



STEP
energy services

TSX: STEP

Annual General Meeting

June 2018



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Certain statements contained in this presentation constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (collectively, "forward-looking statements"). These statements relate to management's expectations about future events, results of operations and the Company's future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "objective" and "capable" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation. In addition, this presentation may contain forward-looking statements and forward-looking information attributed to third-party industry sources.

In particular, this presentation contains forward-looking statements pertaining to the following: future commodity prices; anticipated market recovery; projections of market prices and costs; supply and demand for oilfield services and industry activity levels, including the Company's integrated services offerings; benefits to the Company of increased fracturing intensity; future estimates of industry experts of the daily active drilling rig count, proppant consumption and the number of horizontal wells drilled in Canada and the U.S. and the effects of such trends on the Company; the Company's objectives, strategies and competitive strengths; future development activities; the Company's ability to refurbish and deploy its idle capacity; the Company's ability to increase Canadian and U.S. coiled tubing units by 2018; the Company's ability to retain existing clients and attract new business; the Company's growth strategy; expectations with respect to future opportunities; the Company's capital expenditure programs and future capital requirements; the Company's current 2017/2018 capital plan; and debt and industry conditions pertaining to the oilfield services industry.

With respect to forward-looking statements contained in this presentation, assumptions have been made regarding, among other things: future oil, natural gas and natural gas liquids prices; the Company's ability to market successfully to current and new clients; the Company's ability to utilize its equipment; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts its business and any other jurisdictions in which the Company may conduct its business in the future; levels of deployable equipment; future capital expenditures to be made by the Company; future sources of funding for the Company's capital program; the Company's future debt levels; the impact of competition on the Company; and the Company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in the Company's Annual Information Form dated March 20, 2018 (the "AIF"), which is available on SEDAR at www.sedar.com. The forward-looking statements included in this presentation are expressly qualified by the foregoing cautionary statements and are made as of the date of this presentation. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. For additional information, including with respect to the assumptions, expectations and risks applicable to such forward-looking information, see "Forward-Looking Statements" in the AIF.

Non-IFRS Measures

In addition to using financial measures prescribed by IFRS, references are made in this presentation to "Adjusted EBITDA", in respect of both STEP and Tucker, which is a measure that does not have any standardized meaning as prescribed by IFRS. Accordingly, the Company's use of such term may not be comparable to similarly defined measures presented by other entities. For further details on this non-IFRS financial measure as it relates to STEP, see "IFRS and Non-IFRS Measures" in the Company's Management's Discussion and Analysis for the year ended December 31, 2017 (the "MD&A"). For further details on this non-IFRS measure as it relates to Tucker, see "Non-IFRS Financial Measures" in the short-form prospectus of the Company dated March 15, 2018 (the "Prospectus"). These non-IFRS measures should also be read in conjunction with the financial statements of Tucker (the "Tucker Financial Statements") which are included in the Prospectus. The MD&A and the Prospectus are available on SEDAR at www.sedar.com.

Additionally, this presentation makes use of the following abbreviations:

| | |
|-----|------------------------|
| MM | millions |
| HP | horsepower |
| TTM | trailing twelve months |

Leading Specialized Coiled Tubing and Fracturing Service Provider



Company Overview

Headquartered in Calgary, STEP is an **award-winning¹ oilfield service company** providing specialized and fully integrated coiled tubing and fracturing solutions

Fit-For-Purpose Equipment



- One of North America's largest and newest fleets of deep-capacity coiled tubing equipment
- Canada's third-largest fracturing company²
- Significant fracturing presence in Oklahoma

High Performance Culture



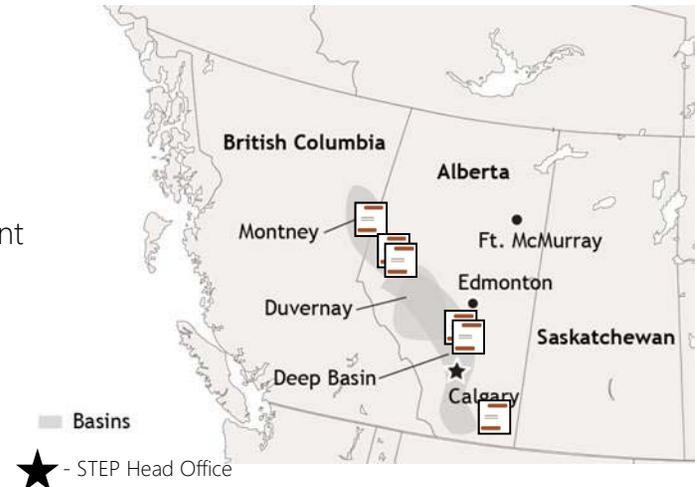
- High-performance, engaged culture with experienced professionals
- Passionate focus on safety

Comprehensive Business Model



- STEP's comprehensive business support model enables flawless field execution

Canadian Coiled Tubing and Fracturing Markets



U.S. Coiled Tubing and Fracturing Markets



¹ STEP has been the recipient of several business and safety awards, including the EY Entrepreneur Of The Year™ Award in the Emerging Entrepreneur and Oil and Gas categories (2014, 2017), and Canada's Best Managed Companies program in (2015, 2016).

² As measured by fracturing horsepower of publicly traded Canadian peers.

Track Record of Sustainable Growth



Inception

Current

Three founding professionals headquartered in Calgary, Canada

Professionals

Over 1,600 professionals in Canada and the U.S.

One coiled tubing spread in 2012

Coiled Tubing Spreads

23 deep capacity coiled tubing spreads: 13 active in Canada and 8 active in the U.S.

Entered into fracturing market with purchase of 115,000 HP in 2015

Fracturing HP

Best-in-class fracturing business unit with 12 fracturing spreads representing 490,000 HP; 297,500 HP in Canada and 192,500 HP in the U.S.

Single blue-chip major

Clients

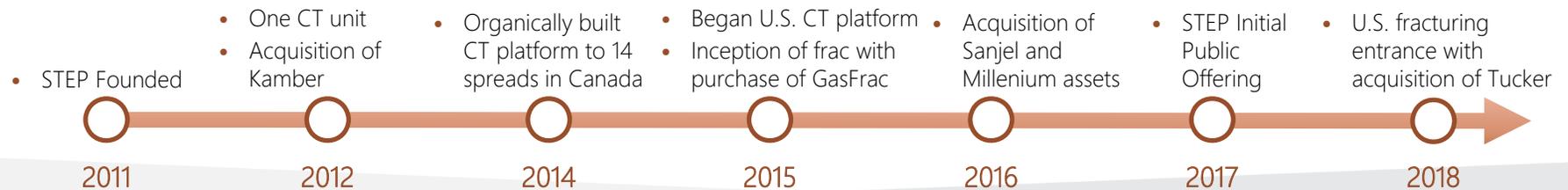
Top-tier, diversified client base

Montney, Deep Basin

Basins

Montney, Duvernay, Deep Basin, Viking, SCOOP / STACK, Permian, Eagle Ford, Haynesville

Major Milestone History

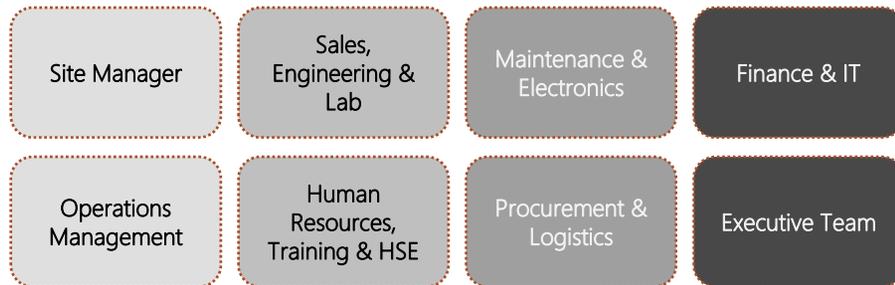


Corporate Strategy: Strong Field and Business Execution



FIELD OPERATIONS STRATEGY

CORPORATE STRATEGY



Fit-for-Purpose Equipment

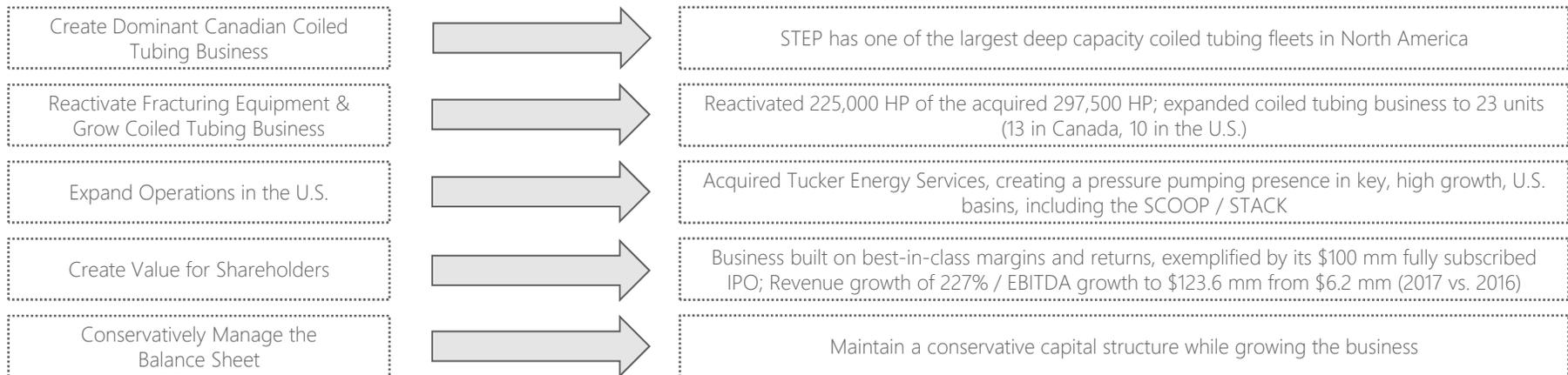


High Performance Culture

Comprehensive Business Model



WHAT WE SAID WE WOULD DO VS. WHAT WE DID



STEP has been able to establish a strong client base through dedication in the field, continued fleet growth through capital discipline, and strategic acquisitions

Tucker Is a Growing Completion Solutions Service Provider in the U.S.

- Expanded operations in 2011 by providing fracturing and completion services to the U.S. oil and gas industry, primarily in the SCOOP/STACK and Woodford plays in Oklahoma
- Loyal client base is comprised of supermajor and large independent oil and gas companies
- Tucker owns and operates equipment in the following three segments:
 - **Fracturing:** four fracturing spreads consisting of 192,500 HP
 - **Coiled Tubing:** two coiled tubing spreads: one 2" unit and one 2-3/8" unit
 - **Wireline Services:** 15 wireline units: five cased-hole units and 10 open-hole units
- Approximately 450 professionals
- Tucker has strict quality control, environmental and occupational health and safety standards, including ISO 9001 and OHSAS 18001 certifications, with an ISO 14001 certification currently pending

192,500 Fracturing HP



Two Coiled Tubing Units



15 Wireline Units



Actively Involved in Communities, the Industry, and the Environment

COMMUNITY, CHARITY & INDUSTRY CONTRIBUTIONS

- **Annual Christmas Spirit Campaign**
 - STEP challenges its service centers and professionals to fundraise or make a community impact to those less fortunate
 - Examples: Blackfalds Christmas Bureau, Calgary Women’s Shelter, West Texas Food Bank, Children’s Alliance of South Texas
 - Since inception, STEP’s Christmas Spirit Campaign has raised over \$160,000 for charities across North America
- **Various community / charitable events and activities lead by STEP professionals that fulfill our corporate sponsorship aspirations:**
 - Steps for Life, Medicine Hat Foodbank, Fallen Worker Tribute, Big Brothers & Sisters, Aspire Special Needs
- **Red Deer College** – Gary W. Harris Canada Games Center
 - Supports the Red Deer community with a facility for years to come
 - RDC Engineering Technology Capstone Competition
- **Stars and Spurs Gala** – PSAC event
 - PSAC raised over \$1.1 million at the 2018 event
- **Safe-Walk Crosswalk** signs at Westerner Park



Big Brothers Big Sisters of Canada



ENVIRONMENTAL INITIATIVES

- **Largest bi-fuel fracturing fleet in Canada (natural gas substitution)**
 - 14.3% of fracturing treatments in the last 12 months utilized bi-fuel
 - 40% to 60% substitution equates to 15% to 21% reduced CO2 emissions



- **Reduce silica dust exposure with SandCan**
- **Innovative equipment designs to reduce impact of transportation, resulting in fewer trucks on the road (sand hauling and Viking spreads)**
- **Future coiled tubing unit designs will have variable RPM controls**
 - Decreases fuel burn as a function of hydraulic requirements
- **Reduce / reuse / recycle fresh water requirement with specialty chemicals (VFR-101)**



Key Investment Highlights

1

High-Quality Coiled Tubing and Fracturing Asset Base

- Combined asset base of 490,000 HP and 23 deep capacity coiled tubing spreads creates scale in some of the highest-growth resource basins in North America
- Focus on technology: largest bi-fuel fracturing fleet in Canada, 3,000 HP Thunderpumps, integrated electronic platforms, proprietary STEP-PLEX™ diverter solutions, fiber optics, e-coil, SandCan systems

2

Positioned for Growth: Completions Demand Remains Strong

- Plans to reactivate remaining fracturing equipment, exiting 2018 with 15 spreads (eleven in Canada and four in the U.S. representing 497,500 HP)
- Targeting shallow oil formations with fit-for-purpose equipment
- Demand for deep capacity coiled tubing continues to support equipment additions

3

Experienced Leadership Team with Track Record of Strategic Growth

- Senior management team in place to enable ongoing growth
- Track record of growth both organically and through multiple acquisitions
- History of strategic growth without risking the balance sheet

4

Strategic North American Footprint

- Established presence with blue-chip clients in active basins in North America (Montney, Duvernay, Permian, Eagle Ford, SCOOP / STACK)
- Efficient with rigorous preventative maintenance program, modern fit-for-purpose assets, robust quality and procurement systems and management support systems
- Sophisticated logistics and supply chain network

Thank You

