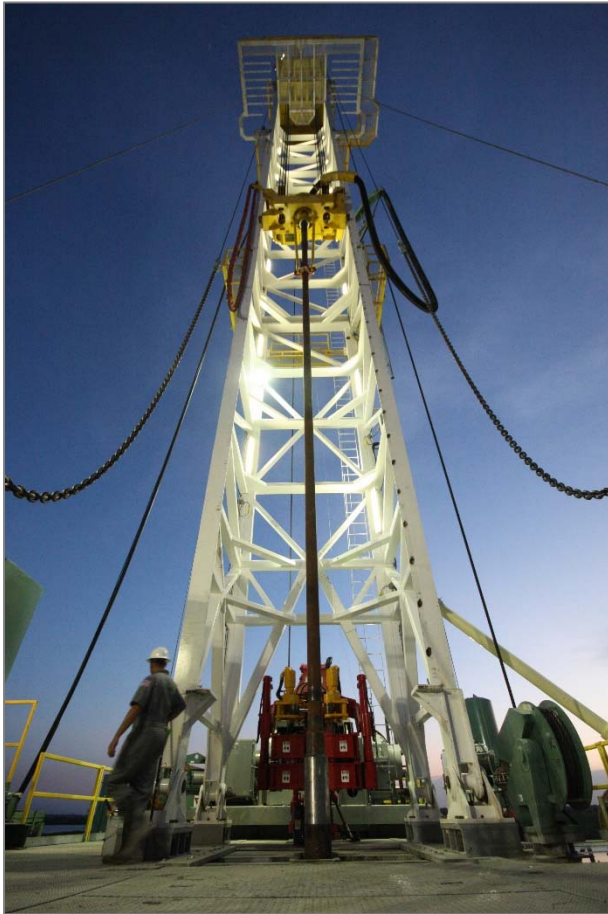




LAYNE WATER MIDSTREAM

AUGUST 2017

LAYNE CHRISTENSEN



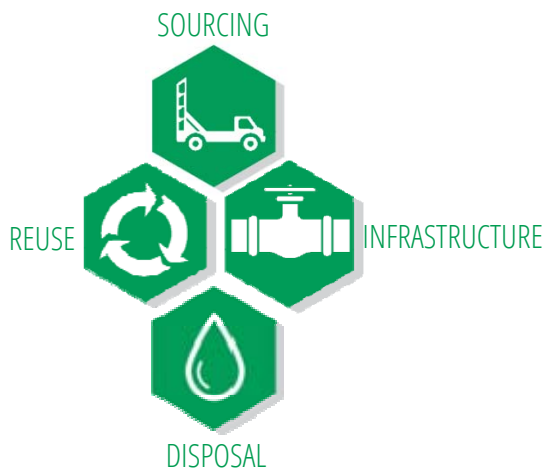
- **135-year old, global water well and water resources company**
 - + Largest in U.S.
 - + Leader in our markets
 - + Publicly traded on NASDAQ
- **Nationwide operations**
 - + More than 220 pump and water well rigs
 - + Over 2,000 employees
- **Largest source water infrastructure system in the Delaware Basin**
- **Significant energy expertise**

**PROVIDING RESPONSIBLE SOLUTIONS TO THE
WORLD'S TOUGHEST WATER CHALLENGES**



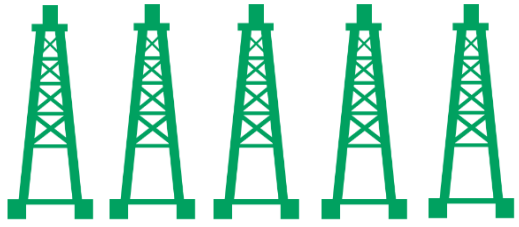
FOUNDED IN
1882

NASDAQ ▲ LAYN



WATER

IS AT OUR CORE


50,000+
WATER WELLS DRILLED

OUR CORE VALUES: SAFETY + SUSTAINABILITY + INTEGRITY + EXCELLENCE

INDUSTRY LEADERS



#1
U.S. WATER
WELL DRILLING

#2
U.S. TRENCHLESS
PIPELINE REHABILITATION

#3
MINERAL SERVICES
DRILLER IN THE
AMERICAS

LAYNE HAS NATIONWIDE OPERATIONS



ONE OF THE MOST **RECOGNIZED** AND **TRUSTED** BRANDS
IN THE WATER INDUSTRY

A DISTINGUISHED LEGACY



1902 CREATED FIRST PITLESS PUMP

INVENTED GRAVEL WALLED WELL **1907**

1946 SOURCED WATER FOR MANHATTAN PROJECT

DRILLED WATER WELLS FOR U.S. TROOPS IN AFGHANISTAN **2009**

2010 RESCUED WORKERS IN CHILEAN MINE

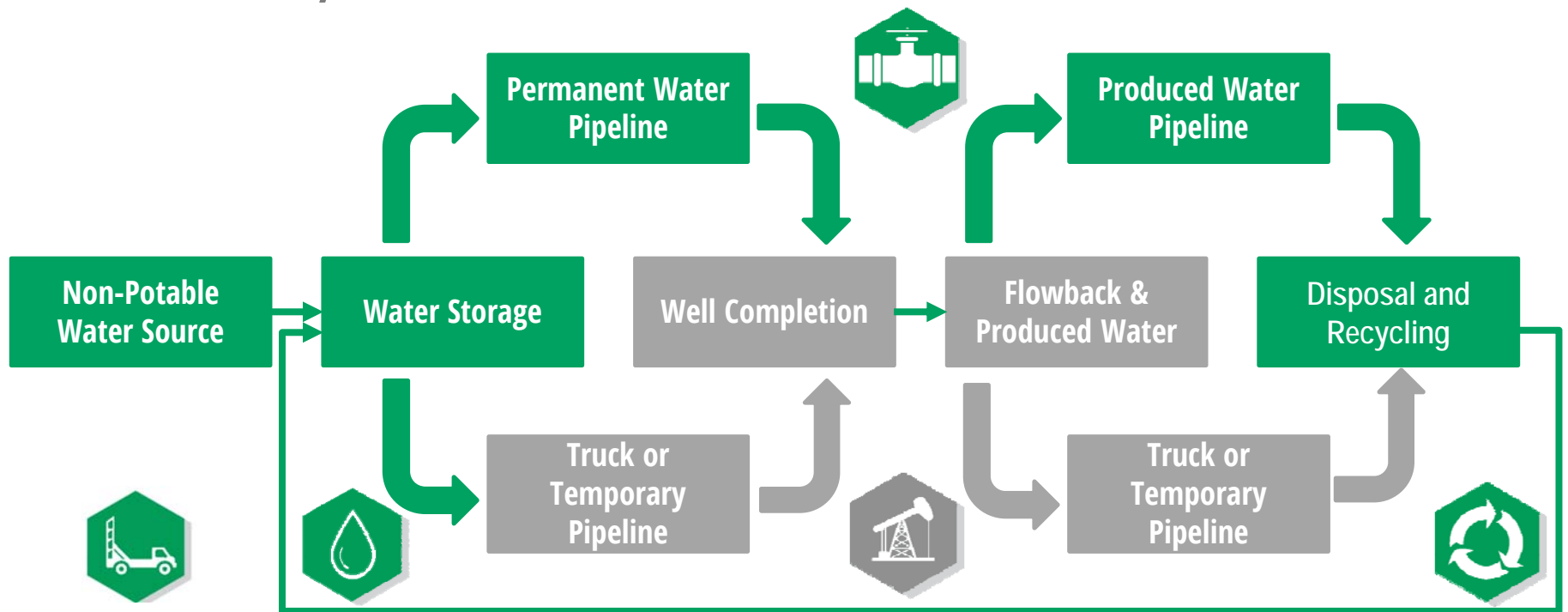
2017 FIRST HIGH CAPACITY WATER PIPELINE IN DELAWARE BASIN



LAYNE WATER MIDSTREAM



Partner with land owners to provide water midstream solutions that maximize exploration and production potential by reducing costs while minimizing environmental impacts



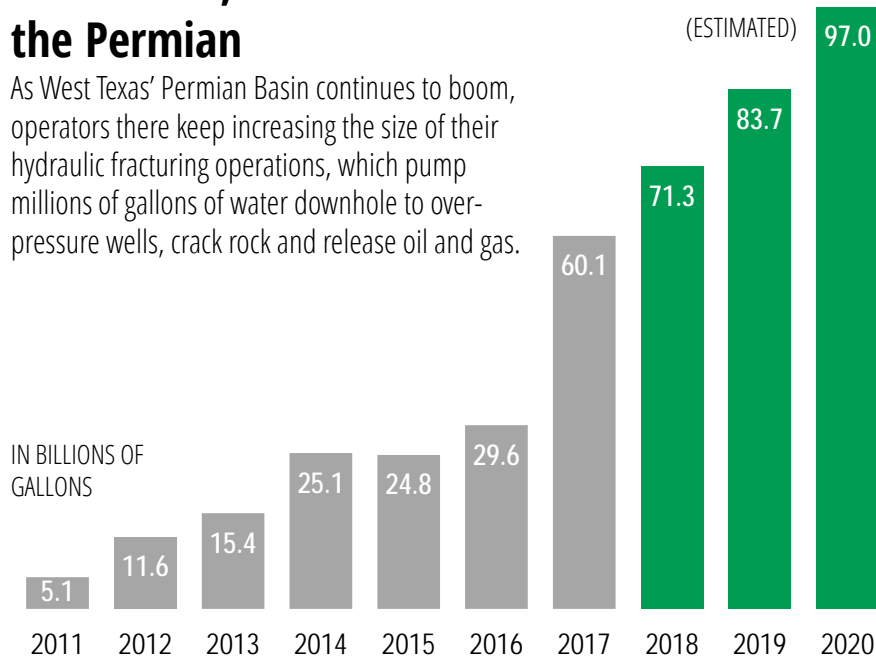
AFFORDABLE, RELIABLE, SUSTAINABLE WATER SOURCES

LAYNE WATER MIDSTREAM



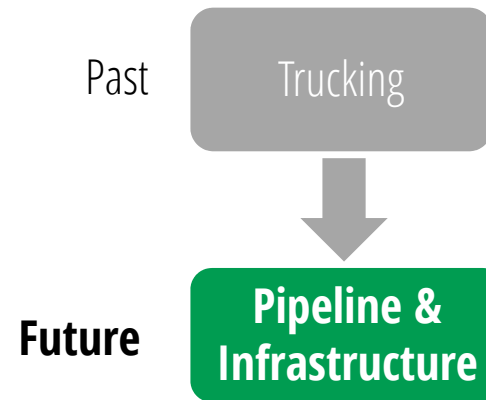
More wells, more water in the Permian

As West Texas' Permian Basin continues to boom, operators there keep increasing the size of their hydraulic fracturing operations, which pump millions of gallons of water downhole to over-pressure wells, crack rock and release oil and gas.



Source: IHS Markit, Houston Chronicle

Growing need for large scale water infrastructure



Water industry rapidly moving to large scale storage, pipelines and delivery

INCREASED WATER DEMAND NECESSITATES A MIDSTREAM APPROACH

WATER MIDSTREAM TEAM



Michael Anderson

*President,
Layne Water Midstream*

- 3 years leading Enron's global water business
- 12 years energy service and midstream, led two IPO's of MLP infrastructure business
- MBA – The Wharton School, BBA - Texas Tech

Byron Geeslin

*Vice President,
Layne Water Midstream*

- 10 years midstream commercial, M&A and finance experience
- Previous experience includes: Southcross Energy Partners, TGGT Midstream, and Bank of America investment banking
- MS Finance, BBA Accounting – Texas A&M

Byron Bevers

Engineering & Business Development

- 10 years water engineering experience
- Previous experience includes: Lockwood, Andrews & Newnam, Bleyl & Associates and City of Shenandoah
- BS Civil Engineering – Texas A&M

Josh Thomas

General Manager - Operations

- 15 years energy operations and engineering experience
- Previous experience includes: Southcross Energy, Chesapeake Energy, Quicksilver Gas Services, Crestwood Midstream and Panhandle Energy
- BS Mechanical Engineering – Texas Tech

Tim Patrick

Land & Business Development

- 15 years experience in land and oilfield water management
- Previous experience includes: Select Energy Services, Bobcat Resources, and Petro-Land Group
- Interdisciplinary Studies – University of Texas at Dallas

Chad Strahan

Land & Business Development

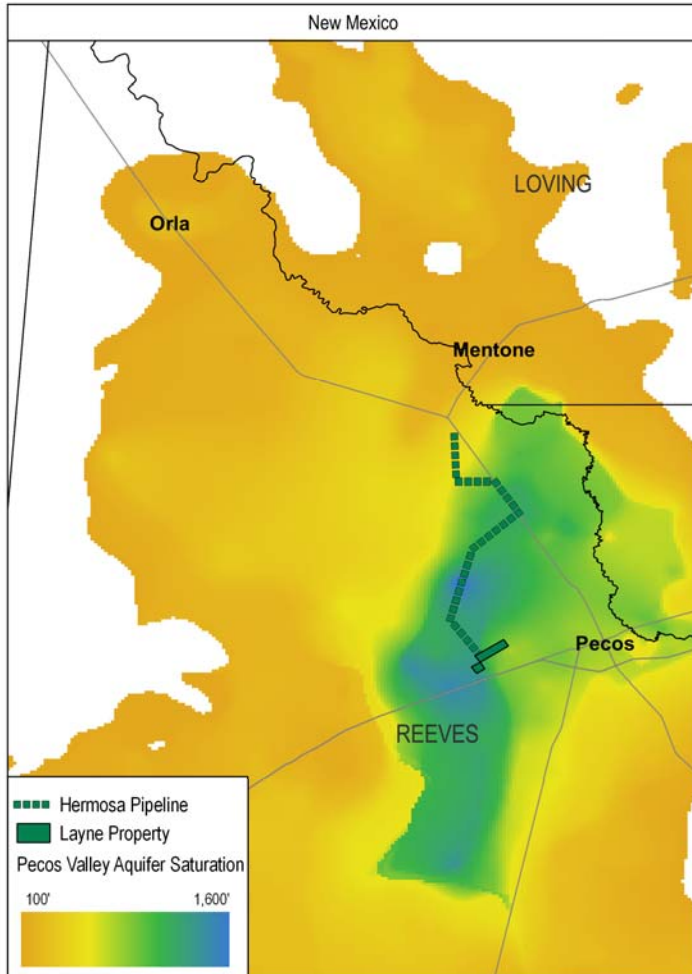
- 5 years energy experience in land & finance
- Previous experience includes: Devon Energy and ExxonMobil
- MBA - Notre Dame, PLM - Texas Tech

Andy Kilgore

Produced Water

- 7 years produced water commercial and operations experience
- Previous experience includes: BlueJack Energy and Enlink Midstream
- BS Business – Miami University

HERMOSA PIPELINE



- **Strategically Located**
 - + Thickest portions of Pecos Valley aquifer
 - + Most active drilling county in U.S.
- **Long-Term Water Source**
 - + 1,000 acre facility near Pecos, TX
 - + 100k+ bpd of high quality non-potable water
 - + Ample aquifer resources for 15 years
 - + 750k barrels of storage
- **High Capacity Delivery System**
 - + 20 miles of 22-inch HDPE pipeline
 - + 100k+ bpd capacity
 - + 13 delivery locations

**HIGH CAPACITY SOURCE WATER DELIVERY
IN DELAWARE BASIN**

HERMOSA CASE STUDY



Challenge

Operator desires to begin rapid long-term drilling program in less than six months; no high-volume water sourcing solutions available.

Solution

Layne leverages vast water experience to find plentiful, sustainable water source within 15 miles. Operator and Layne agree to multi-year price and volume commitment which benefit both parties.

Execution

Layne obtains ROW and constructs 20 miles of 22" HDPE pipe, builds 750k bbl storage facility, and develops 100k+ bpd water well field in less than 5 months, beginning water deliveries ahead of schedule.

SUSTAINABLE WATER SOLUTION PROVIDING LONG TERM OPERATOR SAVINGS