

ENERGY & ENVIRONMENTAL SERVICES, INC

JUNE 2018

INVESTOR UPDATE

OTC STOCK SYMBOL EESE



EES 1 Company
UNITED

FORWARD LOOKING STATEMENT & RISK FACTORS

FORWARD-LOOKING STATEMENTS ABOUT OUR GROWTH STRATEGIES, ANTICIPATED TRENDS IN OUR BUSINESS AND OUR FUTURE RESULTS OF OPERATIONS. IN ADDITION, THE WORDS “BELIEVE”, “MAY”, “COULD”, “WILL”, “WHEN”, “ESTIMATE”, “CONTINUE”, “ANTICIPATE”, “INTEND”, “EXPECT” AND SIMILAR EXPRESSIONS, AS THEY RELATE TO US, OUR BUSINESS OR OUR INDUSTRY, ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE BASED LARGELY ON OUR EXPECTATIONS AND ARE SUBJECT TO A NUMBER OF RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND OUR CONTROL. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE FORWARD-LOOKING STATEMENTS AS A RESULT OF, AMONG OTHER THINGS: • OUR PLANS AND OBJECTIVES FOR FUTURE OPERATIONS • EXISTING CASH FLOWS BEING ADEQUATE TO FUND FUTURE OPERATIONAL NEEDS • OUTCOMES OF FUTURE PRODUCT DEVELOPMENT, THE AMOUNT OF RESEARCH AND DEVELOPMENT COSTS, AND OUR SUCCESS IN COMMERCIALIZATION PLANS AND TIMING • THE COMPETITIVE NATURE OF OUR BUSINESS AND MARKET CONDITIONS WITH RESPECT TO PRODUCTS AND PRICING • FUTURE PLANS RELATED TO BUDGETS, CAPITAL REQUIREMENTS, MARKET SHARE GROWTH, AND ANTICIPATED CAPITAL PROJECTS AND OBLIGATIONS • OTHER ASSUMPTIONS DESCRIBED IN THIS ANNUAL REPORT UNDERLYING SUCH FORWARD-LOOKING STATEMENTS ALTHOUGH WE BELIEVE THAT THE EXPECTATIONS INCLUDED IN THESE FORWARD-LOOKING STATEMENTS ARE REASONABLE, THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN EVENTS, RISKS, ASSUMPTIONS, AND UNCERTAINTIES, INCLUDING THOSE DISCUSSED BELOW AND IN THE “RISK FACTORS” SECTION IN OUR ANNUAL REPORT. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.

EES VISION STATEMENT:

EES is one company united by common core values, committed to our employees, our customers and our products. We are dedicated to our vision and passion to produce the most innovative specialty products on the planet.

EES PURPOSE:

Our true passion is to produce the most innovative specialty products on the planet. We strive to help our customer with innovative solutions. We help our customer's business by saving them money with economical, longer lasting solutions to their most challenging problems. With our shared vision, shared purpose and positive energy all focused in the same direction; we will succeed!

EES 1 company UNITED

CORE VALUES:

- Respect:** Having a deep admiration for our employees and their hard work and dedication.
- Integrity:** Our reputation is paramount and built on a high standard of integrity. We are only as good as our word.
- Accountability:** Accountable to our shareholders, employees, customers, and our community.
- Service:** Delivering unmatched service to our customers before, during and after the sale.
We simply treat people the way we want to be treated.

TEAMWORK

Coming together
is a beginning.

Keeping together
is progress.

Working together
is success.



EES 1 Company
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OUR TEAM'S RECENT SUCCESS

- EXPERIENCED 100% INCREASE IN TOTAL REVENUE FY2017 OVER FY2016: \$3.8 MILLION VS \$1.9 MILLION
- INCREASED REVENUE 110% Q1 2018 OVER Q1 2017
- CUT EXPENSES 18.8% OVER SAME TIME PERIOD
- VORTEX PREMIUM COATED PUMP BARREL JOINT VENTURE: PRODUCT IS BEING PRODUCED AND SOLD!
- OPENED A SALES OFFICE AND LAB IN THE PERMIAN BASIN
- STRONG BALANCE SHEET: \$9 MILLION IN ASSETS VERSUS ONLY \$200K OF DEBT
- IMPLEMENTED A 24 MO. TRANSITION PLAN TO BECOME AN SEC 34 ACT REPORTING COMPANY

2018 STRATEGY

- **INCREASE MARKET SHARE: AGGRESSIVELY EVALUATE GROWTH OPPORTUNITIES THRU ORGANIC GROWTH, MERGERS & ACQUISITIONS**
- **OPERATE WITHIN CASHFLOW**
- **EFFICIENT OPERATIONS: CONTINUING TO FOCUS ON DRIVING DOWN COST**
- **REINVEST AVAILABLE CASH FOR INCREASED PROFITABILITY**
- **CONTINUE TO PREPARE THE COMPANY TO MOVE TO THE NASDAQ**



HOW DO WE GET LISTED ON THE NASDAQ?

- **INCREASE REVENUE:**
 - EXPAND FRAC/STIM DIVISION TO SNYDER FACILITY AND GAIN MARKET SHARE IN THE PERMIAN BASIN.
 - ACQUIRE PROD CHEMICAL COMPANIES TO BRING US CLOSER TO THE MARKET (VERTICAL INTEGRATION).
 - EXPAND OUR ABILITY TO COAT PIPE (MORE OVENS AND MORE COATING FACILITIES).
 - DEVELOP THE VORTEX BRAND IN THE MARKET.
 - MICROBES/ENZYMES (FARM & RANCH PRODUCTS SCHEDULED TO HIT THE MARKET IN 2018)
- **BEGIN A 2 YEAR AUDITING PROCESS OF THE FINANCIALS AND INTERNAL CONTROLS 2018/2019**

GENERAL OVERVIEW

EES BUSINESS SEGMENTS

- ENDURO-TECH: CHEMICAL MANUFACTURING
- ENDURO-BOND: PROTECTIVE COATINGS
- FARM/RANCH: ENZYMES AND MICROBES
- VORTEX: EQUIPMENT MANUFACTURING



CHEMICAL MANUFACTURING SEGMENT

GENERATED \$30MM IN REVENUE 2014

- ENDURO-TECH FRAC & STIMULATION PRODUCT LINE: LIQUIDS & SOLIDS
- ENDURO-TECH™ SOLIDS DURING FRACTURING HELPS DELAY PRODUCTION DECLINE
- ENDURO TECH PRODUCTION CHEMICAL PRODUCT LINE: LIQUIDS & SOLIDS
- ENDURO-TECH™ SOLIDS USED TO TREAT A PRODUCING WELL REPLACES HIGH MAINTENANCE LIQUID CHEMICAL SYSTEMS WITH COST EFFECTIVE SOLID TREATMENTS
- ENDURO-TECH™ SOLIDS ALLOW OIL-SOLUBLE AND WATER-SOLUBLE PROBLEMS TO BE TREATED SIMULTANEOUSLY
- ENDURO-TECH™ SOLIDS WILL NOT FREEZE; SPILLS ARE EASILY CLEANED UP
- ENDURO-TECH™ SOLIDS ARE HIGHLY CONCENTRATED & PROVIDE A SLOWER RELEASE FOR A LONGER LASTING TREATMENT VS LIQUID
- MAJOR FOCUS OF CHEMICAL BUSINESS IS IN THE PERMIAN AND SCOOP/STACK



FACTORS IN OUR FAVOR INCREASING DEMAND FOR FRAC FLUIDS: OVER 7,000 DUCS

Basin	APR DUCS	Rigs
D-J Basin	110	27
Western Oklahoma	762	142
Permian Basin - Delaware	1,543	257
Permian Basin - Midland	1,543	201
Eagle Ford Shale	1,494	102
Powder River Basin	378	16
Bakken Formation	719	59
Marcellus/Utica Shale	764	57
Barnett Shale - East Texas	4	3
San Juan Basin	-	1
Hugoton Basin	-	-
TOTALS	7,317	865

***DUCS ARE DRILLED AND UNCOMPLETED WELLS**

PROTECTIVE COATINGS SEGMENT

ENDURO-BOND PRODUCTS

ENDURO-BOND®

ENDURO-BOND® PLUS

ENDURO-BOND® DURASHIELD

ENDURO-BOND® ULTRASHIELD



- MORE THAN A COATING TO PROTECT YOUR INVESTMENT
- AN ALTERNATIVE FOR EXPENSIVE STAINLESS STEEL



ENDUROBOND – OUR PROPRIETARY FORMULA

- ENDURO-BOND® IS A DRY POWDER COATING PROCESS THAT WILL MAKE DUCTILE IRON AND CARBON STEEL VALVES PERFORM LIKE STAINLESS STEEL.
- PROTECTS WHERE OTHERS FAIL. NOT A PAINT; IT IS MORE DURABLE THAN PLASTICS, CERAMICS AND EPOXY.
- PRODUCES A SMOOTH, EVEN 1-2 MILS OF PROTECTIVE COATING TO ALL AREAS OF METAL PARTS.
- PROTECTS THREADS WITHOUT COMPROMISING THE MAKEUP OR TOLERANCE OF YOUR CONNECTIONS.
- RESISTANT TO SALT WATER, H₂S, CARBON DIOXIDE, OXYGEN AND CO₂.
- HIGH TEMPERATURE REACTION (750-850°F) ALLOWS HIGH TEMPERATURE STABILITY, ELIMINATES PIN-HOLES IN COATING AND HAS TENSILE STRENGTH GREATER THAN STEEL.
- REDUCES OPERATION EXPENSES IN PRODUCTION, REFINING AND INDUSTRIAL PROCESSING.

ENDURO-BOND® HAS BEEN APPROVED BY THESE COMPANIES

- **BALON CORPORATION**
- **WEIR SEABOARD**
- **WELLHEAD SYSTEMS INC.**
- **FMC**
- **DNOW ODESSA PUMP**
- **DOVER WELLMARK NORRISEAL**
- **KF (CIRCOR)**
- **STANLEY FILTER**
- **EMERSON AUTOMATED SOLUTIONS**
- **SANDRIDGE XTO DEVON**
- **CITATION OIL AND GAS**
- **CHAPARRAL ENERGY**
- **CONTINENTAL RESOURCES**
- **NOV**

ENDURO-BOND DISTRIBUTION TO THE MARKET

1. OPECO: 7 STATES; 38 EMPLOYEES

2. REP SALES: 7 STATES; 12 EMPLOYEES

3. ENERGY SALES: 4 STATES; 50 EMPLOYEES

4. CASSEL & ASSOCIATES: 5 STATES; 5
EMPLOYEES

- 4 AUTHORIZED MANUFACTURER REPRESENTATIVES WITH OVER 40 AGENTS IN 20 STATES:
- THE NORTHEAST REGION (ILLINOIS, INDIANA, KENTUCKY, WEST VIRGINIA, MICHIGAN, OHIO AND PENNSYLVANIA)
- THE SOUTHEAST REGION (MISSISSIPPI, LOUISIANA AND ARKANSAS), THE SOUTH REGION (OKLAHOMA AND TEXAS)
- THE SOUTHWEST REGION (WEST TEXAS/PERMIAN BASIN AND NEW MEXICO)
- THE MIDWEST REGION (KANSAS, COLORADO AND UTAH), AND THE WESTERN REGION (ARIZONA, CALIFORNIA, NEVADA AND IDAHO).

ENZYMES & MICROBES SEGMENT

- **FEED SUPPLEMENTS: LIQUID & DRY**

RESEARCH UNIVERSITY TEST RESULTS BY YEAR END

- **FERTILIZER PRODUCTS: LIQUID & DRY**

CURRENTLY SOLD IN KS. OK. TX. CO. NE. NC. SD. LA.

- **ODOR ELIMINATION PRODUCTS LAUNCH IN 2018**

PROVEN SUCCESSFUL IN CHICKEN COOPS AND HORSE STALLS



FARM & RANCH STRATEGY

- **GOAL #1: CREATE NEW REVENUE STREAM OUTSIDE OF THE OIL & GAS INDUSTRY...**
- **HIRED A MICROBIOLOGIST IN 2013 TO BEGIN IMPLEMENTING ENZYMES & MICROBES INTO OUR COMPANY**
- **PURCHASED ECOZYME SYSTEMS TECHNOLOGIES INTELLECTUAL PROPERTY IN 2015**
- **RELOCATED OPERATION TO EDMOND OKLAHOMA TO INCREASE PRODUCTIVITY AND QUALITY**
- **REDUCE FREIGHT & TRAVEL EXPENSES BY UTILIZING EES FACILITIES IN OKLAHOMA VS EAST TEXAS**
- **TOLL BLENDING/MANUFACTURING FOR NATURES FORMULA INC.**
- **MARKETING ODOR ELIMINATION PRODUCTS THROUGH NATURES FORMULA INC.**
- **INCREASE MARKET SHARE WITH ORGANIC GROWTH, MERGERS & ACQUISITIONS**

EQUIPMENT MANUFACTURING SEGMENT SPECIALTY BARREL MARKET

- **VORTEX PREMIUM COATED PUMP BARREL OPERATION**

VORTEX PROVIDES A PRODUCT THAT IS LOWER COST AND PROVIDES SUPERIOR SERVICE TO THE OIL AND GAS PRODUCER.



VORTEX PREMIUM COATED PUMP BARRELS

- The pump barrel is the metal cylinder in which the plunger of a sucker rod reciprocates and is an integral part of most downhole pump systems used in oil & gas wells.
- Enduro-Bond Manufacturing Company, a wholly owned subsidiary of EES, will receive payment for the coating of the pump barrels and EES will participate in 50% of the pump barrels sales revenue through its ownership in Vortex Oilfield Products, LLC.
- The pump barrel market has long been dominated by chrome steel components with marginal competition. The new Vortex pump barrel coated with Enduro-Bond® will perform superior to chrome steel for lower cost to the customer.

SIZE OF THE MARKET

COMPANY	* ESTIMATED SALES
DOVER H-F	400,000,000
WEATHERFORD	380,000,000
SCHLUMBERGER - DON NAN	380,000,000
SCOTT BARRELS	200,000,000
LUFKIN - QUINN	40,000,000
JOHN CRANE	20,000,000
PRECISION	8,000,000
CATALYST	6,000,000
TOTAL MARKET	\$1,434,000,000.00

**Total U.S. Rod Pump Market at \$1.0 billion
With 30% of the business International**

VORTEX CHANNEL TO THE MARKET

Opesca Inc.

OPECO'S STATES OF OPERATION

Kansas, Oklahoma, Arkansas, Panhandle of Texas,
East Texas, Louisiana, Mississippi, & Alabama

- **8 Warehouse Locations**
 - **60,000 total sq ft**
- **38 Total Employees**
- **18 Outside Salesmen**
- **7 Inside Sales**
- **13 Support Personnel**
- **\$4.3 Million Total Inventory**
- **25 sales and delivery trucks**



OPECO DOWN HOLE ADVANTAGE

- CROSSOVER CUSTOMER BASE OF EXISTING CUSTOMERS TO VORTEX PRODUCTS
- **CROSSOVER HOOK-UP PRODUCTS TO END USERS**
 - ADVANTAGE OF SINGLE SOURCING
 - STUFFING BOXES, PACKING, POLISHED RODS AND LINERS, AND ETC.
- UTILIZE ALL PERSONNEL TO INCREASE FIELD SERVICEABILITY
- OUT PERFORM THE COMPETITION ON FIELD DELIVERIES AND END-USER SPECIFICATIONS
- **10 OUTSIDE SALES PERSONNEL IN OKLAHOMA**

CONCLUSION

- Q1 2018 STARTED WITH A 110% INCREASE IN REVENUE VERSUS Q1 2017
- EXPENSES ARE DOWN ALMOST 20% OVER THE SAME PERIOD
- OUR PEOPLE ARE OUR NUMBER ONE ASSET.
- WE EMPLOY CORE VALUES TO EVERYTHING WE DO EVERYDAY.
*SERVICE *RESPECT *INTEGRITY * ACCOUNTABILITY!
- EXPERIENCED TEAM CAPABLE OF EXCELLING IN THESE MARKETS
- OTC STOCK SYMBOL EESE

FOR MORE INVESTOR INFORMATION CONTACT DIRECTOR OF INVESTOR RELATIONS SCOTT SHAW

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