution damage. Our right to indemnification may, however, be unenforceable or limited due to negligent or willful acts or omissions by us, our subcontractors and / or suppliers. In addition, certain states, including Louisiana, New Mexico, Texas and Wyoming, have enacted statutes generally referred to as " oilfield anti- indemnity acts " expressly prohibiting certain indemnity agreements contained in or related to oilfield services agreements. Such oilfield anti- indemnity acts may restrict or void a party' s indemnification of us. Our customers and other third parties may dispute, or be unable to meet, their indemnification obligations to us due to financial, legal or other reasons. Accordingly, we may be unable to transfer these risks to our customers and other third parties by contract or indemnification agreements. Incurring a liability for which we are not fully indemnified or insured could have a material adverse effect on our business, financial condition, cash flows and results of operations. ~~We~~ **In addition, we** maintain insurance coverage of **the** types and **in the** amounts ~~that~~ we believe to be customary in the industry, but we ~~are~~ **do** not ~~fully insured~~ - **insure** against all risks, either because insurance is not available or because ~~of the high premium costs~~ **it is not commercially justifiable** . ~~The~~ **See " Item 1. Business – Risks and** ~~insurance~~ **Insurance "** ~~coverage that we maintain includes insurance~~ for **a description** ~~fire, windstorm and other risks~~ of ~~physical loss to our equipment and certain other assets, employer' s liability, automobile liability, commercial general liability, workers' compensation and insurance for other specific risks. We cannot assure, however, that any insurance obtained by us will be adequate to cover any losses or~~ **our** ~~liabilities, or that this insurance will continue to be available, or available on terms that are acceptable to us. While we carry insurance to cover physical damage to, or loss of, a substantial portion of our equipment and certain other assets, such insurance does not cover the full replacement cost of such equipment or other assets. We have also elected in some cases to accept a greater amount of risk through increased deductibles on certain insurance policies. For example, in the United States we generally maintain a $ 1. 5 million per occurrence deductible on our workers' compensation insurance coverage, a $ 1. 0 million per occurrence deductible on our equipment insurance coverage, a $ 5. 0 million per occurrence deductible on our pressure pumping equipment without fire suppression systems, a $ 10. 0 million per occurrence deductible on our general liability coverage, a $ 2. 0 million per occurrence deductible on our primary automobile liability insurance coverage, and a $ 5. 0 million per occurrence deductible on our excess automobile liability~~ insurance coverage. We also self- insure a number of ~~other~~ risks, including loss of earnings and business interruption and most of our cybersecurity risks, and we do not carry a significant amount of insurance to cover risks of underground reservoir damage. Our insurance may not in all situations provide sufficient funds to protect us from all liabilities that could result from our operations. Our coverage includes aggregate policy limits and exclusions. As a result, we retain the risk for any loss in excess of these limits or that is otherwise excluded from our coverage. There can be no assurance that insurance will be available to cover any or all of our operational risks, or, even if available, that insurance premiums or other costs will not rise significantly in the future, so as to make the cost of such insurance prohibitive, or that our coverage will cover a specific loss. Further, we may experience difficulties in collecting from insurers or such insurers may deny all or a portion of our claims for insurance coverage. Incurring a liability for which we are not fully insured or indemnified could materially adversely affect our business, financial condition, cash flows and results of operations. If a significant accident or other event occurs that is not fully covered by insurance or an enforceable and recoverable indemnity from a third party, it could have a material adverse effect on our business, financial condition, cash flows and results of operations. ~~Our Current Backlog of Contract Drilling Revenue May Decline and May Not Ultimately Be Realized, as Fixed- Term Contracts May in Certain Instances Be Terminated Without an Early Termination Payment.~~ Fixed- term drilling contracts customarily provide for termination at the election of the customer, with an early termination payment to us if a contract is terminated prior to the expiration of the fixed term. However, in certain circumstances, for example, destruction of a drilling rig that is not replaced within a specified period of time, our bankruptcy, or a breach of our contract obligations, the customer may not be obligated to make an early termination payment to us. Additionally, during depressed market conditions or otherwise, customers may be unable to satisfy their contractual obligations or may seek to terminate **, suspend** or renegotiate or otherwise fail to honor their contractual obligations, including as a result of their bankruptcy. In addition, we may not be able to perform under these contracts due to events beyond our control, and our customers may seek to terminate or renegotiate our contracts for various reasons, including those described above. As a result, we may be unable to realize all of our current contract drilling backlog. In addition, the termination **, suspension** or renegotiation of fixed- term contracts without the receipt of early termination payments could have a material adverse effect on our business, financial condition, cash flows and results of operations. As of December 31, ~~2022~~ **2023** , our contract drilling backlog in the United States for future revenues under term contracts, which we define as contracts with a **duration** ~~fixed term~~ of six months or more, was approximately $ ~~830~~ **700** million. Please see Note 3 of Notes to consolidated financial statements in Item 8 of this Report for a description of our calculation of backlog. Our contract drilling backlog may decline, as fixed- term drilling contract coverage over time may not be offset by new contracts or may be reduced by price adjustments to existing contracts, including as a result of a decline in the price of oil and natural gas, capital spending reductions by our customers or other factors. For these and other reasons, our contract drilling backlog may not generate sufficient liquidity for us during periods of reduced demand for our services or otherwise. ~~New Technologies May Cause Our Operating Methods, Equipment and Services to Become Less Competitive, and Higher Levels of Capital Expenditures May Be Necessary to Remain Competitive.~~ The market for our services **and products** is characterized by continual technological and process developments that have resulted in, and will likely continue to result in, substantial improvements in the functionality and performance, including environmental performance, of drilling **services** ~~rigs and pressure pumping and other~~ equipment **, completion services equipment, and drilling products** . Our customers are increasingly demanding the services of newer, higher specification

drilling rigs and ~~pressure pumping~~ **completion services** and other equipment, as well as new and improved technology, such as drilling automation technology and lower- emissions operations and services, **specialized drill bit solutions** and data analytics. Accordingly, we may have to allocate a higher proportion of our capital expenditures to maintain and improve existing rigs and ~~pressure pumping~~ **completion services** and other equipment, purchase and construct newer, higher specification drilling rigs and ~~pressure pumping~~ **completion services** and other equipment to meet the increasingly sophisticated needs of our customers, and develop new and improved technology **, specialized drill bit solutions** and data analytics. In addition, technological changes, process improvements and other factors that increase operational efficiencies could continue to result in oil and natural gas wells being drilled and completed more quickly, which could reduce the number of revenue earning days. Technological and process developments in the ~~pressure pumping~~ **completion services** and ~~directional~~ **other** drilling **services** businesses could have similar effects. We continually attempt to develop or acquire new technologies for use in our business **. For example, we have invested in natural gas- powered equipment, including electric pumps, to replace legacy diesel completion services equipment** . In the event that we are successful in developing or acquiring new technologies for use in our business, there is no guarantee of future demand for those technologies. Customers may be reluctant or unwilling to adopt our new technologies. We may also have difficulty negotiating satisfactory terms for our new technologies, including terms that would enable us to obtain acceptable returns on our investment in the development or acquisition of new technologies. Development and acquisition of new technology is critical to maintaining our competitiveness. There can be no assurance that we will be able to successfully develop or acquire technology that our customers demand. Some of our competitors have greater financial, technical and personnel resources that may allow them to enjoy technological advantages and develop, acquire and implement new technology on a more timely basis or in a more cost- effective manner. If we are not successful keeping pace with technological advances in a timely and cost- effective manner, demand for our services may decline. If any technology that we need to successfully compete is not available to us or that we implement in the future does not work as we expect, we may be adversely affected. Additionally, new technologies, services or standards could render some of our equipment ~~and~~ **,** services **and products** obsolete, which could reduce our competitiveness and have a material adverse impact on our business, financial condition, cash flows and results of operation ~~. Loss of Key Personnel and Competition for Experienced Personnel May Negatively Impact Our Financial Condition and Results of Operations~~ . We greatly depend on the efforts of our key employees to manage our operations. The loss of members of management could have a material adverse effect on our business. In addition, we utilize highly skilled field- based and non- field **-** based personnel in operating and supporting our businesses and in developing new technologies. In times of increasing demand for our services, it may be difficult to attract and retain qualified field- based and non- field **-** based personnel, particularly after a prolonged industry downturn. During periods of high demand for our services or inflation, wage rates for personnel are also likely to increase (and, during recent periods of high demand and inflation, have increased), resulting in higher operating costs. During periods of lower demand for our services, we may experience reductions in force and voluntary departures of personnel, which could adversely affect our business and make it more it difficult to meet customer demands when demand for our services improves. In addition, even in a period of generally lower demand for our services, if there is a high demand for our services in certain areas, it may be difficult to attract and retain qualified personnel to perform services in such areas. The loss of key employees, the failure to attract and retain qualified personnel and the increase in labor costs could have a material adverse effect on our business, financial condition, cash flows and results of operations. ~~The Loss of Large Customers Could Have a Material Adverse Effect on Our Financial Condition and Results of Operations.~~ With respect to our consolidated operating revenues in ~~2022~~ **2023** , we received approximately 49 % from our ten largest customers, approximately ~~34~~ **35** % from our five largest customers and ~~18~~ **14** % from our largest customer. The loss of, or reduction in business from, one or more of our larger customers could have a material adverse effect on our business, financial condition, cash flows and results of operations ~~. Shortages, Delays in Delivery, and Interruptions in Supply, of Equipment and Materials Could Adversely Affect Our Operating Results~~ . Periodically, the oilfield services industry has experienced shortages of equipment for upgrades, drill pipe, **raw materials,** replacement parts and other equipment and materials, including, in the case of our ~~pressure pumping~~ **completion services** operations, proppants, cement, acid, gel and water. These shortages can cause the price of these items to increase significantly and require that orders for the items be placed well in advance of expected use. In addition, any interruption in supply could result in significant delays in delivery of equipment and materials or prevent operations. Interruptions may be caused by, among other reasons: ~~• lingering effects of the COVID- 19 pandemic,~~ • weather issues, whether short- term such as a hurricane, or long- term such as a drought, • labor shortages or other labor issues, • transportation, fuel shortages and other logistical challenges, and • a shortage in the number of vendors able or willing to provide the necessary equipment and materials, including as a result of commitments of vendors to other customers or third parties or bankruptcies or consolidation. These price increases, delays in delivery and interruptions in supply may require us to delay operations, increase capital and repair expenditures or otherwise incur higher operating costs. During recent years, there have been significant disruptions and delays across the global supply chain, which have created a tightening of supplies and shortages in a number of areas, including basic raw materials. Severe shortages, delays in delivery and interruptions in supply could increase our costs and limit our ability to **construct,** operate, maintain ~~,~~ **and** upgrade ~~and construct our~~ drilling ~~rigs and pressure pumping~~ **services equipment, completion services equipment, drilling products** and other equipment and could have a material adverse effect on our business, financial condition, cash flows and results of operations ~~. Our Business Is Subject to Cybersecurity Risks and Threats~~ . Our operations are increasingly dependent on effective and secure information technologies and services **, including our own systems and the systems of third party vendors and service providers upon which we rely, such as those providing cloud services to us** . Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow, and include, among other things, storms and natural disasters, terrorist attacks, utility outages, attempts to gain unauthorized access to data and systems, theft, viruses, malware, ransomware, denial- of- service attacks, design defects, human error, or complications encountered as existing systems are

maintained, repaired, replaced, or upgraded. Risks associated with these threats include, among other things: • theft or misappropriation of funds, including via " phishing " or similar attacks directed at us or third parties, including our customers and vendors; • loss, corruption, or misappropriation of intellectual property, or other proprietary or confidential information (including customer, supplier, or employee data); • disruption or impairment of our and our customers' and vendors' business operations and safety procedures; • personal injuries and destruction or damage to property; • downtime and loss of revenue; • injury to our reputation, including the perception of our products or services as having security vulnerabilities; • negative impacts on our ability to compete; • loss or damage to our and our customers' and vendors' information technology systems, including operational technologies and worksite data delivery systems; • exposure to litigation and legal and regulatory liability and costs; and • increased costs to prevent, respond to or mitigate cybersecurity events. ~~Many~~ **Some** of our office personnel **remain on** ~~have moved to~~ a " remote work " model. This model has significantly increased the use of remote networking and online conferencing services that enable employees to work outside of our corporate infrastructure and, in some cases, use their own personal devices. This may expose us to additional cybersecurity risks or related incidents. Additionally, geopolitical tensions or conflicts, such as the ongoing **armed** ~~conflict~~ **conflicts** ~~in~~ **between Russia and** Ukraine **and Israel and Hamas and the continuation of, or any escalation in the severity of, these conflicts** , may heighten the risk of cybersecurity attacks and other cyber events. Although we utilize various procedures and controls to mitigate our exposure to the risks described above, cybersecurity attacks and other cyber events are evolving and unpredictable. There can be no assurance that the procedures and controls that we implement, or that our third party service providers implement, will be sufficient to protect our people, systems, information or other property. Moreover, we have no control over the information technology systems of our customers, suppliers, and others with which our systems may connect and communicate. As a result, the occurrence of a cyber incident could go unnoticed for a period of time. We self- insure most of our cybersecurity risks, and any such incident could have a material adverse effect on our business, financial condition, cash flows and results of operations. As cyber incidents continue to evolve, we may be required to incur additional costs to continue to modify or enhance our protective measures or to investigate or remediate the effects of cyber incidents ~~. Our Commitments Under Supply Agreements Could Exceed Our Requirements, Exposing Us to Risks Including Price, Timing of Delivery and Quality of Equipment and Materials Upon Which Our Business Relies~~ . We have purchase commitments with certain vendors to supply equipment and materials, including, in the case of our ~~pressure pumping~~ **completion services** business, proppants. Some of these agreements are take- or- pay **or similar** agreements with minimum purchase obligations. If demand for our services decreases from current levels, demand for the equipment that we use and the materials that we supply as part of these services will also decrease. In addition, our customers may self- source certain materials. If demand for our services and / or materials decreases enough, we could have contractual minimum commitments that exceed the required amount of materials we need to supply to our customers. In this instance, we could be required to purchase materials that we do not have a present need for, pay for materials that we do not take delivery of or pay prices in excess of market prices at the time of purchase. ~~Growth Through Acquisitions, the Building or Upgrading of Equipment and the Development of Technology Is Not Assured.~~ We have grown our drilling rig fleet and ~~pressure pumping~~ **completion services** fleet and expanded our business lines and use of technology in the past through mergers, acquisitions, upgrades, new construction and technology development **. For example, in 2023, we significantly expanded our completions business through the NexTier merger, and we added a specialized drill bit solutions business through the Ulterra acquisition** . There can be no assurance that acquisition opportunities will be available in the future or that we will be able to execute timely or efficiently any plans for building or upgrading equipment or developing **or acquiring** new technology. We are also likely to continue to face intense competition from other companies for available acquisition opportunities. In addition, because improved technology has enhanced the ability to recover oil and natural gas, our competitors may continue to upgrade and build new equipment and develop new technology, including drilling automation technology and lower- emissions operations and services. There can be no assurance that we will: • successfully complete any acquisitions we attempt on the terms announced, or at all, • have sufficient capital resources to complete additional acquisitions, build or upgrade equipment or develop **or acquire** new technology, • through due diligence conducted prior to an acquisition, successfully uncover situations that could result in financial or legal exposure, or appropriately quantify the exposure from known risks, • successfully integrate additional equipment, acquired or developed technology or other assets or businesses **, including the combination of our business with the businesses of NexTier and Ulterra,** into our operations and internal controls, including financial reporting disclosure and cybersecurity and information technology systems, • effectively manage the growth and increased size, complexity and geography of our organization, **and increased scrutiny from governmental authorities,** including as a result of **the NexTier merger, Ulterra acquisition or** any **other** completed merger or acquisition **, • maintain existing business relationships and contract terms with our customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners, as well as with those of any acquired business, such as NexTier or Ulterra** , • successfully deploy idle, stacked, upgraded or additional equipment and acquired or developed technology, • maintain **key employees,** the crews necessary to operate additional equipment ~~or~~ **, and** the personnel necessary to evaluate, acquire, develop and deploy new technology **, or be successful in hiring replacements for departing personnel, • avoid unknown liabilities and unforeseen increased expenses or delays associated with the NexTier merger, Ulterra acquisition or any other merger or acquisition** , or • successfully improve our financial condition, results of operations, business or prospects, or provide an adequate return of capital, as a result of **the NexTier merger, Ulterra acquisition or** any **other** completed acquisition, the building or upgrading equipment or the development of new technology **. In addition, because we, NexTier and Ulterra previously operated independently, it is possible that the integration process could result in: • diversion of the attention of our management; and • the disruption of, or the loss of momentum in, our ongoing businesses or inconsistencies in standards, controls, procedures and policies** . Our failure to achieve consolidation savings, to integrate acquired businesses and technology and other assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material

adverse effect on our business. In addition, we may incur liabilities arising from events occurring prior to any completed acquisitions, prior to our establishment of adequate compliance oversight or in connection with disputes over acquired or developed technology. While we generally seek to obtain indemnities for liabilities arising from events occurring before such acquisitions, we may be unable to do so, and any indemnities we do obtain will be limited in amount and duration, may be held to be unenforceable or the seller may not be able to indemnify us. We may incur substantial indebtedness to finance future acquisitions, build or upgrade equipment or acquire or develop new technology, and we also may issue equity, convertible or debt securities in connection with any such acquisitions, building or upgrade program or technology development. Use of cash for these purposes may adversely affect our cash available for capital expenditures and other uses, debt service requirements could represent a significant burden on our results of operations and financial condition, and the issuance of additional equity or convertible securities could be dilutive to existing stockholders. Also, continued growth and resulting integration efforts could strain our management, operations, employees and other resources. ~~Public Health Crises, Pandemics and Epidemics~~ **Parties with which we do business may experience uncertainty associated with any pending or recently completed acquisitions** , such as the ~~COVID- 19 Pandemic~~ **NexTier merger and the Ulterra acquisition** , **including with respect to current or future business relationships with us. Our business relationships may be subject to disruption as customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners may attempt to delay or defer entering into new business relationships, negotiate changes in existing business relationships or consider entering into business relationships with parties other than us. These disruptions could** ~~Have~~ **have** ~~Had, and May Continue to Have,~~ a ~~Significant~~ **material** ~~Adverse~~ **adverse** ~~Impact~~ **effect** on **our** ~~Our Business, Liquidity, Results~~ **results** of ~~Operations~~ **operations , cash flows** and ~~Financial~~ **financial** ~~Condition~~ **position, as well as a material adverse effect on our ability to realize the expected cost savings and other benefits of the applicable transaction** . The effects of public health crises, pandemics and epidemics ~~, such as the COVID- 19 pandemic~~ , including related governmental actions and restrictions related thereto, have had, and may ~~continue to~~ **in the future** have, a significant adverse impact on the global economy, including the worldwide demand for oil and natural gas, and the level of demand for our services ~~, which has impacted and may continue to impact our business, liquidity, results of operations and our financial condition~~ . **We** ~~Such public health crises, pandemics and epidemics are continuously evolving, and we~~ are not able to enumerate all potential risks to our business from ~~such events, including~~ the ~~COVID- 19~~ **emergence of a public health crisis,** pandemic **or epidemic** ~~and related volatility in crude oil prices~~ ; however, we believe that in addition to the impacts described above, other current and potential impacts include, but are not limited to: **volatility in oil and natural gas prices;** liquidity challenges; customers, suppliers and other third parties seeking to terminate, reject, renegotiate or otherwise avoid, and otherwise failing to perform, their contractual obligations to us; credit rating downgrades of our corporate debt and potentially higher borrowing costs in the future; a need to preserve liquidity; cybersecurity issues; litigation risk and possible loss contingencies; disruption to our supply chain; loss of workers and labor shortages; general oilfield cost inflation; a reduction of our workforce; costs associated with rationalization of our portfolio of real estate facilities; asset impairments and other accounting charges; infections and quarantining of our employees and the personnel of our customers, suppliers and other third parties; actions undertaken by international, national, regional and local governments and health officials; and a structural shift in the global economy and its demand for oil and natural gas. The full extent of the impact of public health crises, pandemics and epidemics on **the oil and natural gas industry and** our business, liquidity, results of operations and financial condition will depend largely on ~~future developments~~ **the scale of such event** , including the duration and ~~further~~ spread of a subject pathogen ~~, including any new strains thereof, and the related impact on the oil and gas industry~~ , the impact of governmental actions designed to prevent the spread thereof and the further development, availability, timely distribution and acceptance of effective treatments and vaccines ~~, all of which are highly uncertain. Fuel Conservation Measures Could Reduce Demand for Oil and Natural Gas, Which Would, In Turn, Reduce the Demand for Our Services~~ . Fuel conservation measures, alternative fuel requirements and increasing consumer demand for alternatives to oil and natural gas could reduce demand for oil and natural gas. The impact of the changing demand for oil and natural gas may have a material adverse effect on our business, financial condition, cash flows and results of operations. Additionally, the increased competitiveness of alternative energy sources (such as wind, solar geothermal, tidal, and biofuels) or increased focus on reducing the use of oil and natural gas (such as governmental mandates that ban the sale of new gasoline- powered automobiles, and new legislation such as the Inflation Reduction Act of 2022, which contains tax inducements and other provisions that incentivize investment, development, and deployment of alternative energy sources and technologies) could reduce demand for oil and natural gas and therefore for our services, which would lead to a reduction in our revenues. **As** ~~Legal and Regulatory Risks Potential Legislation and Regulation Covering Hydraulic Fracturing or Other Aspects~~ of ~~the Oil~~ **December 31, 2023, we had approximately $ 1. 9 billion of gross U. S. federal net operating losses, approximately $ 62. 3 million of gross Canadian net operating losses, approximately $ 22. 6 million of gross Colombian net operating losses** and **approximately $ 1. 1 billion of post- apportionment U. S. state net operating losses** ~~Gas -~~ **as** ~~Industry Could~~ **of December 31, 2023, before valuation allowances. The majority of U. S. federal net operating losses will expire in varying amounts, if unused, between 2030 and 2037. U. S. federal net operating losses generated after 2017 can be carried forward indefinitely. Canadian net operating losses will expire in varying amounts, if unused, between 2036 and 2043. Colombian net operating losses will expire in varying amounts, if unused, between 2028 and 2032. U. S. state net operating losses will expire in varying amounts, if unused, between 2024 and 2043. Section 382 of the Code (“ Section 382 ”) generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income when a corporation has undergone an “ ownership change ” (as determined under Section 382). An ownership change generally occurs if one or more stockholders (or groups of stockholders) who are each deemed to own at least 5 % of such corporation’ s stock has** ~~Increase~~ **increased their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three- year period. In the event that an ownership change occurs, utilization of the relevant corporation’ s NOLs**

would be subject to an annual limitation under Section 382, generally determined, subject to certain adjustments, by multiplying (i) the fair market value of such corporation' s stock at the time of the ownership change by (ii) a percentage approximately equivalent to the yield on long- term tax- exempt bonds during the month in which the ownership change occurs. Any unused annual limitation may be carried over to later years. We experienced an ownership change (under Section 382) as a result of the closing of the NexTier merger. Our ~~Costs and Limit~~ **ability to utilize** ~~or~~ **our** ~~Delay~~ **available NOLs and other tax attributes to reduce future taxable income following this " ownership change " depends on many factors, including our future income, which cannot be assured. Based on information currently available, we expect this ownership change could cause some of our NOLs incurred prior to January 1, 2018 to expire before we would be able to utilize them to reduce taxable income in future periods, and may also require NOLs to be utilized later than they otherwise would be able to be utilized, increasing cash taxes payable in earlier years. We are dependent on the experience and industry knowledge of our officers and other key employees to execute our business plans.** Our **success will depend in part upon our ability to retain key management personnel and other key employees. Current and prospective employees may experience uncertainty about their roles within the combined company or other concerns regarding the** ~~Operations~~ **operations of the combined company following the transactions, any of which may have an adverse effect on our ability to retain or attract key management and other key personnel** . ~~Numerous political~~ **In addition, the loss of key personnel could diminish the anticipated benefits of the transactions and the integration of the companies may be more difficult. Furthermore, we may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent relating to the business of each of the companies. No assurance can be given that we will be able to retain or attract key management personnel and other key employees to the same extent that we have previously been able to retain or attract our own employees. We have incurred and are expected to continue to incur non- recurring costs associated with completing the NexTier merger and the Ulterra acquisition, combining the operations of the three companies and achieving desired synergies. These costs have been, and may continue to be, substantial. We have incurred and will continue to incur costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and other employment- related costs. We will continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in connection with the integration of the companies' businesses. While we have assumed that a certain level of expenses would be incurred, there are many factors beyond our control that could affect the total amount or the timing of the expenses. The elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may not offset integration- related costs to the extent anticipated. The costs described above and any unanticipated costs and expenses could have an adverse effect on our financial condition and operating results. We may fail to realize the anticipated benefits and synergies expected from the NexTier merger and the Ulterra acquisition, which could adversely affect our business, financial condition and operating results. The success of the transactions will depend, in significant part, on our ability to successfully integrate the acquired businesses and realize the anticipated strategic benefits and synergies from the transactions. The anticipated benefits of the transactions may not be realized fully or at all, or may take longer to realize than expected. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than expected or may take longer to achieve than anticipated. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the NexTier merger and the Ulterra acquisition within the anticipated timing or at all, our business, financial condition and operating results may be adversely affected. Various federal and state legislative** and regulatory **initiatives have been** ~~authorities, governmental bodies and officials, and environmental groups devote resources to campaigns aimed at eradicating hydraulic fracturing, a technology employed by our -~~ **or could be undertaken** ~~pressure pumping business, which involves the injection of water, sand and chemicals under pressure into rock formations to stimulate oil and natural gas production. President Biden and other political candidates and officeholders stated~~ that ~~they would~~ **could** ~~support either increased regulation~~ **result in additional requirements** or ~~a ban~~ **restrictions being imposed** on hydraulic fracturing **operations or result in the failure to obtain or difficulty or delay in obtaining required permits, renewals or authorizations. For example, the federal Bureau of Land Management (" BLM ") published a final rule in 2015 establishing new or more stringent standards for performing hydraulic fracturing on federal and Indian lands. The BLM rescinded the 2015 rule in late 2017** ; however, ~~we cannot predict whether~~ **new or more stringent regulations may be promulgated by the Biden administration. The United States may seek to adopt federal regulations or enact federal laws that would impose additional regulatory requirements on or even prohibit** hydraulic fracturing **in some areas. Legislation and / or** regulations ~~will be enacted during the Biden Administration or how stringent they may be. In addition, members of the U. S. Congress and the EPA have reviewed proposals for more stringent regulation of hydraulic fracturing, and various state and local initiatives~~ have been ~~or~~ **adopted in** ~~may~~ **many** ~~be proposed or implemented to further regulate hydraulic fracturing. In addition, a number of lawsuits have been filed against other industry participants alleging damages and regulatory violations in connection with such activity. These and other ongoing or proposed studies could spur initiatives to further regulate hydraulic fracturing and other aspects of the oil and gas industry. In addition, legislation has been proposed, but not enacted, and may be proposed in the future, in the~~ U. S. ~~Congress to~~ **states that** require ~~the~~ **additional** disclosure ~~of~~ **regarding** chemicals used ~~by the oil and gas industry~~ in the hydraulic fracturing process **. Legislation** , ~~which~~ **regulations, and / or policies have also been adopted at the state level that impose other types of requirements on hydraulic fracturing operations (such as limits on operations in the event of certain levels of seismic activity). Additional legislation and / or regulations have been adopted or are being considered at the state and local level that** could ~~make it easier~~ **impose further chemical disclosure** ~~for -~~ **or** ~~third parties~~ **other regulatory requirements (such as prohibitions on hydraulic fracturing operations in certain areas) that could affect our operations. Four states (New York, Maryland, Vermont, and Washington) have banned the use of high volume hydraulic fracturing,**

Oregon has adopted a five- year moratorium, and Colorado has enacted legislation providing local governments with regulatory authority over hydraulic fracturing operations. Local jurisdictions in some states have adopted ordinances that restrict or in certain cases prohibit the use of hydraulic fracturing, although many of these ordinances have been challenged and some have been overturned. The adoption of any future federal, state or local laws or regulations ~~opposing~~ **imposing reporting obligations on, or limiting or banning,** the hydraulic fracturing process ~~to initiate legal proceedings based on allegations that specific chemicals used in the fracturing process are impairing ground water or causing other damage. These bills, if enacted, could establish an additional level of regulation at the federal or state level that could limit or delay operational activities or increase operating costs and could result in additional regulatory burdens that~~ could make it more difficult to **complete natural gas** ~~perform or limit hydraulic fracturing~~ and **oil** ~~increase our costs of compliance and doing business. Regulatory efforts at the federal level and in many states have been initiated to require or make more stringent the permitting and compliance requirements for hydraulic fracturing operations. These regulatory initiatives could each spur further action toward federal and / or state legislation and regulation of hydraulic fracturing activities. Certain states where we operate have adopted or are considering disclosure legislation and / or regulations, including a variety of well~~ **wells** ~~construction, set back~~ and ~~disclosure regulations limiting how fracturing can be performed and requiring various degrees of chemical disclosure. Some parties believe that there is a correlation between hydraulic fracturing and other oilfield related activities and the increased occurrence of seismic activity. When caused by human activity, such seismic activity is called induced seismicity. The extent of this correlation, if any, is the subject of studies of both state and federal agencies. In light of concerns about induced seismicity, some state regulatory agencies have modified their regulations or issued orders to address induced seismicity. Finally, several jurisdictions have taken steps to enact hydraulic fracturing bans, moratoria or increased regulations on hydraulic fracturing practices. These actions have been the subject of legal challenges. The full impact of the foregoing actions remains unclear, but the adoption of any future federal, state, foreign, regional or local laws that impact permitting requirements for, result in reporting obligations on, or otherwise limit or ban, the hydraulic fracturing process could restrict our ability, or make it more difficult, to perform hydraulic fracturing and could increase our costs of compliance and doing business and reduce demand for our services. Regulation that significantly restricts or prohibits hydraulic fracturing~~ could have a material adverse ~~impact~~ **effect** on our business, **results of operations, and** financial condition ~~, cash flows and results of operations. Additionally, the adoption of significant restrictions or a prohibition on hydraulic fracturing by a state, region or locality could result in a surplus of oilfield equipment in other states, regions or localities where hydraulic fracturing remains allowed. Our and Our Customers' Operations are Subject to a Number of Risks Arising Out of the Threat of Climate Change That Could Result in Increased Operating and Capital Costs, Limit the Areas in Which Oil and Natural Gas Production May Occur and Reduce Demand for Our Services~~ . The physical and regulatory effects of climate change could have a negative impact on our operations, our customers' operations and the overall demand for our customers' products and, accordingly, our services. There is an increasing focus of local, state, regional, national and international regulatory bodies on GHG emissions and climate change issues. Legislation to regulate GHG emissions has periodically been introduced in the U. S. Congress, and there has been a wide- ranging policy debate, both in the United States and internationally, regarding the impact of these gases and possible means for their regulation. These efforts have included consideration of cap- and- trade programs, carbon taxes, GHG reporting, tracking programs, attestation requirements and regulations that directly limit GHG emissions from certain sources. Some of the proposals would require industries to meet stringent new standards that would require substantial reductions in carbon emissions. Those reductions could be costly and difficult to implement. In the absence of federal GHG- limiting legislation, the EPA has determined that GHG emissions present a danger to public health and the environment and has adopted regulations that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain oil and natural gas system sources, implement CAA emission standards directing the reduction of methane emissions from certain new, modified, or reconstructed facilities in the oil and natural gas sector, and together with the ~~DOT~~ **U. S. Department of Transportation** , implement GHG emissions limits on vehicles manufactured for operation in the United States. The United States is currently a member of the Paris Agreement, which requires countries to review and " represent a progression " in their nationally determined contributions, which set emissions reduction goals, every five years. Under the Paris Agreement, the Biden Administration has committed the United States to reducing its greenhouse gas emissions by 50- 52 % from 2005 levels by 2030. In November 2021, the United States and other countries entered into the Glasgow Climate Pact, which includes a range of measures designed to address climate change, including but not limited to the phase- out of fossil fuel subsidies, reducing methane emissions 30 % by 2030, and cooperating toward the advancement of the development of clean energy. Several states and geographic regions in the United States have also adopted legislation and regulations to reduce emissions of GHGs, including cap and trade regimes and commitments to contribute to meeting the goals of the Paris Agreement. Governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political risks in the United States. President Biden and the Democratic Party have identified climate change as a priority, and it is ~~likely~~ **possible** that additional executive orders and / or regulatory action targeting greenhouse gas emissions, or prohibiting or restricting oil and **natural** gas development activities in certain areas, will be proposed and / or promulgated during the Biden Administration. In 2021, President Biden issued an executive order imposing a moratorium on new oil and **natural** gas leasing on federal lands and offshore waters pending completion of a comprehensive review and reconsideration of federal oil and **natural** gas permitting and leasing practices. President Biden' s order also established climate change as a primary foreign policy and national security consideration, affirms that achieving net- zero greenhouse gas emissions by or before midcentury is a critical priority, affirms the Biden Administration' s desire to establish the United States as a leader in addressing climate change, generally further integrates climate change and environmental justice considerations into government agencies' decision- making, and eliminates fossil fuel subsidies, among other measures. Although a federal judge for the U. S. District Court of the Western District of Louisiana

issued a permanent injunction in 13 states that filed a lawsuit against the pause of oil and natural gas leasing on public lands or in offshore waters, the Biden Administration may take other regulatory steps in the future that could impact our operations. Other actions impacting oil and natural gas production activities that could be pursued by the Biden administration may include more restrictive requirements for the establishment of pipeline infrastructure or the permitting of liquified natural gas export facilities **, such as the January 2024 pause on permitting of certain new liquified natural gas export facilities. Moreover, in August 2022, President Biden signed into law the Inflation Reduction Act, which contains tax inducements and other provisions that incentivize investment, development, and deployment of alternative energy sources and technologies, which could increase operating costs within the oil and natural gas industry and accelerate the transition away from fossil fuels** . It is not possible at this time to predict the timing and effects of climate change or whether additional climate- related legislation, regulations or other measures will be adopted at the local, state, regional, national and international levels. However, continued efforts by governments and non- governmental organizations to reduce GHG emissions appear likely, and additional legislation, regulation or other measures that control or limit GHG emissions or otherwise seek to address climate change could adversely affect our business. The cost of complying with any new law, regulation or treaty will depend on the details of the particular program. We will continue to monitor and assess any new policies, legislation or regulations in the areas where we operate to determine the impact of GHG emissions and climate change on our operations and take appropriate actions, where necessary. Any direct and indirect costs of meeting these requirements may adversely affect our business, results of operations and financial condition. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws or regulations related to GHGs and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on our business if such laws or regulations increase compliance costs, add operating restrictions, or reduce demand for our customers' products and, accordingly, our services. Increasing attention to the risks of climate change has resulted in an increased possibility of lawsuits or investigations brought by public and private entities against oil and natural gas companies in connection with their GHG emissions. Should we be targeted by any such litigation or investigations, we may incur liability, which, to the extent that societal pressures or political or other factors are involved, could be imposed without regard to the causation of or contribution to the asserted damage, or to other mitigating factors. These political, litigation, and financial risks may result in our customers restricting or cancelling production activities, incurring liability for infrastructure damage as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce demand for our products and services. One or more of these developments could have a material adverse effect on our business, financial condition, cash flows and results of operations. Finally, increasing concentrations of GHGs in the Earth' s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. If any such effects were to occur, they could have an adverse effect on our and our customers' facilities and operations. ~~Environmental and Occupational Health and Safety Laws and Regulations, Including Violations Thereof, Could Materially Adversely Affect Our Operating Results.~~ Our business is subject to numerous federal, state, foreign, regional and local laws, rules and regulations governing the discharge of substances into the environment, protection of the environment and worker health and safety, including, without limitation, laws concerning the containment and disposal of hazardous substances, oil field waste and other waste materials, the use of underground storage tanks, and the use of underground injection wells. The cost of compliance with these laws and regulations could be substantial **. For example, in the United States, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (" CERCLA "), and comparable state statutes impose strict liability on owners and operators of sites, including prior owners and operators who are no longer active at a site, as well as persons who disposed of or arranged for the disposal of " hazardous substances " found at sites. The Resource Conservation and Recovery Act (" RCRA "), as amended, and comparable state statutes and implementing regulations govern the disposal of " hazardous wastes. " Although CERCLA currently excludes petroleum from the definition of " hazardous substances, " and RCRA also excludes certain classes of exploration and production wastes from regulation, such exemptions may be deleted, limited, or modified in the future. The Clean Water Act (" CWA ") and analogous state laws provide for administrative, civil and criminal penalties for unauthorized discharges and, together with the Oil Pollution Act of 1999, as amended, impose liability for the remedial costs and associated damages arising out of any unauthorized discharges, including oil and produced water spills, into jurisdictional waters. Our operations are also subject to federal, state, foreign, regional and local laws, rules and regulations for the control of air emissions, including those associated with the Clean Air Act. We and our customers may be required to make capital expenditures in the future for air pollution control equipment in connection with obtaining and maintaining operating permits and approvals for air emissions. We are also subject to regulation by numerous other regulatory agencies, including, but not limited to, the U. S. Department of Labor, which oversees employment practice standards. Furthermore, the U. S. Occupational Safety and Health Administration (" OSHA ") promulgates and enforces laws and regulations governing the protection of the health and safety of employees. The OSHA hazard communication standard, EPA community right- to- know regulations under Title III of CERCLA and similar state statutes require that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local governments and citizens. Also, OSHA has established a variety of standards related to workplace exposure to hazardous substances and employee health and safety. Other jurisdictions where we may conduct operations have similar environmental, employee health and safety and other regulatory regimes with which we would be required to comply. These laws, rules and regulations also require that facility sites and other properties associated with our operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, new projects or changes to existing projects may require the submission and approval of environmental assessments or permit applications. These laws, rules and regulations are subject to frequent change, and the clear trend is to place increasingly stringent limitations on activities**

that may affect the environment . A failure to comply with these requirements could expose us to: • substantial civil, criminal and / or administrative penalties or judgments, • modification, denial or revocation of permits or other authorizations, • imposition of limitations on our operations, and • performance of site investigatory, remedial or other corrective actions. In addition, environmental laws and regulations in the places that we operate impose a variety of requirements on " responsible parties " related to the prevention of spills and liability for damages from such spills. As an owner and operator of land- based drilling rigs and ~~pressure pumping~~ **completion services** equipment, a manufacturer and servicer of equipment and automation to the energy, marine and mining industries and a provider of directional drilling and other services, we may be deemed to be a responsible party under these laws and regulations. ~~Technology Disputes Could Negatively Impact Our Operations~~ **In the event hydrocarbons and other materials may have been disposed of, or released in or under properties currently or formerly owned or operated by us or** ~~or~~ **our** ~~Increase Our Costs~~ **predecessors, which may have resulted, or may result, in soil and groundwater contamination in certain locations, any contamination found on, under or originating from the properties may be subject to remediation requirements under federal, state, foreign, regional and local laws, rules and regulations. In addition, some of these properties have been operated by third parties over whom we have no control of their treatment of hydrocarbon and other materials or the manner in which they may have disposed of or released such materials. We could be required to remove or remediate wastes disposed of or released by prior owners or operators. In addition, it is possible we could be held responsible for oil and natural gas properties in which we own an interest but are not the operator** . Our services and products use proprietary technology and equipment, which can involve potential infringement of a third party' s rights, or a third party' s infringement of our rights, including patent rights. The majority of the intellectual property rights relating to our drilling **services** ~~rigs, pressure pumping~~ equipment **, completion services equipment,** and ~~directional~~ drilling ~~services~~ **products** are owned by us or certain of our supplying vendors. However, in the event that we or one of our customers or supplying vendors becomes involved in a dispute over infringement of intellectual property rights relating to equipment or technology owned or used by us, services performed by us or products provided by us, we may lose access to important equipment or technology or our ability to provide services or products, or we could be required to cease use of some equipment or technology or forced to modify our equipment, technology, services or products. We could also be required to pay license fees or royalties for the use of equipment or technology or provision of services or products. In addition, we may lose a competitive advantage in the event we are unsuccessful in enforcing our rights against third parties **, third parties are successful in enforcing their rights against us, or our competitors are able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets** . Regardless of the merits, any such claims may result in significant legal and other costs, including reputational harm, and may distract management from running our business. Some of our competitors and current and potential vendors have a substantial amount of intellectual property related to new equipment and technologies. We cannot guarantee that our equipment, technology, services or products will not be determined to infringe currently issued or future issued patents or other intellectual property rights belonging to others, including, without limitation, situations in which our equipment, technology, services or products may be covered by patent applications filed by other parties. Technology disputes involving us or our customers or supplying vendors could have a material adverse impact on our business, financial condition, cash flows and results of operations. **Certain subsidiaries we acquired in the Ulterra acquisition are defendants in a claim brought by a subsidiary of NOV Inc. alleging breach of a license agreement related to certain patents. Such subsidiaries have asserted defenses to the claim and are defending vigorously against this claim. An unfavorable judgment or resolution of this claim not covered by indemnity could have a material adverse effect on our business, financial condition and results of operations.** The ~~Design~~ **design** , ~~Manufacture~~ **manufacture** , ~~Sale~~ **sale or rental** and ~~Servicing~~ **servicing** of ~~Products~~ **products** , including **drill bits and** ~~Electrical~~ **electrical** ~~Controls~~ **controls** , ~~May~~ **may** ~~Subject~~ **subject** ~~Us~~ **us** to ~~Liability~~ **liability** for ~~Personal~~ **personal** ~~Injury~~ **injury** , ~~Property~~ **property** ~~Damage~~ **damage** and ~~Environmental~~ **environmental** ~~Contamination~~ **contamination** ~~Should~~ **should** ~~Such~~ **such** ~~Equipment~~ **equipment** ~~Fail~~ **fail** to ~~Perform~~ **perform** to ~~Specifications~~ **specifications** . We provide products, including **specialized drill bit solutions and** electrical controls, to customers involved in oil and **natural** gas exploration, development and production and in the marine and mining industries. Because of applications that use our products and services, a failure of such equipment, or a failure of our customer to maintain or operate the equipment properly, could cause harm to our reputation, contractual and warranty- related liability, damage to the equipment, damage to the property of customers and others, personal injury and environmental contamination, leading to claims against us. ~~Legal Proceedings and Governmental Investigations~~ **Any lawsuits or claims against us** ~~Could~~ **could** ~~Have~~ **have** a ~~Negative Impact~~ **material adverse effect** on ~~Our~~ **our** ~~Business~~ **business** , ~~Financial~~ **financial** ~~Condition~~ **condition** and ~~Results~~ **results** of ~~Operations~~ **operations** . The nature of our business makes us susceptible to legal proceedings and governmental investigations from time to time. In addition, during periods of depressed market conditions, we may be subject to an increased risk of our customers, vendors, current and former employees and others initiating legal proceedings against us. Lawsuits or claims against us could have a material adverse effect on our business, financial condition and results of operations. Any legal proceedings or claims, even if fully indemnified or insured, could negatively affect our reputation among our customers and the public, and make it more difficult for us to compete effectively or obtain adequate insurance in the future. Please see " Our ~~Operations~~ **operations** ~~Are~~ **are** ~~Subject~~ **subject** to a ~~Number~~ **number** of ~~Operational~~ **operational** ~~Risks~~ **risks** , ~~Including~~ **including** ~~Environmental~~ **environmental** and ~~Weather~~ **weather** ~~Risks~~ **risks** , ~~Which~~ **which** ~~Could~~ **could** ~~Expose~~ **expose** ~~Us~~ **us** to ~~Significant~~ **significant** ~~Losses~~ **losses** and ~~Damage~~ **damage** ~~Claims~~ **claims** . We ~~Are Not~~ **are not** ~~Fully~~ **fully** ~~Insured~~ **insured** ~~Against~~ **against** ~~All~~ **all** of ~~These~~ **these** ~~Risks~~ **risks** and ~~Our~~ **our** ~~Contractual~~ **contractual** ~~Indemnity~~ **indemnity** ~~Provisions~~ **provisions** ~~May Not~~ **may not** ~~Fully~~ **fully** ~~Protect~~ **protect** ~~Us~~ **us** . " ~~Political, Economic and Social Instability Risk and Laws Associated with Conducting International Operations Could Adversely Affect Our Opportunities and Future Business.~~ We provide **specialized drill bit solutions throughout North America and internationally in over 30 countries, as well as** contract drilling services in Colombia ~~, we~~ **. We also** sell

products, including electrical controls, for use in numerous oil and **natural** gas producing regions outside of North America **. In addition** , ~~and~~ through our Superior QC business, we occasionally provide remote data analytics and other services to customers to support their operations outside of the United States. We also continue to evaluate opportunities from time to time to provide our services **and products** outside of the United States. International operations **and sales or rentals of products** are subject to certain political, economic and other uncertainties generally not encountered in U. S. operations, including increased risks of social and political unrest, changing political conditions and changing laws and policies affecting trade and investment, strikes, work stoppages, labor disputes and other slowdowns, terrorism, war, kidnapping of employees, blockades, regional economic downturns, nationalization, forced negotiation or modification of contracts, difficulty resolving disputes and enforcing contractual rights, difficulty in collecting international accounts receivable, potentially longer payment cycles, expropriation of equipment as well as expropriation of oil and **natural** gas exploration and drilling rights, foreign taxation and customs regulations, the overlap of different tax structures, changes in taxation policies, foreign exchange restrictions and restrictions on repatriation of income and capital, currency rate fluctuations, increased governmental ownership and regulation of the economy and industry in the markets in which we may operate, economic and financial instability of national oil companies, and restrictive governmental regulation, bureaucratic delays and general hazards associated with foreign sovereignty over certain areas in which operations are conducted. There can be no assurance that there will not be changes in local laws, regulations and administrative requirements, or the interpretation thereof, which could have a material adverse effect on the cost of entry into international markets, the profitability of international operations or the ability to continue those operations in certain areas. Because of the impact of local laws, any **current and** future international operations in certain areas may be conducted through entities in which local citizens own interests and through entities (including joint ventures) in which we hold only a minority interest or pursuant to arrangements under which we conduct operations under contract to local entities **. While we do not control the actions of our joint venture partners, their actions could have an effect on our investment in the joint ventures and more generally our overall reputation** . While we believe that neither operating through such entities nor pursuant to such arrangements would have a material adverse effect on our operations or revenues, there can be no assurance that we will in all cases be able to structure or restructure our operations to conform to local law (or the administration thereof) on terms we find acceptable. Additionally, we may be subject to foreign governmental regulations favoring or requiring the awarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These regulations could adversely affect our ability to compete. • identify attractive opportunities in international markets, • have sufficient capital resources to pursue and consummate international opportunities, • successfully integrate international drilling and completion operations or other assets or businesses, • effectively manage the start- up, development and growth of an international organization and assets, • hire, attract and retain the personnel necessary to successfully conduct international operations, or • receive awards for work and successfully improve our financial condition, results of operations, business or prospects as a result of the entry into one or more international markets. In addition, the U. S. Foreign Corrupt Practices Act (" FCPA ") and similar anti- bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Some parts of the world where our services **are or** could be provided or where our consumers for products are located have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practice and could impact business. Any failure to comply with the FCPA or other anti- bribery legislation could subject to us to civil, criminal and / or administrative penalties or other sanctions, which could have a material adverse impact on our business, financial condition and results of operation. In addition, investors could negatively view potential violations, inquiries or allegations of misconduct under the FCPA or similar laws, which could adversely affect our reputation and the market for our shares. We could also face fines, sanctions and other penalties from authorities in the relevant foreign jurisdictions, including prohibition of our participating in or curtailment of business operations in those jurisdictions and the seizure of drilling rigs, ~~pressure pumping~~ **completion services** equipment **, manufacturing facilities, drilling products** or other assets. Many countries, including the United States, control the import and export of certain goods, services and technology and impose related import and export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. In particular, U. S. sanctions are targeted against certain countries that are heavily involved in the oil and **natural** gas industry. The laws and regulations concerning import and export activity, recordkeeping and reporting, including customs, export controls and economic sanctions, are complex and constantly changing. Any failure to comply with applicable legal or regulatory requirements governing international trade could also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import and export privileges. We may incur substantial indebtedness to finance an international transaction or operations, and we also may issue equity, convertible or debt securities in connection with any such transactions or operations. Debt service requirements could represent a significant burden on our results of operations and financial condition, and the issuance of additional equity or convertible securities could be dilutive to existing stockholders. Also, international expansion could strain our management, operations, employees and other resources. The occurrence of one or more events arising from the types of risks described above could have a material adverse impact on our business, financial condition and results of operations. ~~Financial Risks Investor Sentiment~~ **Governments around the world have implemented,** and **continue** ~~Public Perception Related~~ to **implement, laws and regulations regarding data privacy and security, including with respect to the protection and processing of personal employee and customer data. These laws and regulations vary from jurisdiction to jurisdiction, and we are obligated to comply in all jurisdictions in which we conduct business. In the normal course of business, we and our third- party vendors or service providers may collect, process, and store data that is subject to** ~~the~~ **those** ~~Oil~~ **specific laws** and ~~Natural Gas Industry and~~ **regulations governing personal data. Failure** to ~~ESG Initiatives~~ **comply**

with these laws and regulations could Increase our Costs of Capital **subject us to significant liability, including fines, penalties,** and **potential criminal sanctions** our Reporting Requirements and Impact Our Operations . There are increasing financial risks for oil and natural gas producers, as stockholders and bondholders currently invested in oil and natural gas companies and concerned about the potential effects of climate change, ESG and other sustainability- related issues may elect in the future to shift some or all of their investments into non- fossil fuel energy related sectors, or into competitors who are perceived to have stronger ESG practices and disclosures. Our ESG practices and disclosures may not satisfy investor requirements or their requirements may not be made known to us. We may continue to face increasing pressure regarding our ESG practices and disclosures , which pressures have intensified recently in connection with significant societal events and worldwide efforts to mitigate climate change . We have developed, and will continue to develop, goals and other objectives related to ESG and sustainability matters. Statements related to these goals and objectives **made in our published Sustainability Report and other public disclosure** reflect our current plans and do not constitute a guarantee that they will be achieved. Our ability to achieve any stated goal or objective is subject to numerous factors and conditions, some of which are outside of our control. Our efforts to accurately report on ESG and sustainability matters, including our efforts to research, establish, accomplish and accurately report on **our** goals and objectives, expose us to numerous operational, reputational, financial, legal, and other risks. Standards for tracking and reporting on ESG and sustainability matters, including climate-related matters, have not been harmonized and continue to evolve. Our processes and controls for reporting on ESG and sustainability matters, including our goals and objectives, may not always comply with evolving and disparate standards for identifying, measuring, and reporting such metrics, including any climate change and sustainability- related public company disclosure requirements adopted by the SEC, and such standards may change over time, which could result in significant revisions to our current ESG practices and disclosures. The lending and investment practices of institutional lenders and investors have been the subject of intensive lobbying efforts in recent years, oftentimes public in nature, not to provide funding for oil and natural gas producers, and some lenders and insurers have announced that they will not lend to or provide insurance for oil and natural gas companies. Limitation of investments in and financings for oil and natural gas could result in the restriction, delay, or cancellation of drilling and completion programs or development of production activities. An increasing number of our customers consider sustainability factors in awarding work. If we are unable to meet the ESG standards or investment criteria set by our customers, investors and other parties, which continue to evolve, if we are unable to successfully continue our sustainability enhancement efforts, or if, notwithstanding our own efforts, our industry becomes the focus of increasing ESG and sustainability related pressures, we may lose customers, we may lose investors, our cost of capital may increase, our stock price may be negatively impacted, our reputation may be negatively affected, and it may be more difficult for us to effectively compete **or assess acquisitions** . **At the same time** Variable Rate Indebtedness Subjects Us to Interest Rate Risk , Which Could Cause Our Debt Service Obligations **some stakeholders and regulators have increasingly expressed or pursued opposing views, legislation, and investment expectations with respect** to **ESG, including the enactment or proposal of " anti- ESG " legislation or policies. By publishing our Sustainability Report from time to time, our business may also face** Increase **increased** Significantly **scrutiny related to ESG activities and be unable to satisfy all stakeholders** . We have in place a committed senior unsecured credit facility that includes a revolving credit facility. Interest is paid on the outstanding principal amount of borrowings under the credit facility at a floating rate based on, at our election, the SOFR rate **(subject to a 0. 10 % per annum adjustment)** or base rate **, in each case subject to a 0 % floor** . The applicable margin on SOFR rate loans varies from 1. 00 % to 2. 00 % and the applicable margin on base rate loans varies from 0. 00 % to 1. 00 %, in each case determined based upon **on** our credit rating. As of December 31, 2022 **2023** , the applicable margin on SOFR rate loans was 1. 75 % and the applicable margin on base rate loans was 0. 75 %. As of December 31, 2022 **2023** , we had no borrowings outstanding under our revolving credit facility. We also have in place a reimbursement agreement pursuant to which we are required to reimburse the issuing bank on demand for any amounts that it has disbursed under any of our letters of credit issued thereunder. We are obligated to pay the issuing bank interest on all amounts not paid by us on the date of demand or when otherwise due at the LIBOR rate plus 2. 25 % per annum. As of December 31, 2022 **2023** , no amounts had been disbursed under any letters of credit, and we had $ 65 **87** . 0 **7** million in letters of credit outstanding under the reimbursement agreement. Interest rates could rise for various reasons in the future and increase our total interest expense, depending upon the amounts borrowed at floating rates under these agreements or under future agreements **,** . A Downgrade in Our Credit Rating Could Negatively Impact Our Cost of and Ability to Access Capital. Our ability to access capital markets or to otherwise obtain sufficient financing is enhanced by our senior unsecured debt ratings as **well as** provided by major U. S. credit rating agencies. Factors that may impact our credit ratings include debt levels, liquidity, asset quality, cost structure, commodity pricing levels, industry conditions and other -- **the terms of any** considerations. A ratings downgrade could adversely impact our ability in the future **amendments** to **our existing agreements or** access debt markets, increase the cost of future **agreements** debt, and potentially require us to post letters of credit for certain obligations. Our Ability to Access Capital Markets Could be Limited . From time to time, we may need to access capital markets to obtain financing. Our ability to access capital markets for financing could be limited by oil and **natural** gas prices, our existing capital structure, our credit ratings, the state of the economy, the health or market perceptions of the drilling and overall oil and **natural** gas industry, the liquidity of the capital markets and ESG considerations **- related regulatory and investor requirements** and other factors. Many of the factors that affect our ability to access capital markets are outside of our control. No assurance can be given that we will be able to access capital markets on terms acceptable to us when required to do so, which could have a material adverse impact on our business, financial condition and results of operations. **Additionally, our ability** We May Not Be Able to Generate **access capital markets or to otherwise obtain** Sufficient **sufficient** Cash to Service All of Our **financing is enhanced by our senior unsecured** Debt **debt ratings as provided by major U. S. credit rating agencies. Factors that may impact our credit ratings include debt levels, liquidity, asset quality, cost structure, commodity pricing levels, industry conditions** and We May Be Forced to Take Other **other**

~~Actions~~ **considerations. A ratings downgrade could adversely impact our ability in the future** to ~~Satisfy Our~~ **access debt markets, increase the cost of future debt, impact the terms of future amendments to our senior unsecured credit facility and potentially require us to post letters of credit for certain** ~~Obligations~~ **obligations** ~~Under Our Debt, which May Not Be Successful~~ . Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial and operating performance, including the ability of our subsidiaries to generate sufficient cash flows, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. In addition, if our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our debt. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and would permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements. In the absence of such cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. However, our debt agreements contain restrictions on our ability to dispose of assets. We may not be able to consummate those dispositions, and any proceeds may not be adequate to meet any debt service obligations then due. ~~Our Return of Capital to Stockholders, Including Through the Payment of Dividends and Repurchases of our Common Stock, is within the Discretion of our Board of Directors, and There is No Guarantee That We Will Return Capital to Shareholders, Including Through the Payment of Dividends and Repurchases of our Common Stock, in the Future or at Levels Anticipated by our Stockholders.~~ Although we currently plan to return capital to stockholders, the amount and timing of returns of capital to stockholders may vary from time to time. The amount and timing of all returns of capital, including future dividend payments and purchases pursuant to our stock buyback program, if any, are subject to the discretion of the Board of Directors and will depend upon business conditions, results of operations, financial condition, terms of our debt agreements and other factors. Our Board of Directors may, without advance notice, reduce or suspend our dividend or limit, suspend or terminate our stock repurchase program. There can be no assurance that we will pay a dividend or make repurchases of our common stock in the future. The payment of dividends and stock repurchases could diminish our cash reserves, which may impact our ability to meet our working capital needs, satisfy our debt obligations, make capital expenditures, grow and pursue strategic opportunities and acquisitions. In addition, any elimination of, or downward revision in, our stock buyback program or dividend payments could have an adverse effect on the market price of our common stock ~~. Risks Related to Our Common Stock and Corporate Structure The Market Price of Our Common Stock May Be Highly Volatile, and Investors May Not Be Able to Resell Shares at or Above the Price Paid~~ . The trading price of our common stock may be volatile. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as other general economic, market or political conditions, could reduce the market price of our common stock in spite of our operating and / or financial performance. The following factors, in addition to other factors described in this " Risk Factors " section and elsewhere in this Report, may have a significant impact on the market price of our common stock: • investor perception of us and the industry and markets in which we operate; • general financial, domestic, international, economic, and market conditions, including overall fluctuations in the U. S. equity markets; • increased focus by the investment community on sustainability practices at our company and in the oil and natural gas industry generally; • changes in customer needs, expectations or trends and our ability to maintain relationships with key customers; • our ability to implement our business strategy; • changes in our capital structure, including the issuance of additional debt; • public announcements (including the timing of these announcements) regarding our business, financial performance and prospects or new services or products, service or product enhancements, technological advances or strategic actions, such as acquisitions or divestitures, restructurings or significant contracts, by our competitors or us; • trading activity in our stock, including portfolio transactions in our stock by us, our executive officers and directors, and significant stockholders or trading activity that results from the ordinary course rebalancing of stock indices in which we may be included; • any elimination of, or downward revision in, our stock buyback program or dividend payments; • short- interest in our common stock, which could be significant from time to time; • our inclusion in, or removal from, any stock indices; • changes in earnings estimates or buy / sell recommendations by securities analysts; • whether or not we meet earnings estimates of securities analysts who follow us; and • regulatory or legal developments in the United States and **the** foreign countries where we operate ~~. Anti- takeover Measures in Our Charter Documents and Under State Law Could Discourage an Acquisition and Thereby Affect the Related Purchase Price~~ . We are a Delaware corporation subject to the Delaware General Corporation Law, including Section 203, an anti- takeover law. Our restated certificate of incorporation authorizes our Board of Directors to issue up to one million shares of preferred stock and to determine the price, rights (including voting rights), conversion ratios, preferences and privileges of that stock without further vote or action by the holders of the common stock. It also prohibits stockholders from acting by written consent without the holding of a meeting. In addition, our bylaws impose certain advance notification requirements as to business that can be brought by a stockholder before annual stockholder meetings and as to persons nominated as directors by a stockholder. As a result of these measures and others, potential acquirers might find it more difficult or be discouraged from attempting to effect an acquisition transaction with us. This may deprive holders of our securities of certain opportunities to sell or otherwise dispose of the securities at above- market prices pursuant to any such transactions. **Our bylaws provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have, or declines to accept, jurisdiction, another state court or a federal court located within the State of Delaware) is the exclusive forum for any claims, including claims in the right of Patterson- UTI: (a) that are based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, or (b) as to which the General Corporation Law of the State of Delaware confers jurisdiction upon the Court of Chancery. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U. S. federal courts have**

exclusive jurisdiction. Our bylaws further provide that the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act, to the fullest extent permitted by law, shall be the federal district courts of the United States. The enforceability of similar exclusive federal forum provisions in other companies' organizational documents has been challenged in legal proceedings, and while the Delaware Supreme Court has ruled that this type of exclusive federal forum provision is facially valid under Delaware law, there is uncertainty as to whether other courts would enforce such provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. These exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find either exclusive forum provision in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, and results of operations.