Financial Projections

The Debtors believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the planning and development of a plan of reorganization and for the purposes of determining whether such plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

In connection with the Disclosure Statement, the Debtors' management team ("Management") prepared financial projections (the "Projections") for the one month ended December 31, 2017 and for fiscal years 2018 through 2020 (the "Projection Period"). The Projections were prepared by Management and are based on a number of assumptions made by Management with respect to the future performance of the Reorganized Debtors' operations.

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE PROJECTED BALANCE SHEETS DO NOT REFLECT THE IMPACT OF FRESH START ACCOUNTING, WHICH COULD RESULT IN A MATERIAL CHANGE TO ANY OF THE PROJECTED VALUES.

ALTHOUGH MANAGEMENT HAS PREPARED THE PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, IT IS IMPORTANT TO NOTE THAT THE DEBTORS OR THE REORGANIZED DEBTORS CAN PROVIDE NO ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS' FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE RISK FACTORS SET FORTH IN THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

1) General Assumptions

a. Overview

The Debtors and their subsidiaries are independent oilfield services companies which provide a wide offering of rental equipment and services for drilling, completion and well control activities, serving a diverse base of oil and gas operators. The Debtors are multi-basin service providers with operations in approximately nine (9) states in the most prolific oil and gas producing geographies in the United States, including the Permian, Eagle Ford, San Juan, Bakken, Cotton Valley, Haynesville, Alaska, and the Gulf Coast.

b. Presentation

The Projections are presented on a consolidated basis for the Debtors and exclude estimates of operating results for non-Debtor entities.

c. Accounting Policies

The Projections have been prepared using accounting policies that are materially consistent with those applied in the Debtors' historical financial statements. The Debtors did not prepare the Projections with a view toward compliance with published guidelines of the Securities and Exchange Commission or guidelines established by the FASB, particularly for reorganization accounting. The Projections do not reflect all of the adjustments necessary to implement fresh-start accounting pursuant to ASC 852-10, as issued by the American Institute of Public Accountants.

d. Methodology

The Projections incorporate Management's operating assumptions and capital expenditure plan, with input provided by key personnel from the Debtors' operating business lines across various functions. The Projections assume sufficient capital to achieve such business plan as detailed fully below.

e. Plan Consummation

The operating assumptions assume that the Plan will be confirmed and consummated by November 30, 2017.

2) Assumptions With Respect to the Projected Income Statement

a. Revenue

Forecasted rental and service revenues are based on Management's estimates of rental equipment pricing and utilization from historical results and recent trends and a current assessment of the markets and locations for which the Debtors operate. The forecast assumes there are no significant changes in oil and gas commodity prices during the forecast period.

b. Cost of Sales

The forecast for cost of sales are based on historical margins and management estimates of freight, inspection, material and repair expenses and other costs that are directly related to the Debtors' revenues.

c. Operating Expenses

The forecast for operating expenses are based on current levels of expenses and Management estimates of facility, personnel, insurance, taxes and other costs that are related to the Debtors' operations.

d. Income Taxes

Taxes are projected at zero throughout the Projection Period as it is assumed that the emergence entity would be a conduit for tax purposes and would not be a taxpayer.

e. General and Administrative

General and Administrative Costs ("G&A") are primarily comprised of labor costs, sales force expenses, rent and other expenses associated with the Debtors' corporate overhead. Projected G&A is based on historical G&A costs, adjusted for recent cost reduction efforts. G&A is forecasted to grow at an inflation rate of 2% annually during the Projection Period.

f. EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization expense ("EBITDA") is projected to improve over time due to several factors, including:

- increased equipment utilization upon emergence from bankruptcy from impact of marketing efforts and recovery of market share
- increased revenues and margins from investment in new rental equipment;
- increasing revenues to historical levels for fishing services as the business segment is rebuilt through recent and projected new hires and other marketing efforts;
- increased revenues from forecasted improvement in the market for Tri-Drill services
- impact of recent headcount reductions and operational improvements to operating costs

3) Assumptions with Respect to the Projected Balance Sheet and Projected Statement of Cash Flows

The projected Consolidated Balance Sheets were developed using July 31, 2017 unaudited financial results as a starting point and are adjusted on a go-forward basis, incorporating projected results from operations and cash flows over the Projected Period. The potential proceeds from the sale of non-core assets pursuant to the Plan and the related debt payments are reflected in the first quarter of 2018 for approximately $7.6 million.

a. Pro Forma Adjustments Related to Emergence

The Reorganized Pro Forma Balance Sheet as of the Effective Date shows (a) the adjusted balance sheet for the Debtors as of the assumed Effective Date of November 30, 2017, prior to giving effect to the Plan and (b) a balance sheet reflecting certain pro forma adjustments that would result from consummation of the Plan. These adjustments primarily relate to the conversion of the Senior Credit Facility into common equity and the Initial New First Lien Term Loan, the payoff of the DIP Financing and certain other emergence costs from the Additional New First Lien Term Loans as more fully described in the Plan and the Disclosure

Statement. The Debtors' adjusted November 30, 2017 balance sheet was developed based on the July 31, 2017 unaudited balance sheet and projected results of operations and cash flows over the projected period to the assumed Effective Date of November 30, 2017. On the Effective Date, actual balances may vary from balances reflected on the adjusted November 30, 2017 balance sheet due to the variance between actual results and forecasts through the Effective Date. Additionally, cash at emergence may differ from the forecast due to payment of emergence costs such as lien claimants, payment of professional fees, contract cure costs, additional transaction expenses, and other contingencies. While the 2017 through 2020 Projections roll-forward the effect of pro forma adjustments, fresh-start accounting pursuant to ASC 852-10 principles have not been applied and could materially impact the balances on the projected Pro Forma Balance Sheet.

b. Capital Expenditures

Projections for capital expenditures are prepared with consideration of the Debtors' operating needs to replace rental equipment that is damaged or lost in the ordinary course of the Debtors' operations, purchases of new rental equipment and accessories to upgrade its product offerings and Management estimates of other capital expenditures for future needs of the business operations.

c. Working Capital

Accounts receivable are projected based on historical patterns of cash receipts related to revenues. Accounts payable are projected based on historical patterns of days of payables outstanding. Accrued liabilities (primarily taxes and payroll related accruals) are projected based on estimated timing of when such expenses will be paid throughout the year. Remaining asset and liability categories are held constant with July 31, 2017 levels or adjusted at emergence as part of the Plan.

d. Capital Structure

Pro forma capital structure reflects the restructuring effectuated via the Plan. JPM Takeback Loans and Iberia Takeback Loans reflect principal and estimated accrued interest at emergence. Pro-forma emergence equity reflects net book value after the adjustments related to emergence noted above and does not represent the equity value of the equity interests from a determination of enterprise value pursuant to a valuation.

e. Interest and Debt Amortization

Debtors are assumed to PIK interest for the Initial New First Lien Term Loan during the Projection period and pay interest for the Additional New First Lien Term Loans (starting June 2018) and JPM Takeback Loans and Iberia Takeback Loans. JPM Takeback Loans and Iberia Takeback Loans are amortized pursuant to the Plan and reflect payments from the proceeds of non-core asset sales of approximately $7.6 million.

[EXHIBITS BELOW]

Knight Energy Holdings, LLC

Consolidated Projected Balance Sheet (Unaudited)

(USD)

(in USD)	Pre-Reorg	Emergence Adjustments	Post -Reorg	As of December 31,			
BALANCE SHEET	**11/30/17**	**(a) - (g)**	**11/30/17**	**2017**	**2018**	**2019**	**2020**
ASSETS							
Current Assets:							
Cash and cash equivalents	$ 991,353	$ (200,419)	$ 790,933	$ 1,270,709	$ 3,030,587	$ 4,119,975	$ 9,926,016
Accounts receivable, net	9,457,117	-	9,457,117	9,344,570	12,054,989	12,950,945	13,519,804
Inventory	8,461,830	-	8,461,830	8,461,830	8,461,830	8,461,830	8,461,830
Other current assets	10,374,242	(7,580,562)	2,793,680	2,793,680	2,793,680	2,793,680	2,793,680
Total Current Assets	**$ 29,284,542**	**$ (7,780,981)**	**$ 21,503,560**	**$ 21,870,788**	**$ 26,341,087**	**$ 28,326,430**	**$ 34,701,331**
Total Gross PPE	583,504,345	-	583,504,345	583,504,345	585,156,131	592,257,269	596,437,024
Less: accumulated depletion and depreciation	(413,894,802)	-	(413,894,802)	(416,305,380)	(445,311,395)	(474,548,121)	(504,002,229)
Total PP&E, net	**$ 169,609,542**	**$ -**	**$ 169,609,542**	**$ 167,198,965**	**$ 139,844,736**	**$ 117,709,148**	**$ 92,434,794**
Other assets	17,262,712	(15,427,880)	1,834,832	1,834,832	1,834,832	1,834,832	1,834,832
TOTAL ASSETS	**$ 216,156,796**	**$ (23,208,861)**	**$ 192,947,935**	**$ 190,904,585**	**$ 168,020,655**	**$ 147,870,410**	**$ 128,970,957**
LIABILITIES AND MEMBERS' EQUITY							
Current Liabilities:							
Current portion of long-term debt	$ -	-	$ -	$ -	$ -	$ -	$ -
Notes payable - Insurance Financing	582,461	-	582,461	384,734	-	-	-
Accounts payable	624,960	-	624,960	639,671	1,838,096	1,915,290	1,954,201
Accrued interest	-	-	-	-	-	-	-
Accrued and other current liabilities	6,618,674	(3,000,000)	3,618,674	3,074,029	3,253,535	3,201,402	3,076,226
Other current liabilities	495,919	-	495,919	495,919	495,919	495,919	495,919
Total Current Liabilities	**$ 8,322,014**	**$ (3,000,000)**	**$ 5,322,014**	**$ 4,594,353**	**$ 5,587,550**	**$ 5,612,611**	**$ 5,526,347**
Liabilities Subject to Compromise	$ 223,532,624	(223,532,624)	$ -	-	-	-	-
Long-Term Liabilities:							
DIP Financing	$ 8,000,000	$ (8,000,000)	$ -	$ -	$ -	$ -	$ -
Initial New First Lien Term Loan	-	25,500,000	25,500,000	25,686,646	31,694,721	34,536,697	37,642,333
Additional New First Lien Term Loans	-	18,000,000	18,000,000	19,131,750	27,024,093	28,024,093	28,024,093
JPMorgan and Iberia Bank Loans	19,748,659	1,572,260	21,320,919	21,240,386	13,271,731	11,754,050	10,236,368
Other liabilities	450,243	(450,243)	-	-	-	-	-
Total Long Term Liabilities	**$ 28,198,902**	**$ 36,622,017**	**$ 64,820,919**	**$ 66,139,315**	**$ 72,071,079**	**$ 74,395,373**	**$ 75,983,328**
TOTAL LIABILITIES	**$ 260,053,540**	**$ (189,910,606)**	**$ 70,142,933**	**$ 70,733,668**	**$ 77,658,628**	**$ 80,007,984**	**$ 81,509,674**
TOTAL EQUITY	**$ (43,896,744)**	**$ 166,701,745**	**$ 122,805,001**	**$ 120,170,917**	**$ 90,362,026**	**$ 67,862,425**	**$ 47,461,283**
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$ 216,156,796**	**$ (23,208,861)**	**$ 192,947,935**	**$ 190,904,585**	**$ 168,020,655**	**$ 147,870,410**	**$ 128,970,957**

Notes:

a) Reflects the conversion of $25.5 million of the Senior Credit Facility into the Initial New First Lien Term Loan, as well as the extinguishment of the remaining portion of the Senior Credit Facility, trade payables, and accrued liabilities

b) Reflects the addition of accrued interest and fees to the new principal amount for the JPM and Iberia Bank takeback loans

c) $2,600,000 to be paid to the General Unsecured Creditors (GUC) pool and convenience class creditors, pursuant to the Plan

d) Reflects the write off of due to/from members and related parties based on releases pursuant to the Plan

e) Upon emergence, the DIP Financing is repaid through borrowings on the Additional New First Lien Term Loans

f) Reflects the payment of lender professional fees and outstanding property taxes through borrowings on the Additional New First Lien Term Loans

g) Consenting Holders Cash Contribution is not reflected

Knight Energy Holdings, LLC

Consolidated Projected Income Statement (Unaudited)

(USD)

	One month	Twelve months ending December 31,		
	12/31/2017	2018	2019	2020
Total Revenue	**$ 4,369,020**	**$ 60,743,599**	**$ 67,584,539**	**$ 71,238,844**
Cost of sales	1,632,937	21,385,600	22,548,459	22,985,587
Gross profit	**$ 2,736,082**	**$ 39,357,998**	**$ 45,036,080**	**$ 48,253,257**
Gross profit margin	62.6%	64.8%	66.6%	67.7%
Operating expenses	1,694,742	21,328,820	22,420,638	22,896,914
Operating profit	**$ 1,041,340**	**$ 18,029,178**	**$ 22,615,442**	**$ 25,356,343**
Operating margin	23.8%	29.7%	33.5%	35.6%
Corporate G&A	798,184	9,757,015	9,944,196	10,135,120
Depreciation and amortization	2,410,578	29,006,015	29,236,726	29,454,108
Interest expense	466,663	5,475,038	5,934,121	6,168,258
Income (loss) before income tax expense	**$ (2,634,084)**	**$ (26,208,891)**	**$ (22,499,601)**	**$ (20,401,143)**
Income tax expense	-	-	-	-
Net income (loss)	**$ (2,634,084)**	**$ (26,208,891)**	**$ (22,499,601)**	**$ (20,401,143)**
ADJUSTED EBITDA				
Net Income	$ (2,634,084)	$ (26,208,891)	$ (22,499,601)	$ (20,401,143)
+ Depreciation and amortization	2,410,578	29,006,015	29,236,726	29,454,108
+ Interest expense	466,663	5,475,038	5,934,121	6,168,258
ADJUSTED EBITDA	**$ 243,156**	**$ 8,272,163**	**$ 12,671,246**	**$ 15,221,224**

Knight Energy Holdings, LLC

Consolidated Projected Statement of Cash Flows (Unaudited)

(USD)

	One month	Twelve months ending December 31,			
	Dec-17	2017	2018	2019	2020
CASH FLOW FROM OPERATING ACTIVITIES					
Net Income / (Loss)	$ (2,634,084)	$ 103,116,318	$ (26,208,891)	$ (22,499,601)	$ (20,401,143)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Cancellation of debt income	-	(170,823,285)	-	-	-
Restructuring adjustments	-	25,684,139	-	-	-
PIK accrual to Exit Facility	318,396	318,396	3,300,418	2,841,977	3,105,636
Depreciation and amortization	2,410,578	27,967,787	29,006,015	29,236,726	29,454,108
Loss/(gain) on sale of equipment	-	(1,161,462)	-	-	-
Decrease/(Increase) in accounts receivable, net	112,547	2,397,295	(2,710,420)	(895,956)	(568,859)
Decrease/(Increase) in other assets	-	676,081	-	-	-
Decrease/(Increase) in inventory	-	439,450	-	-	-
Increase/(Decrease) in accounts payable	14,711	(550,532)	1,198,424	77,194	38,911
Increase/(Decrease) in income taxes payable	-	(223,777)	-	-	-
Increase/(Decrease) in deferred revenue	-	369,040	-	-	-
Increase/(Decrease) in accrued expenses	(544,646)	2,295,153	179,506	(52,133)	(125,176)
Increase/(Decrease) in liabilities subject to compromise	-	(9,063,762)	-	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ (322,498)**	**$ (18,559,158)**	**$ 4,765,053**	**$ 8,708,207**	**$ 11,503,478**
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sales of property & equipment	-	2,315,874	7,581,250	-	-
Purchases of property & equipment	-	(2,333,422)	(9,233,036)	(7,101,138)	(4,179,755)
Change in due from members and others	-	329,790	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	**$ -**	**$ 312,242**	**$ (1,651,786)**	**$ (7,101,138)**	**$ (4,179,755)**
CASH FLOW FROM FINANCING ACTIVITIES					
Principal repayments on debt	-	(8,461,776)	(7,968,655)	(1,517,682)	(1,517,682)
Proceeds from issuance of debt	1,000,000	28,369,718	7,000,000	1,000,000	-
Payments on Notes Payable	(197,727)	(988,634)	(384,734)	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	**$ 802,273**	**$ 18,919,307**	**$ (1,353,388)**	**$ (517,682)**	**$ (1,517,682)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	479,775	672,391	1,759,879	1,089,387	5,806,042
Cash And Cash Equivalents At Beginning Of Period	790,933	598,318	1,270,709	3,030,587	4,119,975
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 1,270,709**	**$ 1,270,709**	**$ 3,030,587**	**$ 4,119,975**	**$ 9,926,016**