

Lead. Support. Accelerate.



Disclaimer: Forward Looking Statements

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These statements involve known and unknown risks and uncertainties, some of which are outlined in the Company’s most recent 10-K and subsequent 10-Qs, which may cause the actual performance of Flotek to be materially different from any future results expressed or implied in this presentation and the forward-looking statements. Flotek undertakes no obligation to update any of its forward-looking statements for any reason.

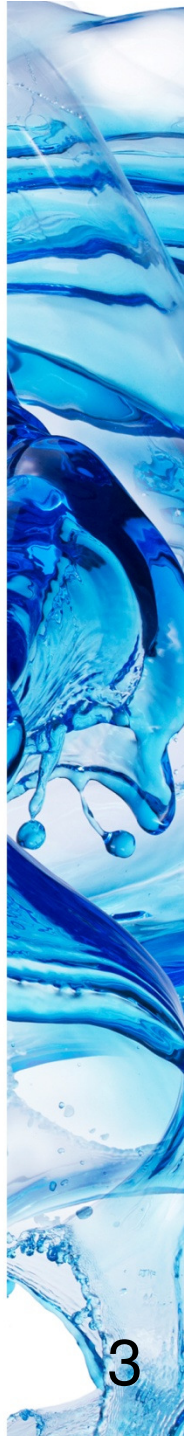


John Chisholm, Chairman and President

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Flotek Today

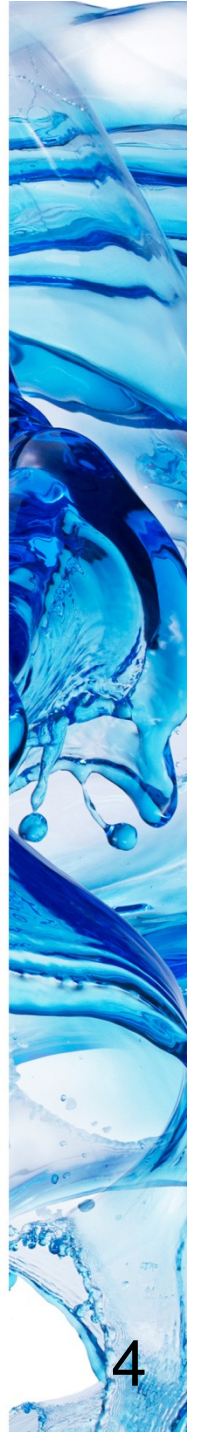
- **Overview & Business Strategy**
- **High Level 2011 Results**
- **Flotek's Technology Portfolio & Business Drivers**
 - **Video Introduction to Flotek Products**
 - **Business Drivers**
 - **International Opportunities**
- **Capital Structure Review**
- **2012 Objectives**
- **Conclusions**



Flotek's Technology Portfolio

- Houston-based oilfield services company with focus on value-added drilling, completion and production products.
- **Chemical Technologies and Related Logistics Services** add value in the drilling, completion and production stages of oil and gas wells.
- **Drilling Technologies** provide solutions during the drilling stage of oil and gas wells from motors and actuated tools to our best-in-class Teledrift technologies.
- **Artificial Lift Technologies** address a number of production challenges for oil and gas companies.

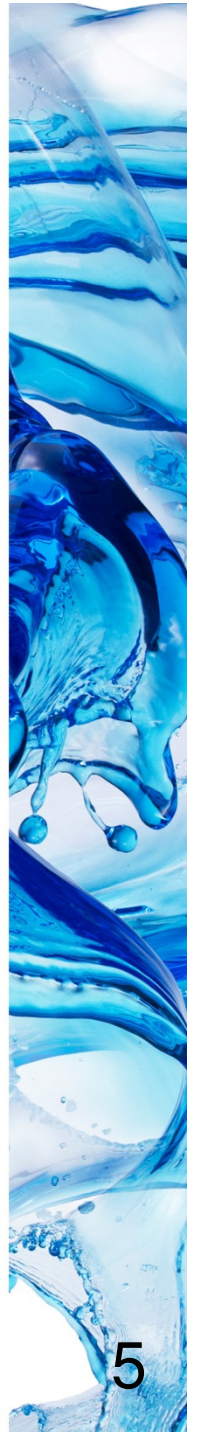
Our diverse mix of products and services touch every stage of the life cycle of a well. And, while each technology requires unique technical expertise, all of our technologies share a commitment to our vision to provide best-in-class technology, cutting-edge innovation to address the ever-changing challenges of our customers and exceptional customer service.



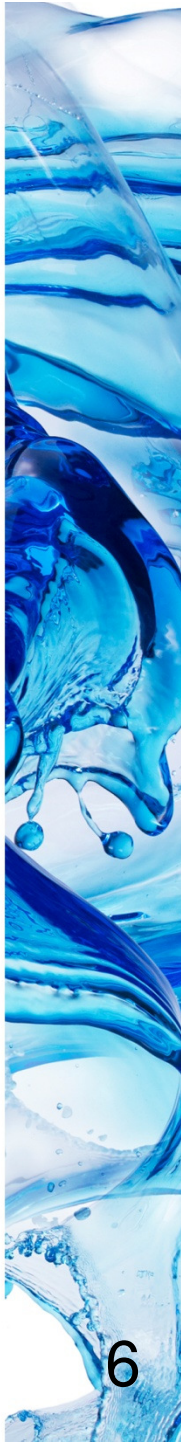
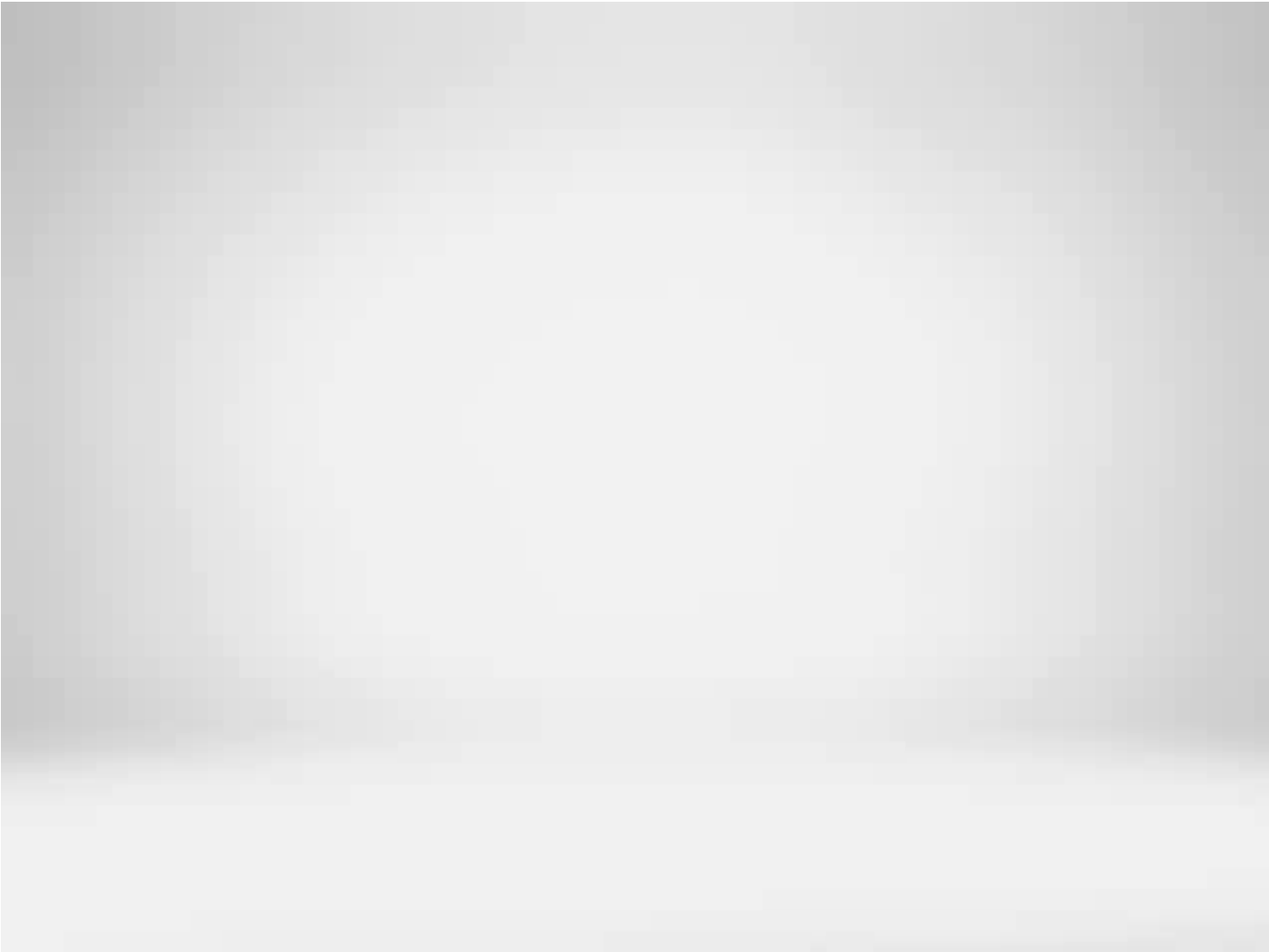
2011 Results Preview (preliminary, unaudited)



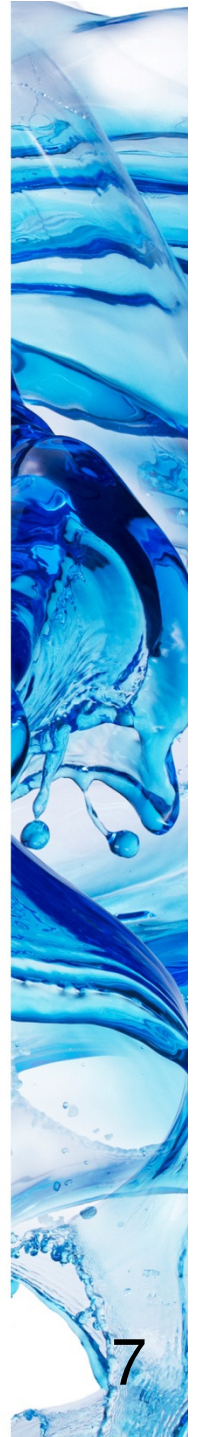
- **2011 Annual Revenue Growth greater than 75%.**
 - Revenue for 2011 was approximately \$258 million compared to \$147 million in 2010.
 - Fourth quarter, 2011 greater than \$74.5 million compared to \$47.5 million in fourth quarter of 2010, 57% growth.
 - 4Q2011 consistent with 3Q2011 revenues as expected. Holiday impacts mitigated by improved market share.
- **Gross Margins Improvement Continues**
 - Annual 2011 gross margins should exceed 40% compared to 36% in 2010.
 - Fourth quarter gross margins should be approximately 42%, an increase from 37% in 4Q2010 and 40.9% in 3Q2011.
 - Expect operating income as a percent of revenue trended higher in 2011 with 4Q2011 to exceed 20% and annual rate to be greater than 18%.
- **Full year-year end financials and conference call expected to occur the week of March 5, 2012.**



Introduction to Flotek's Portfolio of Oilfield Technologies

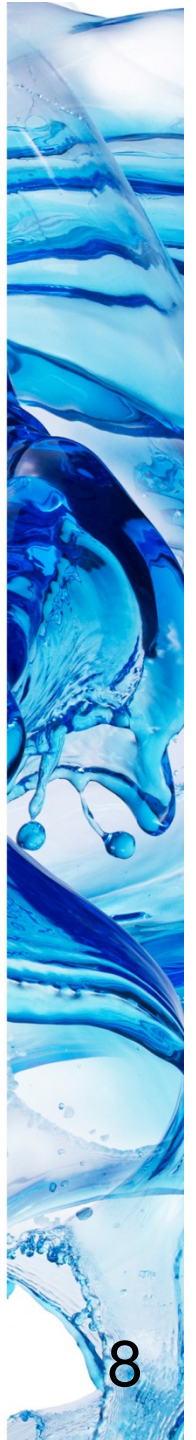
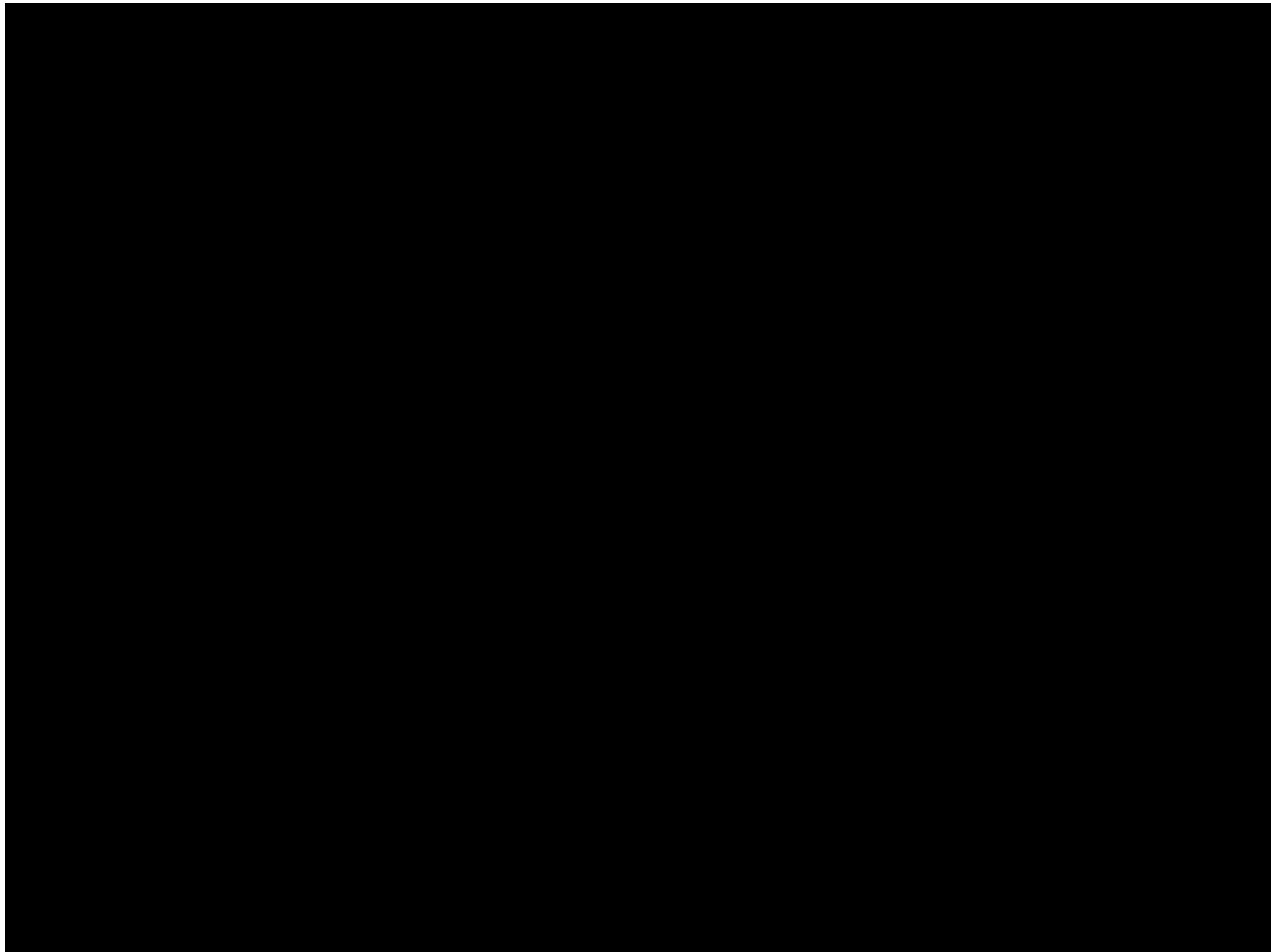


Key Technology Business Drivers: Specialty Chemicals



- **Continued trend toward unconventional resource plays in North America.**
- **International growth in unconventional resource plays – Flotek chemicals involved in recent activity in Poland, Turkey & Paris Basins**
- **New product innovations, including focus on liquid-rich reservoirs, enhanced recovery and basin-specific solutions.**
- **Marketing penetration to service companies and ultimate beneficiaries with better understanding of positive economic impact of Flotek proprietary chemicals.**
- **Environmental sensitivity benefits Flotek – First patent focused on “environmentally friendly” chemistry filed in 2003.**
- **Commitment to Research – Creating Durable Client Relationships.**

Key Technology Business Drivers: Specialty Chemicals



Key Technology Business Drivers: Drilling Tools & Artificial Lift

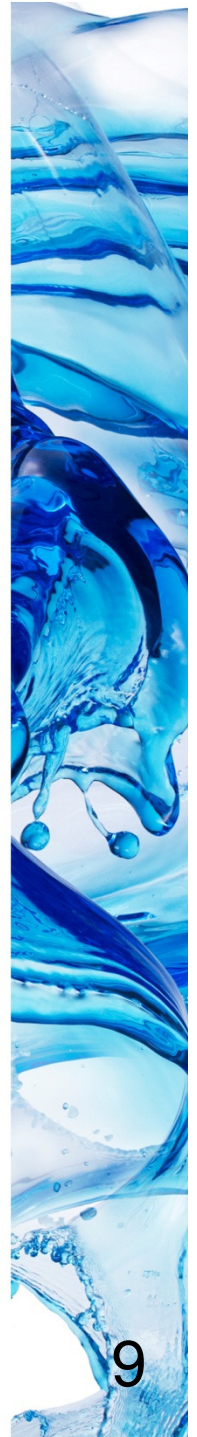


• Drilling Tools

- Downhole tool growth in key regions including Oklahoma and Eagle Ford
- Improvement in market share and pricing in drilling motors – focus on key regions including Barnett, Bakken & Eagle Ford.
- Teledrift focus: Continued growth in domestic markets. Pricing strength in Permian Basin. Remote technology should enhance Teledrift pricing and market share
- International expansion. Focus on Saudi Arabia and Middle East, Central & South America, Russian Federation.

• Artificial Lift

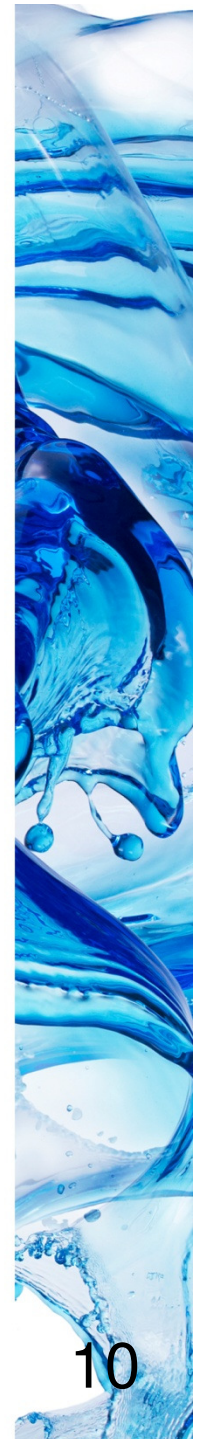
- Key customer relationships in Powder River CBM. Flotek improved key customer relationships in 2010 which provided additional service revenue in 2011 even as natural gas prices tumbled.
- Look to expand into liquids applications in 2012. Key customers have invited Flotek into liquids plays such as the San Juan and Permian Basins. Also, looking at opportunities to grow in select international markets.
- Petrovalve orders provide high margin, albeit lumpy, revenue opportunities. Recent success in Venezuela. Looking at select domestic opportunities for Petrovalve as well.



Key Technology Business Drivers: International Opportunities



- Significant growth opportunities in Western Canada for expanded CnF usage.
- Europe: Opportunities in North Sea, Holland, Poland.
- Russia, FSU & Eastern Europe: Opportunities in Serbia, Romania, Croatia, Ukraine, Russia
- Middle East & North Africa: Turkey, Saudi Arabia, other Gulf Cooperating Council nations provide rich multi-country opportunities.
- Central and South America: Continued growth opportunities in Mexico, Argentina, Peru, & Venezuela.
- Key partnerships will drive international growth.
- Making “*Is Flotek in YOUR Well*” a Multi-lingual question.



Flotek's 2012 Business Drivers

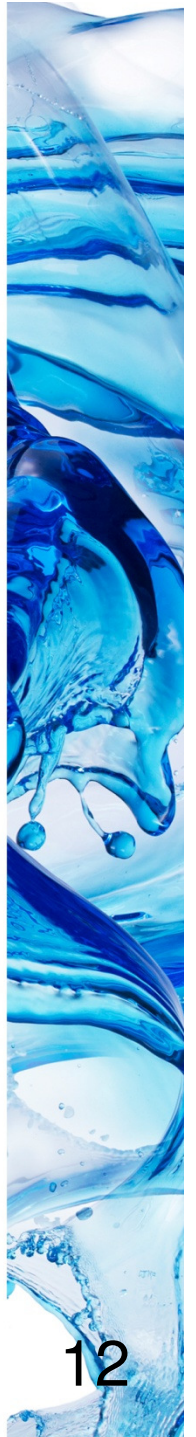


- **Focus on improved marketing efforts**
 - Increased focus on depth of Flotek market combined with expanding breadth of market in drilling technologies segment
 - Grow exposure to end user/beneficiaries of Flotek chemical technologies.
 - Look for select “new markets” for artificial lift technologies. Continue select marketing of Petrovalve when appropriate.
 - “Is Flotek Inside Your Well” approach.
- **Continue to focus on more balanced revenue mix: liquids vs. natural gas. Liquids focus based on pricing – currently ~ 70% of Flotek’s revenues are liquids related.**
- **Continue to pursue international opportunities through partnerships, established relationships and key agents.**
- **Opportunities for Flotek chemical technologies to be utilized in Enhanced Oil Recovery (EOR).**
- **Consider prudent opportunities to deploy cash balances to enhance long-term growth.**



2011 Financial Achievements

- **Conversion of Preferred Equity to Common Equity**
 - *Completed 2/2011*
- **Continue to Focus on Balance Sheet Improvement**
 - *Private placement of 5/12/2011 which raised ~\$29.5 million eliminated expensive senior credit facility.*
 - *Completed \$4.5 million debt-for-equity exchange on 5/12/2011.*
 - *Retired ~\$36 million in convertible debt through repurchase in early January, 2012.*
 - *Reduced overall debt by ~50% in 2011. Remaining \$70.5 million in debt is appropriate given other financial metrics.*
- **Consider options for more conventional senior-level financing.**
 - *Completed new \$35 million Revolving Credit Facility (September, 2011)*
- **Analyze options for growing cash balances and better management of financial information.**
- **Continue to focus on intrinsic growth with cash flow maximization; However, will consider strategic, “niche intellectual” partnerships and acquisitions that are strategic, accretive and market-driven.**



Select Balance Sheet Data (unaudited)

Outstanding Debt (in millions)*

•Senior Secured Secured Debt**	\$ 0.0
•Convertible Subordinate Debt***	\$ 70.5
<u>Total Outstanding Debt</u>	\$ 70.5

**Company also retired ~\$36mm in second-lien convertible notes on 1/6/2012. Outstanding debt excludes capital lease obligations.*

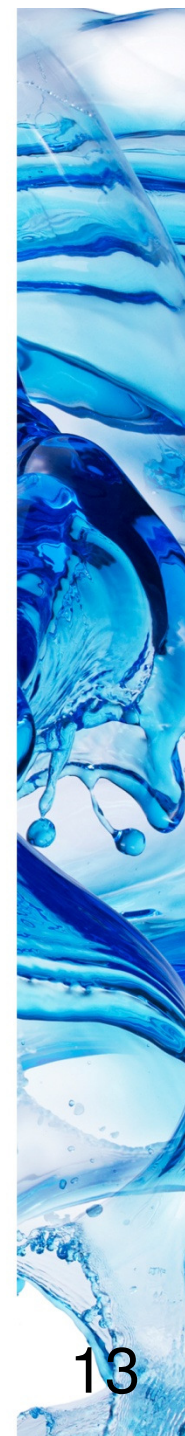
***\$35mm of undrawn availability on revolving credit facility.*

****Debt matures in 2/2028; Put/Call Option 2/2013.*

Equity Recap

•Shares Outstanding (November 4, 2011)	49.5
•Other Potential Issuance (Warrants, Options)	~ 4.0
<u>Total Potential Fully Diluted Common</u>	53.5

Cash as of 1/30/2012 **~\$ 8.0mm**



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Lead

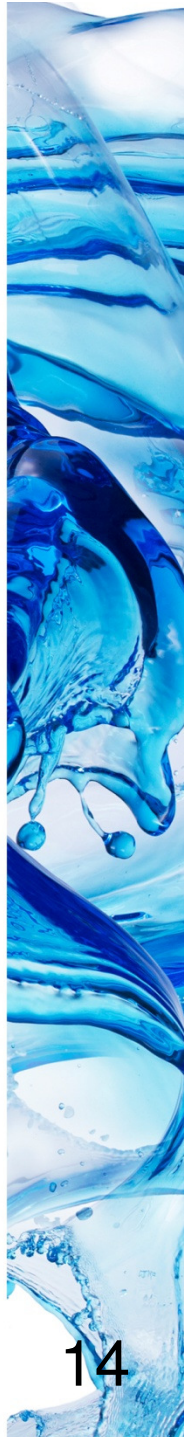
- Lead in innovation, responsiveness and service quality for our customers in each of our key business units.
- Senior leadership leads by example, setting the tone and course of success for our front-line team members.
- Lead our industry in performance and returns for our stakeholders.

Support

- Support our customers by anticipating their needs, developing new products and innovative ways to provide “best-in-class” service.
- Support the Flotek team by anticipating their needs, providing the tools for success and listening to every suggestion on how to improve our operations, culture and results.

Accelerate

- Accelerate Innovation
- Accelerate Efficiency and Teamwork
- Accelerate Growth and Stakeholder Returns





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