



Fourth Quarter 2020

Investor Presentation

Technology • Deployed • Simply

Forward-Looking Statements



This presentation contains “forward-looking statements” and/or “forward-looking information” under applicable securities laws (collectively referred to as “**forward-looking statements**”). All statements other than statements of historical facts contained in this presentation, including statements regarding Pason System Inc.’s (“Pason” or the “Company”) future results of operations and financial position, financial targets, business strategy, plans and objectives for future operations, are forward-looking statements. These forward-looking statements reflect the current views of Pason with respect to future events and operating performance as of the date of this document. These forward-looking statements are subject to known and unknown risks, uncertainties, assumptions, and other factors, including those described under the heading “Risk and Uncertainty” in the Company’s filings with Canadian securities regulators, that could cause actual results to be materially different from results that are expressed or implied by such forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although the Company believes the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this presentation, to conform these statements to actual results or to changes in the Company’s expectations.

The Company’s filings with the Canadian securities regulatory authorities may be accessed through the SEDAR website (www.sedar.com) or through Pason's website (www.pason.com).

Who We Are

Pason is a leading energy services and technology company.

We develop and deliver high-value hardware, software, and services, primarily for the drilling industry.

Our motto is:

Technology Deployed Simply



Pason Highlights

1 Clear Market Leader

- Sustained leading market positions in North America, South America, and Australia
- Access to the majority of land rigs and users of drilling data in the Western Hemisphere
- High barriers to entry for profitable operations driven by scope of technology, service intensity, and required scale

2 Distinctive Technology Position and Unique Capability Set

- Distinctive field and remote support service capabilities
- Flexible platform can host new Pason and third party software (at the rigsite and in the cloud)
- Unrivalled capabilities for UI/UX design and ruggedization for field users

3 Outstanding Financial Profile

- No interest-bearing debt on the balance sheet
- Low capital intensity
- Historically outstanding cash-generating capability and consistent delivery of returns in excess of cost of capital

4 Well Positioned for Growth

- Existing product growth: 1) product penetration; 2) US market share; 3) product value/price; 4) international expansion
- New products for well completion and workovers: Minority investment in Intelligent Wellhead Systems (IWS)
- Solar and energy storage market: Energy Toolbase (ETB) – Pason Power
- New products and services in a rapidly transforming energy industry

Overview of Pason



Company Snapshot



HISTORY Established 1978; public since 1996

CORPORATE HEAD OFFICE Calgary, AB, Canada

US HEAD OFFICE Houston, TX, United States

INTERNATIONAL PRESENCE Argentina, Australia, Bolivia, Brazil, Colombia, Dubai, Ecuador, Mexico, Peru, Saudi Arabia (JV)

CUSTOMERS E&P Operators
Drilling Contractors
Other Oilfield Service Companies

OUTSTANDING SHARES 83.1 million

MARKET CAPITALIZATION \$782 million

QUARTERLY DIVIDEND PER SHARE \$0.05

Pason Business Model

Business Model

Rental equipment, SaaS (software licenses for ETB and Verdazo), bandwidth, analytics

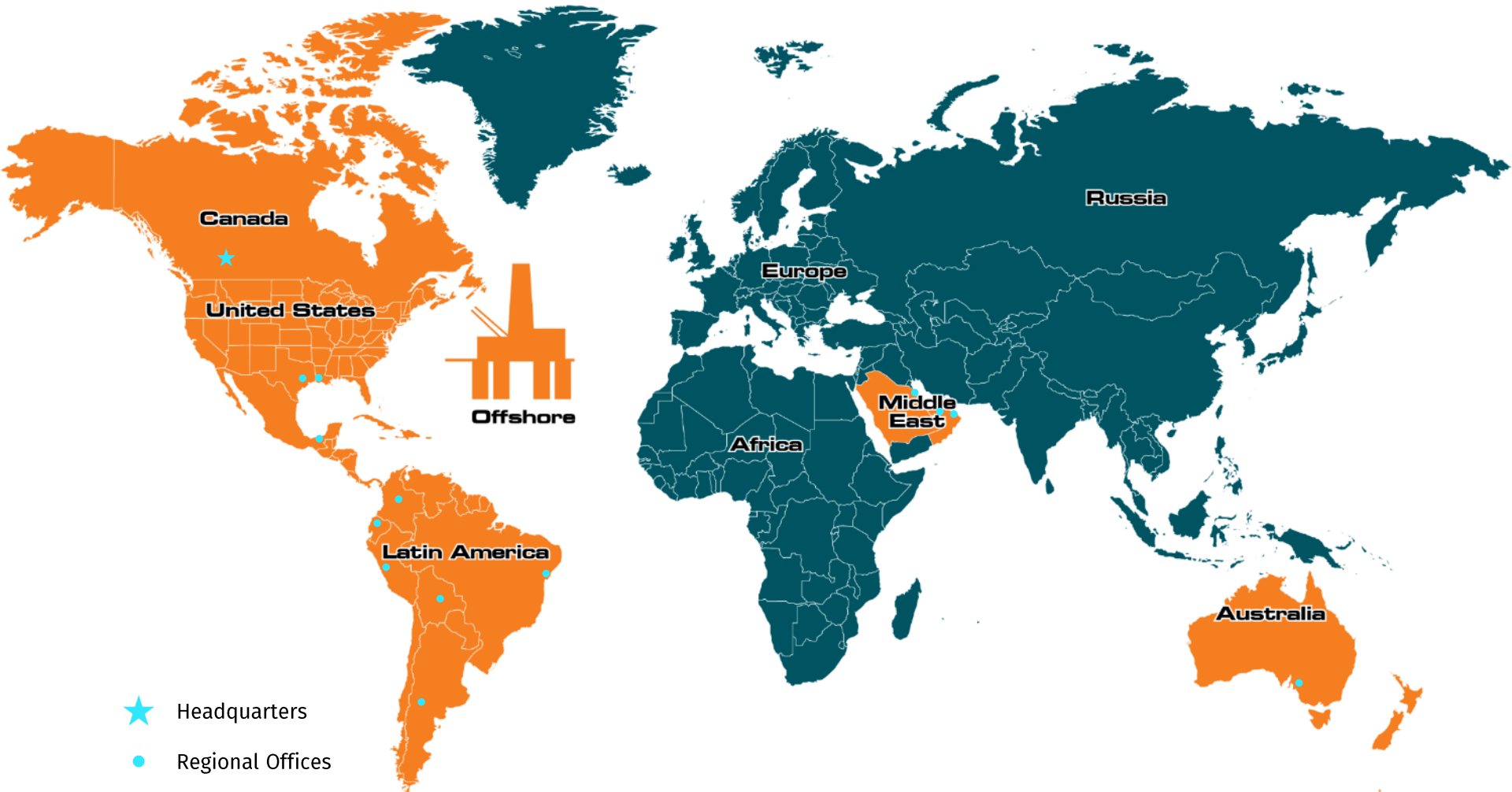
The industry's only specialist with fully integrated end-to-end drilling data solutions that make it fast, flexible, and easy for customers to access critical drilling information anytime, anywhere (the "Internet of Things" of the drilling industry)

Unique product platform and distinctive technical capabilities as a key enabler for:

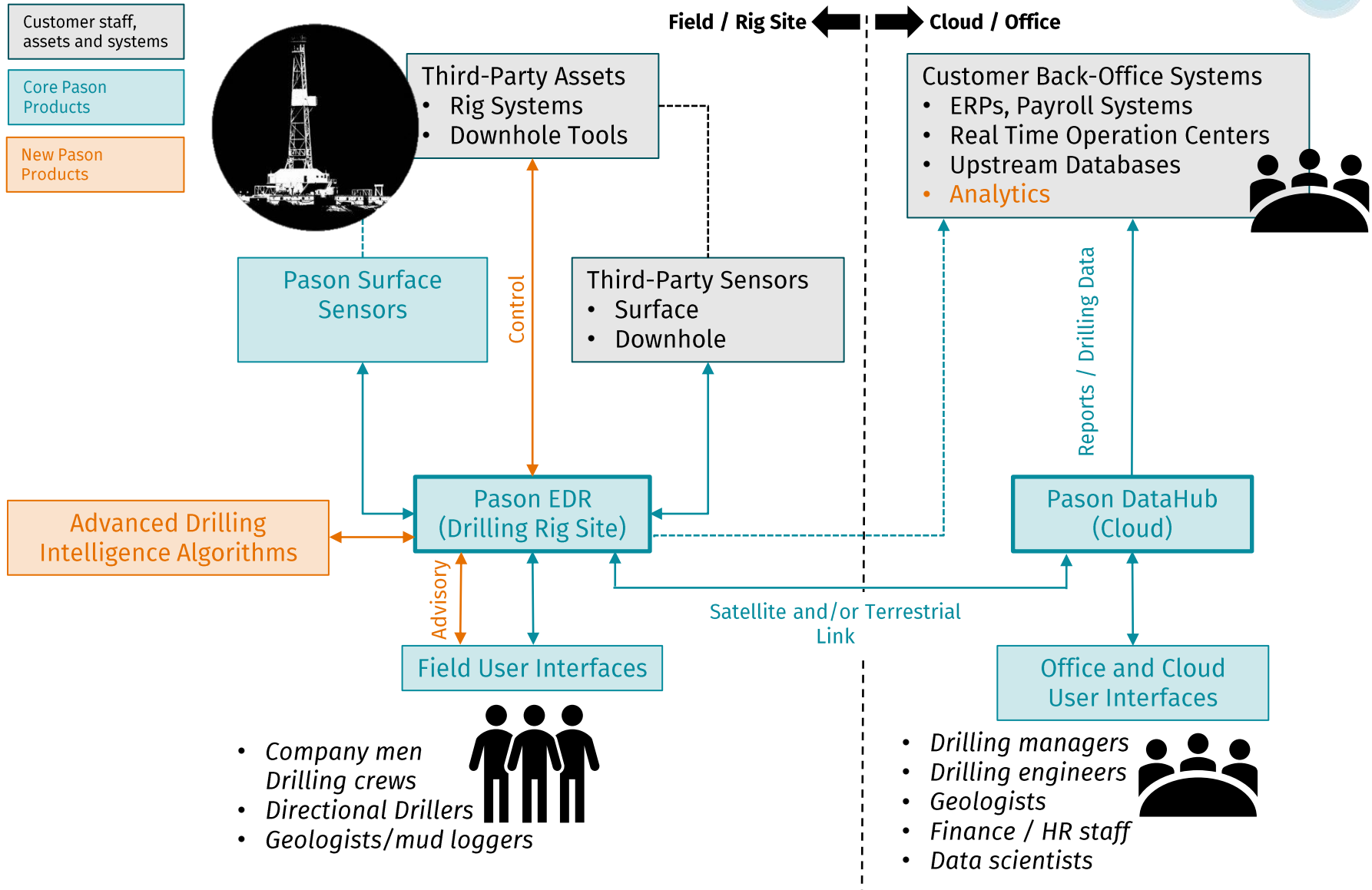
- drilling optimization and automation efforts
- big data analytics strategies

Technology • Deployed • Simply

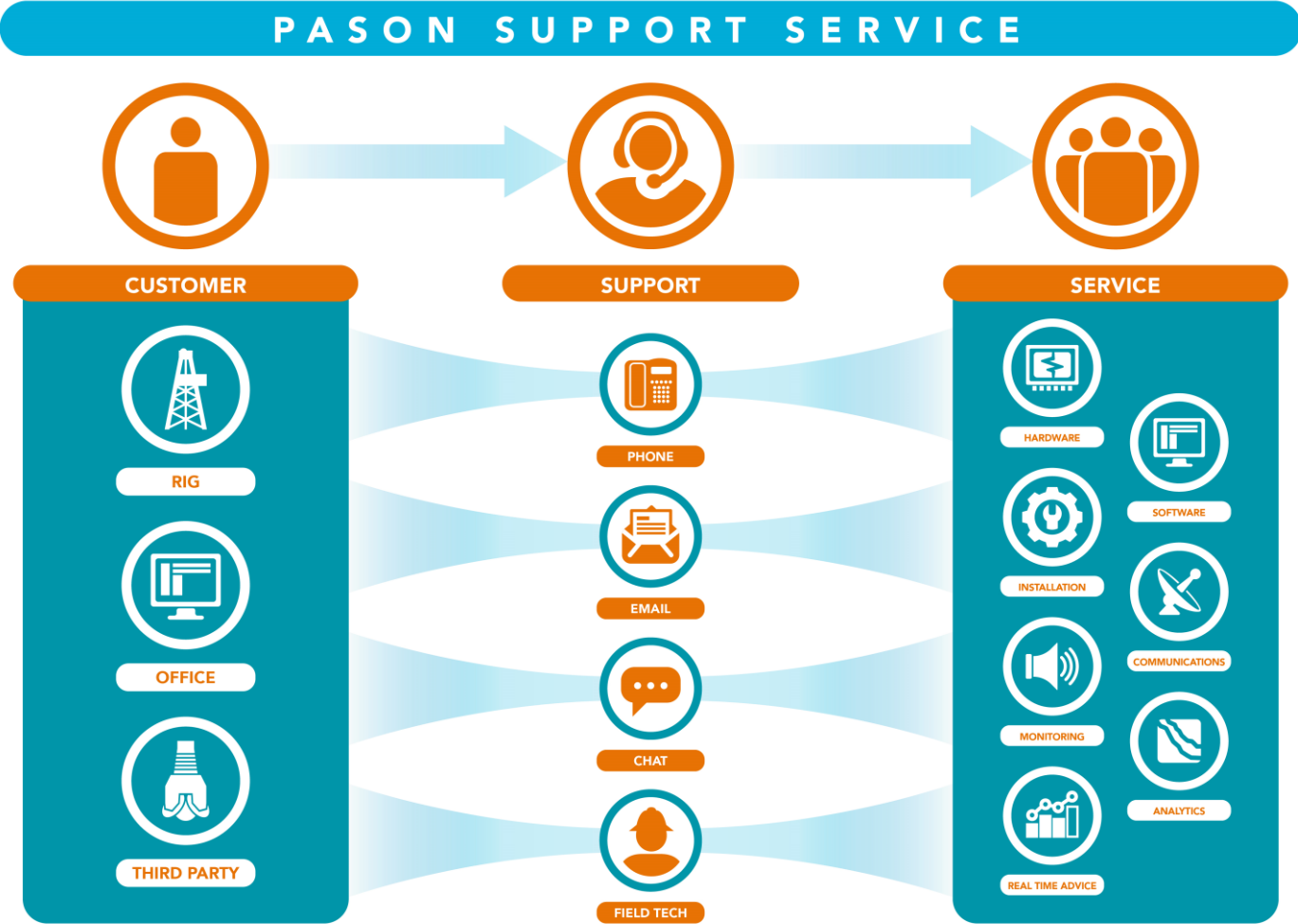
Market Positions and Global Reach



Overview of the Pason Data Ecosystem



Superior Service Model



Overview of Pason's Core Products

	Operator Benefits	Contractor Benefits	3 rd Party Benefits
DRILLING DATA (ACQUIRE, VIEW, STORE, DELIVER)			
Electronic Drilling Recorder (EDR), Electronic Service Recorder (ESR)	•	•	•
DataHub / Pason Live (incl. Mobile)	•	•	
Data Delivery & Reporting	•	•	
Rig Display, SideKick, Workstation, Monitor	•	•	•
MUD MANAGEMENT AND SAFETY			
Pit Volume Totalizer (PVT), Smart Alarms, Digital Trip Sheets	•	•	
Gas Analyzer	•		
Hazardous Gas Alarm	•	•	
COMMUNICATIONS			
Internet Bandwidth (Satellite and Terrestrial)	•	•	•
Bandwidth Management	•	•	•
Wireless Rigsite, VOIP and Intercom	•	•	•
DRILLING INTELLIGENCE			
AutoDriller(s)	•	•	
Drilling Advisory System™ (DAS)	•	•	
ANALYTICS			
Verdazo (Discovery Analytics), Reports, KPIs	•		•
Energy Toolbase SaaS		Solar/Storage	Project Developers
Pason Power iEMS control system and Energy DataHub		Asset Owners/	Managers

Data Capture by Pason

675,000+ oil and gas wells in Pason DataHub, including more than 150,000 drilled since 2014

2,300+ active drilling rigs simultaneously feeding data to the Pason DataHub during peak activity levels (in 2014)

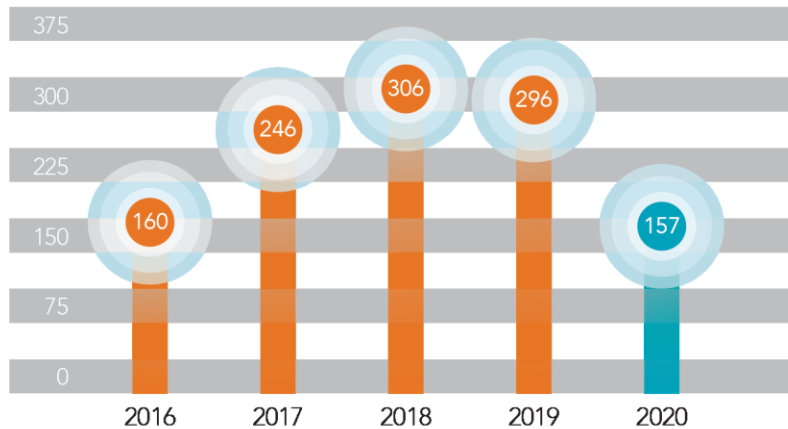
Categories of Data Captured	Examples of Data
Pason Surface Sensors Data	Time/depth-based sensor data: Depth, standpipe pressure, hook load, rotary RPM, torque, pump strokes, drilling mud levels and flow, gases, volumes, temp
Calculated Data	Rate of penetration (ROP), weight on bit (WOB), mechanical specific energy (MSE), drilling mud volume changes (kicks, lost circulation), rig states etc.
Third-Party Sensor Data	Wide variety of third-party sensor (e.g., gas systems, generator/engine monitors) and rig PLC control system data
Directional Data	Directional survey data, downhole tool information (inclination and azimuth, gamma, resistivity)
Operator and Contractor Reporting	General well information, operational data, safety info, wellbore info, geological evaluation, equipment and downhole details, test info, bit reports, service rig info
Drilling Contractor Payroll Data	Accurate crew lists and payroll data between the rig and the contractor's payroll system

Financials



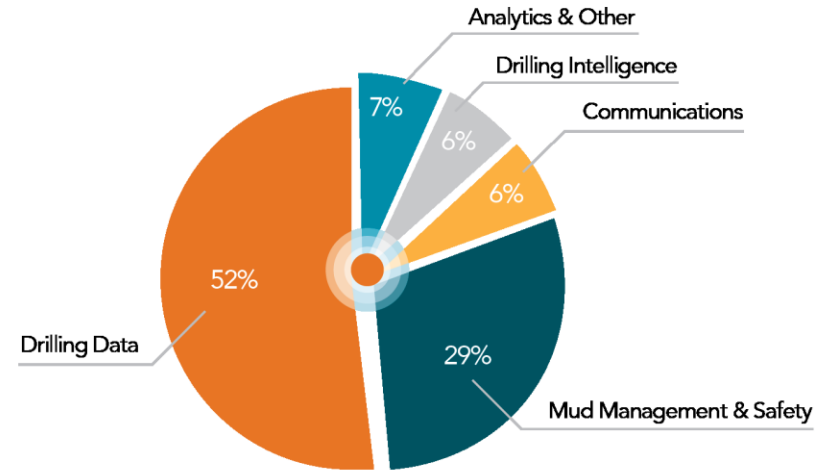
Financial Summary

TOTAL REVENUE (\$MILLIONS)



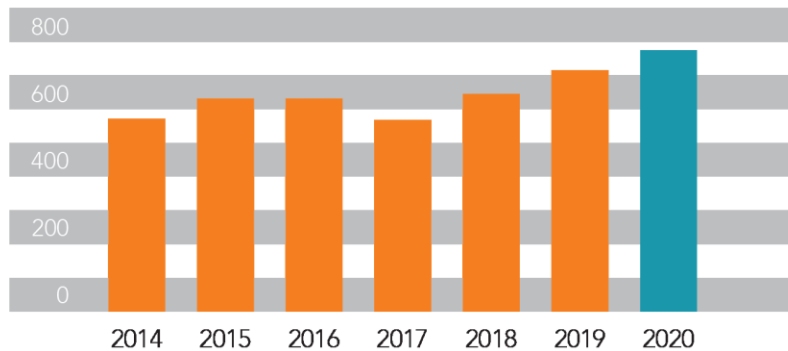
REVENUE BY PRODUCT

12 MONTHS ENDED DECEMBER 31, 2020



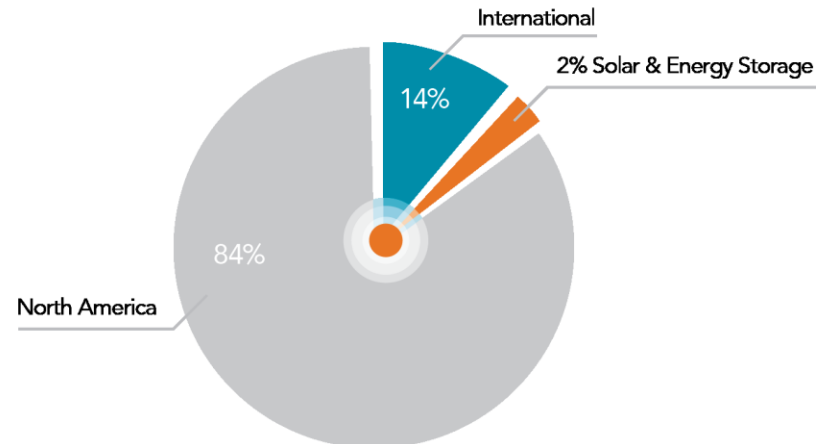
REVENUE PER INDUSTRY DAY (\$)

FOR NORTH AMERICAN BUSINESS UNIT



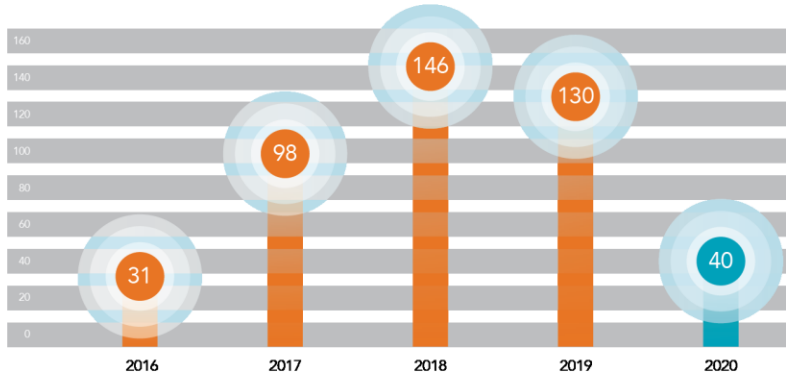
REVENUE BY BUSINESS UNIT

12 MONTHS ENDED DECEMBER 31, 2020

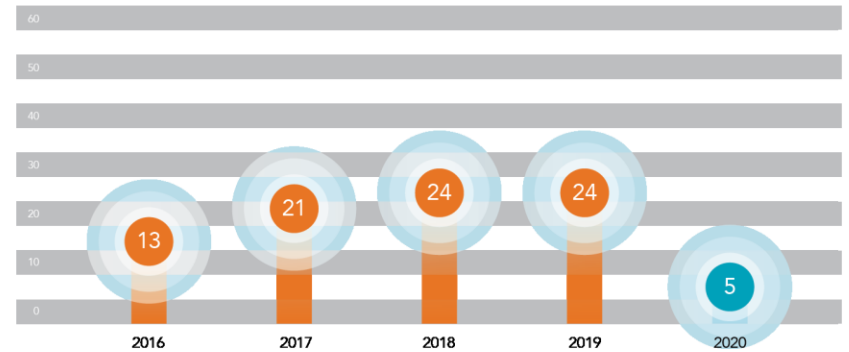


Financial Summary

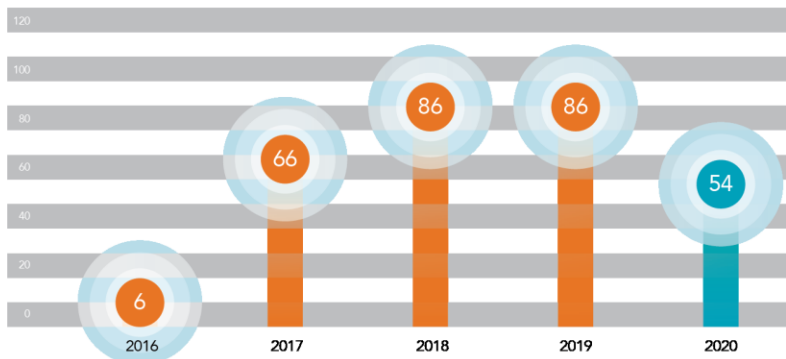
ADJUSTED EBITDA (\$MILLIONS)



CAPITAL EXPENDITURES (\$MILLIONS)

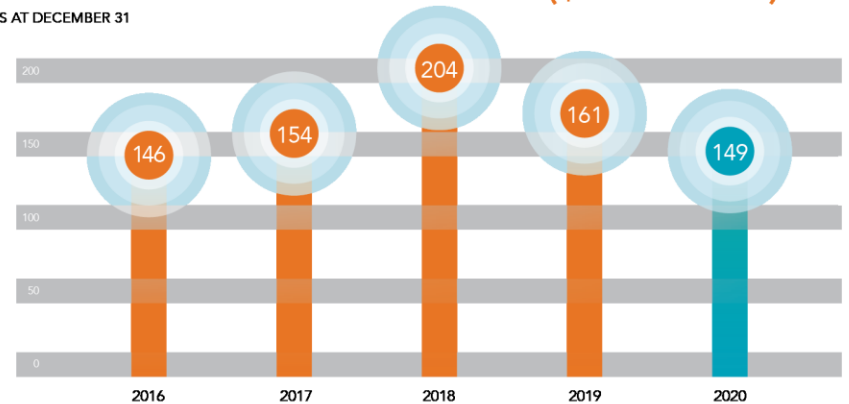


FREE CASH FLOW (\$MILLIONS)

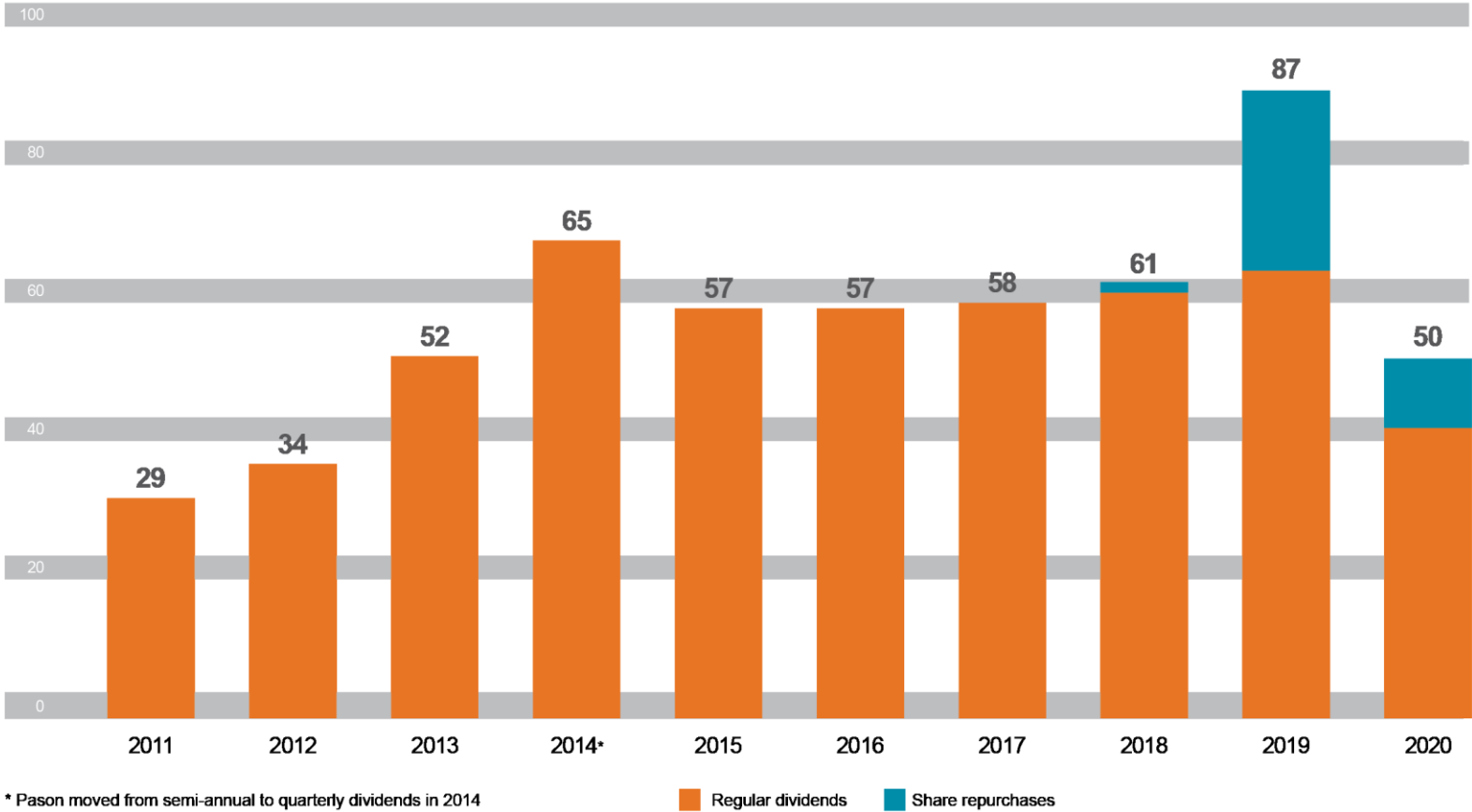


CASH & CASH EQUIVALENTS (\$MILLIONS)

AS AT DECEMBER 31



Cash Returns to Shareholders

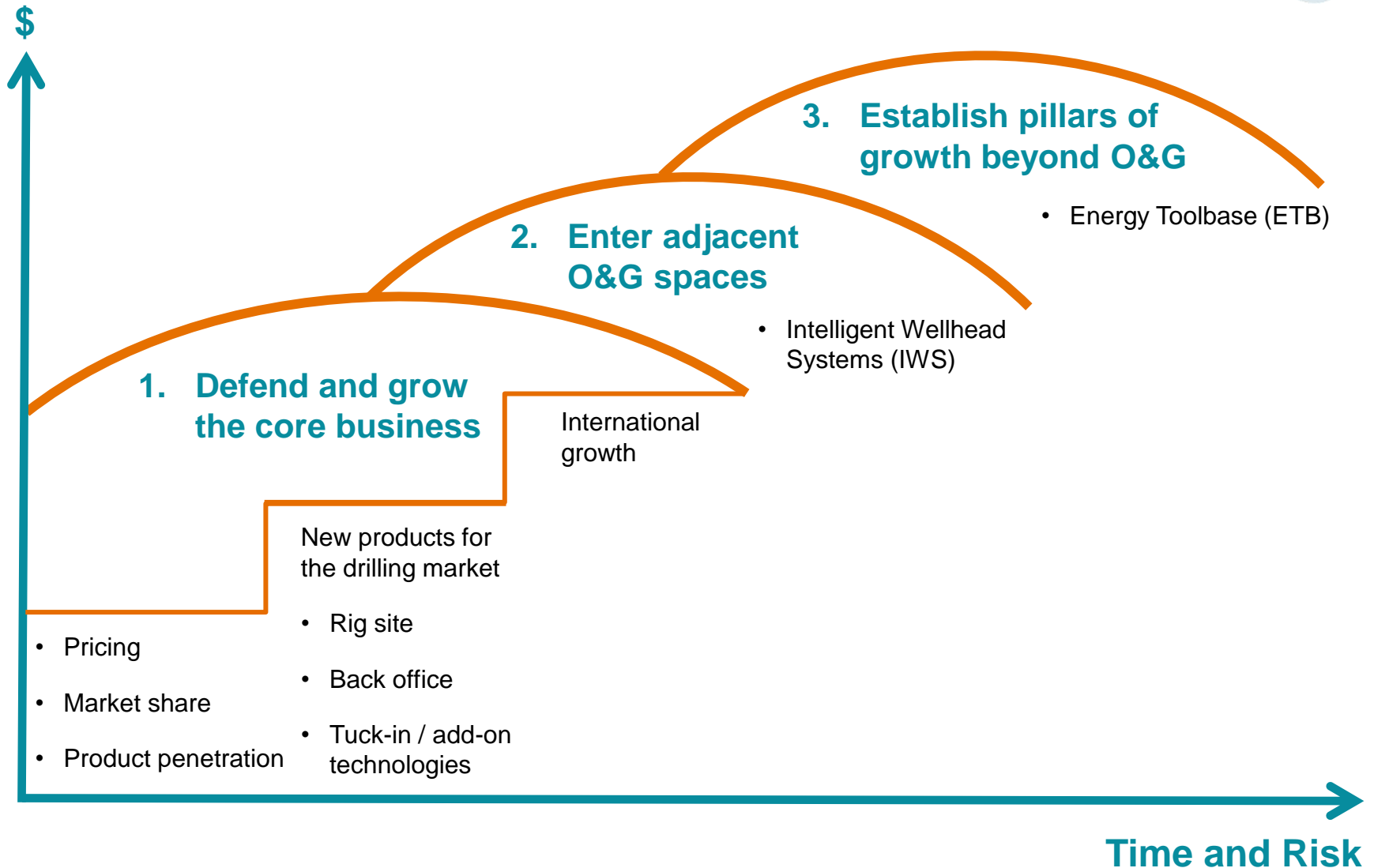


Over \$500 million returned to shareholders over the past 10 years

Outlook



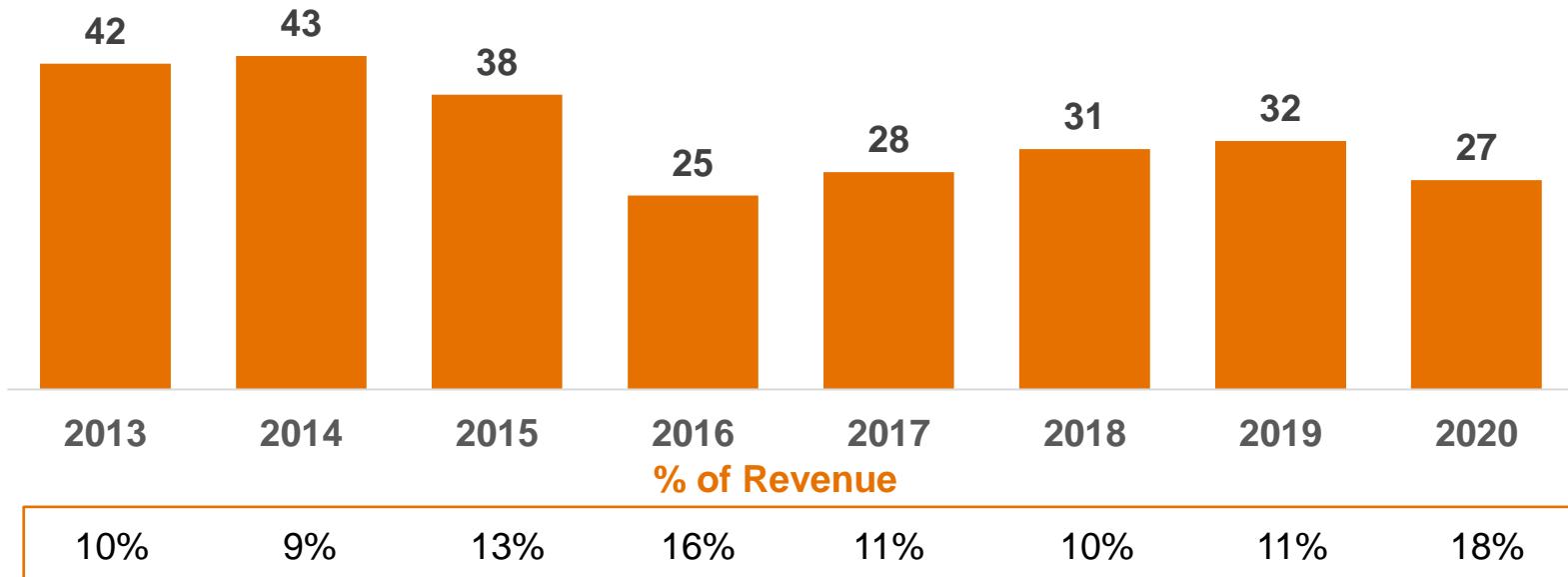
Pason's Long-Term Growth Strategy



Significant Investments in R&D and IT

R&D and IT Spending

In CAD millions (includes expensed and deferred development costs)

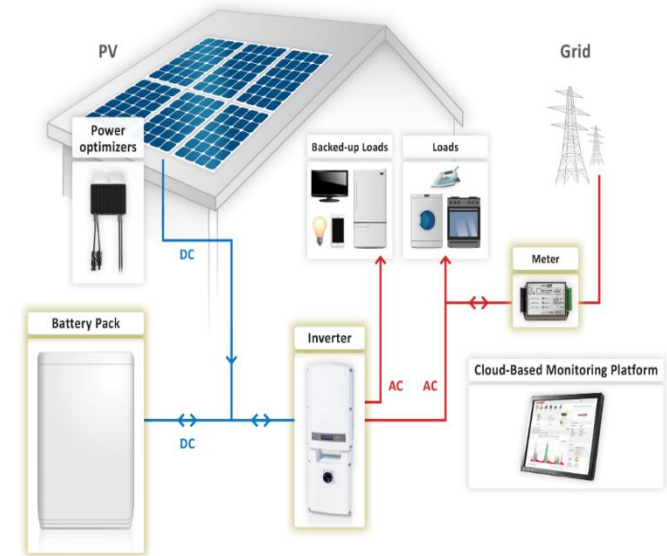


Portfolio of R&D initiatives balanced between:

1. Sustaining and improving existing products vs. developing new
2. Catering to the needs of O&G companies vs. drilling contractors
3. Focused on needs in the field vs. in the office / in the cloud
4. Hardware vs. software (incl. analytics and machine learning)
5. Safe bets vs. “moonshots” (need to expect and accept failures)

Energy Toolbase Well positioned in the “Intelligence Layer” of Energy Storage

- In Sep. 2019, announced the acquisition of an 80% interest of Energy Toolbase (ETB), a US-based SaaS company.
- ETB provides industry-leading software package to model the economics and build proposals for solar and energy storage (battery) projects.
- The ETB product is utilized by distributed energy project developers, primarily in the United States. Currently 1,100 active ETB software licenses with 1,800 users.
- Over the past two years, Pason Power built a foundation in the solar and energy storage market through iEMS control system and Energy DataHub products.
- With the combined capabilities of Pason Power and ETB we are positioning ourselves for meaningful long-term growth in the “intelligence layer” of the solar and energy storage market.



Model



Control



Monitor

 ENERGY TOOLBASE



Appendix



Pason's History

1978: Founded by Wayne Parks and Ron Mason who created the name "Pason" based on a hybrid of their last names

Early 1990s: Inventor Brian Taylor designed and introduced the Pit Volume Totalizer

2006: Entered Australia

2019: Acquired Energy Toolbase

1980: Acquired by Badger Drilling Ltd.

1994: First EDR rental

1997: Entered the US market and acquired Rocky Mountain Geo Engineering

2014: Entered into joint venture (JV) in Saudi Arabia

2016: Acquired Verdazo Analytics

1978

1980

1987

1990

1995

2000

2005

2010

2014

2016

2017

2020

1987: Acquired by Jim Hill (current Chairman of the Board)

1996: Went public at \$0.70 per share (effectively \$0.17 per share with two splits)

2003: Entered Latin America

2009: Purchased Petron Industries based in Houston

2015: Opened Dubai office

2017: Entered into DAS licensing agreement with ExxonMobil

2019: Invested in IWS