

PATTERSON UTI ENERGY INC

Form S-4/A

February 23, 2017

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As filed with the Securities and Exchange Commission on February 23, 2017

Registration No. 333-215655

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PATTERSON-UTI ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1381
(Primary Standard Industrial
Classification Code Number)

75-2504748
(IRS Employer
Identification No.)

10713 West Sam Houston Parkway North, Suite 800

Houston, Texas 77064

(281) 765-7100

(Address, including ZIP code, and telephone number, including area code, of registrant's principal executive offices)

Seth D. Wexler

Senior Vice President, General Counsel and Secretary

Patterson-UTI Energy, Inc.

10713 West Sam Houston Parkway North, Suite 800

Houston, Texas 77064

(281) 765-7100

(Name, address, including ZIP code, and telephone number, including area code, of agent for service)

With Copies to:

David A. Katz

David Treadwell

Stephen M. Gill

David K. Lam
Wachtell, Lipton, Rosen & Katz

Seventy Seven Energy Inc.

Douglas E. McWilliams

51 West 52nd Street

777 N.W. 63rd Street

Vinson & Elkins LLP

New York, New York 10019

Oklahoma City, Oklahoma 73116

1001 Fannin Street, Suite 2500

(405) 608-7777

Houston, Texas 77002

(212) 403-1000

(713) 758-2222

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the transactions described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not distribute the Patterson-UTI Energy, Inc. common stock being registered pursuant to this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to distribute or a solicitation of an offer to receive any securities in any jurisdiction where an offer or solicitation is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 23, 2017

JOINT PROXY STATEMENT/ PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The board of directors of Patterson-UTI Energy, Inc. (Patterson-UTI) and the board of directors of Seventy Seven Energy Inc. (SSE) have each approved an Agreement and Plan of Merger (which, as it may be amended from time to time, is referred to as the merger agreement) that provides for the combination of SSE and Patterson-UTI. Pursuant to the terms of the merger agreement, a wholly owned subsidiary of Patterson-UTI will merge with and into SSE (the merger), with SSE surviving the merger as a wholly owned subsidiary of Patterson-UTI.

If the merger is completed, each share of SSE common stock, par value \$0.01 per share, issued and outstanding immediately prior to the effective time of the merger (other than certain shares specified in the merger agreement), will be converted into the right to receive a number of shares of Patterson-UTI common stock, par value \$0.01 per share, equal to the exchange ratio. The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time of the merger (which includes, among other things, (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying tax withholding obligations upon the vesting of SSE restricted stock unit awards); *provided that*, in the event that any Series A warrants to acquire SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing of the merger. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B to this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio. Based on the closing price of Patterson-UTI common stock on the Nasdaq Global

Select Market (the NASDAQ) on December 12, 2016, the last trading day before public announcement of the merger, the aggregate transaction value of the merger consideration payable to SSE stockholders was approximately \$1.42 billion, assuming the issuance of 49,559,000 shares of Patterson-UTI common stock.

Shares of Patterson-UTI common stock outstanding before the merger is completed will remain outstanding and will not be exchanged, converted or otherwise changed in the merger. Patterson-UTI common stock is currently traded on the NASDAQ, under the symbol PTEN . **We urge you to obtain current market quotations of Patterson-UTI common stock.** SSE common stock is not currently traded on a national securities exchange.

We intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). Accordingly, SSE stockholders generally are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock.

Based on the estimated number of shares of Patterson-UTI and SSE common stock that will be outstanding immediately prior to the closing of the merger and assuming that each holder of an SSE Series A warrant exercises their warrants for cash, we estimate that, upon such closing, former SSE stockholders will own up to approximately 25% of the combined company following the merger.

At a special meeting of SSE stockholders, SSE stockholders will be asked to vote on a proposal to adopt the merger agreement. Approval of this proposal requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. At the special meeting, SSE stockholders will also be asked to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE s named executive officers in connection with the merger.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC (Axar), BlueMountain Capital Management, LLC (BlueMountain) and Mudrick Capital Management, L.P. (Mudrick) entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE s board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder s sole discretion. See The Merger Agreement Voting and Support Agreements beginning on page 148 for more information.

At a special meeting of Patterson-UTI stockholders, Patterson-UTI stockholders will be asked to vote on the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger. Approval of this proposal requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, assuming a quorum is present.

The SSE board of directors unanimously recommends that the SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE s named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

The Patterson-UTI board of directors unanimously recommends that the Patterson-UTI stockholders vote FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

The obligations of Patterson-UTI and SSE to complete the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. The accompanying joint proxy statement/prospectus contains detailed information about Patterson-UTI, SSE, the special meetings, the merger agreement and the merger. Patterson-UTI and SSE encourage you to read the joint proxy statement/prospectus carefully and in its entirety before voting, including the section titled Risk Factors beginning on page 35.

We look forward to the successful combination of Patterson-UTI and SSE.

Sincerely,

William A. Hendricks, Jr.

Jerry Winchester

President and Chief Executive Officer

President and Chief Executive Officer

Patterson-UTI Energy, Inc.

Seventy Seven Energy Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the joint proxy statement/prospectus or determined if the joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The joint proxy statement/prospectus is dated _____, 2017 and is first being mailed to Patterson-UTI stockholders and SSE stockholders on or about _____, 2017.

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Patterson-UTI Energy, Inc.

10713 West Sam Houston Parkway North, Suite 800

Houston, Texas 77064

(281) 765-7100

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On , 2017

To the Stockholders of Patterson-UTI Energy, Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Patterson-UTI Energy, Inc., a Delaware corporation ("Patterson-UTI"), which will be held at Patterson-UTI 's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, on , 2017 at , local time, for the following purposes:

to vote on a proposal to approve the issuance of shares of Patterson-UTI common stock, par value \$0.01 per share, to stockholders of Seventy Seven Energy Inc., a Delaware corporation ("SSE") in connection with the merger contemplated by the Agreement and Plan of Merger, dated as of December 12, 2016, by and among Patterson-UTI, SSE and Pyramid Merger Sub, Inc., a wholly owned subsidiary of Patterson-UTI ("Merger Sub"), as that agreement may be amended from time to time (the "merger agreement"), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part; and

to vote on a proposal to approve the adjournment of the Patterson-UTI special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Patterson-UTI will transact no other business at the special meeting except such business as may properly be brought before the Patterson-UTI special meeting by or at the direction of the Patterson-UTI board of directors. References to the Patterson-UTI special meeting in this joint proxy statement/prospectus are to such special meeting as adjourned or postponed. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Patterson-UTI special meeting.

The Patterson-UTI board of directors has fixed the close of business on February 22, 2017 as the record date for the Patterson-UTI special meeting. Only Patterson-UTI stockholders of record at that time are entitled to receive notice of, and to vote at, the Patterson-UTI special meeting. A complete list of such stockholders will be available for inspection by any Patterson-UTI stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Patterson-UTI special meeting at Patterson-UTI 's offices at the address on this notice. The eligible Patterson-UTI stockholder list will also be available at the Patterson-UTI special meeting for examination by any stockholder present at such meeting.

Completion of the merger is conditioned on approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger. Approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger requires the affirmative vote of the holders of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, assuming a quorum is present.

The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable

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and fair to and in the best interests of Patterson-UTI stockholders. The Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote **FOR** the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and **FOR** the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important regardless of the number of shares that you own. Whether or not you expect to attend the Patterson-UTI special meeting in person, to ensure your representation at the Patterson-UTI special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Patterson-UTI proxy card, (ii) calling the toll-free number listed on the Patterson-UTI proxy card or (iii) submitting your Patterson-UTI proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Patterson-UTI common stock who is present at the Patterson-UTI special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked at any time before the Patterson-UTI special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Patterson-UTI special meeting. We urge you to read carefully the joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus or if you would like additional copies or need help voting your shares of Patterson-UTI common stock please contact Patterson-UTI's proxy solicitor:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

(800) 891-3214

By Order of the Patterson-UTI Board of Directors,

Seth D. Wexler

Senior Vice President, General Counsel and Secretary

Houston, Texas

, 2017

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Seventy Seven Energy Inc.

777 N.W. 63rd Street

Oklahoma City, Oklahoma 73116

(405) 608-7777

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On , 2017

To the Stockholders of Seventy Seven Energy Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Seventy Seven Energy Inc., a Delaware corporation ("SSE"), which will be held at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on , 2017, at , local time, for the following purposes:

to vote on a proposal to adopt the Agreement and Plan of Merger, dated as of December 12, 2016, by and among Patterson-UTI Energy, Inc., a Delaware corporation ("Patterson-UTI"), SSE and Pyramid Merger Sub, Inc., a wholly owned subsidiary of Patterson-UTI ("Merger Sub"), as that agreement may be amended from time to time (the "merger agreement"), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to vote on a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger; and

to vote on a proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

SSE will transact no other business at the special meeting except such business as may properly be brought before the SSE special meeting or any adjournment or postponement thereof by or at the direction of the SSE board of directors. References to the SSE special meeting in this joint proxy statement/prospectus are to such special meeting as adjourned or postponed. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the SSE special meeting.

The SSE board of directors has fixed the close of business on February 22, 2017 as the record date for the SSE special meeting. Only SSE stockholders of record at that time are entitled to receive notice of, and to vote at, the SSE special meeting. A complete list of such stockholders will be available for inspection by any SSE stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the SSE special meeting at SSE's offices at the address on this notice. The eligible SSE stockholder list will also be available at the SSE special

meeting for examination by any stockholder present at such meeting.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC, BlueMountain Capital Management, LLC and Mudrick Capital Management, L.P., entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE's board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder's sole discretion. See The Merger Agreement Voting and Support Agreements beginning on page 148 for more information.

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Completion of the merger is conditioned on approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, by the SSE stockholders, which requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon.

The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is a vote separate and apart from the vote on the proposal to adopt the merger agreement. Accordingly, a SSE stockholder may vote to approve one proposal and not the other. Because the vote on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is advisory in nature only, it will not be binding on SSE or Patterson-UTI, and the approval of that proposal is not a condition to the completion of the merger.

The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. The SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important regardless of the number of shares that you own. Whether or not you expect to attend the SSE special meeting in person, to ensure your representation at the SSE special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the SSE proxy card, (ii) calling the toll-free number listed on the SSE proxy card or (iii) submitting your SSE proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of SSE common stock who is present at the SSE special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked at any time before the SSE special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the SSE special meeting. We urge you to read carefully the joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus or if you would like additional copies or need help voting your shares of SSE common stock please contact:

Seventy Seven Energy Inc.

777 NW 63rd Street

Oklahoma City, Oklahoma 73116

(405) 608-7777

Attn: Investor Relations

By Order of the SSE Board of Directors,

David C. Treadwell

Senior Vice President, General Counsel and

Secretary

Oklahoma City, Oklahoma

, 2017

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Patterson-UTI from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Investors may also consult Patterson-UTI's or SSE's website for more information about Patterson-UTI or SSE, respectively. Patterson-UTI's website is <http://patenergy.com/>. SSE's website is <http://www.77nrg.com/>. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

If you would like to request any documents, please do so by _____, 2017 in order to receive them before the special meetings. If you request any documents, Patterson-UTI or SSE will mail them to you by first class mail, or another equally prompt means, after receipt of your request.

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 233.

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the "SEC") by Patterson-UTI (File No. 333-215655), constitutes a prospectus of Patterson-UTI under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Patterson-UTI common stock to be issued to SSE stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Patterson-UTI and SSE under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Patterson-UTI stockholders and a notice of meeting with respect to the special meeting of SSE stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. Neither Patterson-UTI nor SSE has authorized anyone to give any information or make any representation about the merger, Patterson-UTI or SSE that is different from, or in addition to, that contained in this joint proxy statement/prospectus or in any of the materials that have been incorporated by reference into this joint proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. This joint proxy statement/prospectus is dated _____, 2017. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Patterson-UTI stockholders or SSE stockholders nor the issuance by Patterson-UTI of shares of common stock pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Patterson-UTI has been provided by Patterson-UTI and information contained in this joint proxy statement/prospectus regarding SSE has been provided by SSE.

All references in this joint proxy statement/prospectus to "Patterson-UTI" refer to Patterson-UTI Energy, Inc., a Delaware corporation; all references in this joint proxy statement/prospectus to "Merger Sub" refer to Pyramid Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Patterson-UTI formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to "SSE" refer to Seventy Seven Energy Inc., a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to "we," "our" and "us" refer to Patterson-UTI and SSE collectively unless otherwise indicated herein; and, unless otherwise indicated or as the context requires, all references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of December 12, 2016, by and among Patterson-UTI Energy, Inc., Pyramid Merger Sub, Inc. and Seventy Seven Energy Inc., which is incorporated by reference into this joint proxy statement/prospectus and a copy of which is included as Annex A to this joint proxy statement/prospectus. Patterson-UTI and SSE, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the "combined company."

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QUESTIONS AND ANSWERS

The following are some questions that you, as a Patterson-UTI stockholder or a SSE stockholder, may have regarding the merger and the other matters being considered at the special meetings, as well as the answers to those questions. Patterson-UTI and SSE urge you to read carefully the remainder of this joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the special meetings. See Where You Can Find More Information beginning on page 233.

Q: Why am I receiving this joint proxy statement/prospectus?

A: Patterson-UTI and SSE have agreed to a business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

In order to complete the merger, among other conditions:

Patterson-UTI stockholders must approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger; and

SSE stockholders must adopt the merger agreement.

Patterson-UTI and SSE will hold separate special meetings of their stockholders to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and, with respect to Patterson-UTI incorporates by reference. important information about Patterson-UTI and SSE, the merger and the stockholder meetings of Patterson-UTI and SSE. You should read all of the available information carefully and in its entirety. See Where You Can Find More Information beginning on page 233.

Q: What effect will the merger have?

A: Patterson-UTI and SSE have entered into the merger agreement pursuant to which SSE will become a wholly owned subsidiary of Patterson-UTI and SSE stockholders will become stockholders of Patterson-UTI. Following the merger, the stockholders of Patterson-UTI and SSE will be the stockholders of the combined company.

Q: What will I receive in the merger?

A:

Patterson-UTI Stockholders: Regardless of whether the merger is completed, Patterson-UTI stockholders will retain the Patterson-UTI common stock that they currently own. They will not receive any merger consideration, and they will not receive any additional shares of Patterson-UTI common stock in the merger.

SSE Stockholders: If the merger is completed, SSE stockholders will receive a number of shares of Patterson-UTI common stock for each share of SSE common stock that they hold immediately prior to the effective time of the merger (the effective time) equal to the exchange ratio. The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time (which includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying

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tax withholding obligations upon the vesting of SSE restricted stock unit awards); *provided*, that in the event that any Series A warrants to acquire SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing of the merger. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B to this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio.

SSE stockholders will not receive any fractional shares of Patterson-UTI common stock in the merger. Instead, Patterson-UTI will pay cash (without interest) in lieu of any fractional shares of Patterson-UTI common stock that a SSE stockholder would otherwise have been entitled to receive. SSE stockholders will also be entitled to any dividends declared and paid by Patterson-UTI with a record date at or after the effective time.

Q: If I am an SSE stockholder, how will I receive the merger consideration to which I am entitled?

A: A letter of transmittal and instructions for the surrender of SSE common stock certificates, or in the case of book entry shares, the surrender of such shares, will be mailed to SSE stockholders shortly after the completion of the merger. After receiving proper documentation from you, the exchange agent will forward to you the Patterson-UTI common stock and cash in lieu of fractional shares to which you are entitled. See The Merger Agreement Exchange of Shares in the Merger beginning on page 126.

Q: What is the value of the merger consideration?

A: Because Patterson-UTI will issue shares of Patterson-UTI common stock in exchange for each share of SSE common stock outstanding immediately prior to such exchange, the value of the merger consideration that SSE stockholders receive will depend on the price per share of Patterson-UTI common stock at the effective time. That price will not be known at the time of the special meetings and may be greater or less than the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of Patterson-UTI common stock. See Risk Factors beginning on page 35.

In addition, the value of the merger consideration is dependent upon the exchange ratio. The exchange ratio will be 1.7731 if all outstanding Series A warrants of SSE are exercised for cash, no other warrants are exercised, no other shares of SSE are issued prior to closing and certain other assumptions set forth in Example 1 of Annex B of this joint proxy statement/prospectus. The exchange ratio will be reduced if holders of Series A warrants of SSE fail to exercise their warrants by tendering the cash exercise price, either by forfeiting the warrants or by net share settling such warrants. The exchange ratio will also be reduced if Series B or Series C warrants of SSE all of which are presently out-of-the-money nevertheless exercise their warrants. The exchange ratio will further be reduced by any additional restricted stock unit awards granted by SSE for retention purposes, which will not exceed 300,000 restricted stock units in the aggregate. As of February 22, 2017, SSE has granted 284,543 restricted stock units since the execution of the merger agreement.

Q: When and where will the special meetings be held?

A: *Patterson-UTI Stockholders:* The special meeting of Patterson-UTI stockholders will be held at Patterson-UTI's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, on _____, 2017, at _____, local time.

SSE Stockholders: The special meeting of SSE stockholders will be held at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on _____, 2017, at _____, local time.

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Q: Who is entitled to vote at the special meetings?

A: *Patterson-UTI Stockholders*: The record date for the Patterson-UTI special meeting is February 22, 2017. Only record holders of shares of Patterson-UTI common stock at the close of business on such date are entitled to notice of, and to vote at, the Patterson-UTI special meeting.

SSE Stockholders: The record date for the SSE special meeting is February 22, 2017. Only record holders of shares of SSE common stock at the close of business on such date are entitled to notice of, and to vote at, the SSE special meeting.

Q: What constitutes a quorum at the special meetings?

A: *Patterson-UTI Stockholders*: Stockholders who hold shares representing at least a majority of the voting power of all outstanding shares of common stock entitled to vote at the Patterson-UTI special meeting must be present in person or represented by proxy to constitute a quorum. All shares of Patterson-UTI common stock represented at the Patterson-UTI special meeting, including shares that are represented but that abstain from voting on one or more proposals, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes (if any) will not be treated as present for purposes of determining the presence or absence of a quorum.

SSE Stockholders: Stockholders who hold shares representing at least a majority of the voting power of all outstanding shares of common stock entitled to vote at the SSE special meeting must be present in person or represented by proxy to constitute a quorum. All shares of SSE common stock represented at the SSE special meeting, including shares that are represented but that abstain from voting on one or more proposals, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes (if any) will not be treated as present for purposes of determining the presence or absence of a quorum.

Additional information on the quorum requirements can be found under the heading **Quorum** on page 64 with respect to Patterson-UTI and on page 69 with respect to SSE.

Q: How do I vote if I am a stockholder of record?

A: *Patterson-UTI Stockholders*: If you were a record holder of Patterson-UTI common stock at the close of business on the record date for the Patterson-UTI special meeting, you may vote in person by attending the Patterson-UTI special meeting or, to ensure that your shares are represented at the Patterson-UTI special meeting, you may authorize a proxy to vote by:

accessing the internet site listed on the Patterson-UTI proxy card and following the instructions provided on that site anytime up to _____, eastern time, on _____, 2017;

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calling the toll-free number listed on the Patterson-UTI proxy card and following the instructions provided in the recorded message anytime up to _____, eastern time, on _____, 2017; or

submitting your Patterson-UTI proxy card by mail by using the provided self-addressed, stamped envelope. If you hold shares of Patterson-UTI common stock in _____ street name _____ through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the Patterson-UTI special meeting.

SSE Stockholders: If you were a record holder of SSE common stock at the close of business on the record date for the SSE special meeting, you may vote in person by attending the SSE special meeting or, to ensure that your shares are represented at the SSE special meeting, you may authorize a proxy to vote by:

accessing the internet site listed on the SSE proxy card and following the instructions provided on that site at any time up to _____ p.m., eastern time, on _____, 2017;

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calling the toll-free number listed on the SSE proxy card and following the instructions provided in the recorded message at any time up to _____ p.m., eastern time, on _____, 2017; or

submitting your SSE proxy card by mail by using the provided self-addressed, stamped envelope. If you hold shares of SSE common stock in _____ street name through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the SSE special meeting.

Q: How many votes do I have?

A: Patterson-UTI Stockholders: With respect to each proposal to be presented at the Patterson-UTI special meeting, holders of Patterson-UTI common stock as of the Patterson-UTI record date are entitled to one vote for each share of Patterson-UTI common stock owned at the close of business on the Patterson-UTI record date. At the close of business on the Patterson-UTI record date, there were 166,327,753 shares of Patterson-UTI common stock outstanding and entitled to vote at the Patterson-UTI special meeting.

SSE Stockholders: With respect to each proposal to be presented at the SSE special meeting, holders of SSE common stock as of the SSE record date are entitled to one vote for each share of SSE common stock owned at the close of business on the SSE record date. At the close of business on the SSE record date, there were 22,949,374 shares of SSE common stock outstanding and entitled to vote at the SSE special meeting.

Q: Who will serve on the Patterson-UTI board of directors following the completion of the merger?

A: Following the completion of the merger, it is anticipated that the Patterson-UTI board of directors will have seven members, consisting of the seven individuals currently serving on the Patterson-UTI board of directors as of the date of this joint proxy statement/prospectus.

Q: Who will serve as executive management of Patterson-UTI following the completion of the merger?

A: Following the completion of the merger, it is anticipated that each of the Patterson-UTI executive officers will continue to serve in their current positions and under the same compensation plans and arrangements that were in place prior to the merger:

Mark S. Siegel	Executive Chairman
William Andrew Hendricks, Jr.	President and Chief Executive Officer
John E. Vollmer III	Senior Vice President Corporate Development, Chief Financial Officer and Treasurer
Kenneth N. Berns	Senior Vice President
Seth D. Wexler	Senior Vice President, General Counsel and Secretary

James M. Holcomb

President Patterson-UTI Drilling Company LLC

Q: What vote is required to approve each proposal?

A: *Patterson-UTI Stockholders*: The approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, assuming a quorum is present. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

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The adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, regardless of whether there is a quorum. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

SSE Stockholders: The approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. Assuming a quorum is present, failures to vote, broker non-votes (if any) and abstentions will have the same effect as a vote AGAINST the approval of such proposal.

The approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote thereon, assuming a quorum is present. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

The adjournment of the SSE special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote thereon, regardless of whether there is a quorum. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

Q: How does the Patterson-UTI board of directors recommend that Patterson-UTI stockholders vote?

A: The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable and fair to and in the best interests of Patterson-UTI stockholders. Accordingly, the Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: How does the SSE board of directors recommend that SSE stockholders vote?

A: The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. Accordingly, the SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the proposal to approve, on an advisory (non-binding) basis, the

compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: My shares are held in street name by my bank, broker or other nominee. Will my bank, broker or other nominee automatically vote my shares for me?

A: No. If your shares are held through a bank, broker or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is

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your bank, broker or other nominee, and not you. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee. You must provide the record holder of your shares with instructions on how to vote your shares. Otherwise, your bank, broker or other nominee may not vote your shares on any of the proposals to be considered at the Patterson-UTI special meeting or the SSE special meeting, as applicable, and a broker non-vote will result.

Under the current Rules of the Nasdaq Global Select Market (the "NASDAQ"), banks, brokers or other nominees do not have discretionary authority to vote on any of the proposals at the Patterson-UTI special meeting. Because the only proposals for consideration at the Patterson-UTI special meeting are non-discretionary proposals, it is not expected that there will be any broker non-votes at such meeting. However, if there are any broker non-votes, they will have no effect on (i) the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger (assuming a quorum is present) or (ii) the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Because the only proposals for consideration at the SSE special meeting are nondiscretionary proposals, it is not expected that there will be any broker non-votes at such meeting. However, if there are any broker non-votes, they will have (i) the same effect as a vote AGAINST the proposal to adopt the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and (iii) no effect on the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Please follow the voting instructions provided by your bank, broker or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Patterson-UTI or SSE or by voting in person at the special meeting unless you first obtain a legal proxy from your bank, broker or other nominee.

Q: What will happen if I fail to vote or I abstain from voting?

A: Patterson-UTI Stockholders: Assuming a quorum is present, if you fail to attend the Patterson-UTI special meeting in person and do not vote by proxy, it will not have any effect on the vote for the proposals; however, if you attend the Patterson-UTI special meeting and abstain or mark your proxy or voting instructions to abstain, it will have the same effect as a vote AGAINST (i) the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger, and (ii) the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

SSE Stockholders: Assuming a quorum is present, if you fail to attend the SSE special meeting in person and do not vote by proxy, it will have (i) the same effect as a vote AGAINST the proposal to adopt the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and (iii) no effect on the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

If you attend the SSE special meeting and abstain or mark your proxy or voting instructions to abstain, it will have the same effect as a vote AGAINST (i) the proposal to adopt the merger agreement, (ii) the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers based on or otherwise related to the proposed transactions and (iii) the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: What will happen if I return my proxy card without indicating how to vote?

A: *Patterson-UTI Stockholders*: If you properly complete and sign your proxy card but do not indicate how your shares of Patterson-UTI common stock should be voted on a proposal, the shares of Patterson-UTI

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common stock represented by your proxy will be voted as the Patterson-UTI board of directors recommends and, therefore, FOR (i) the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and (ii) the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

SSE Stockholders: If you properly complete and sign your proxy card but do not indicate how your shares of SSE common stock should be voted on a proposal, the shares of SSE common stock represented by your proxy will be voted as the SSE board of directors recommends and, therefore, FOR (i) the proposal to adopt the merger agreement, (ii) the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and (iii) the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?

A: Yes.

If you are the record holder of either Patterson-UTI or SSE common stock: You can change your vote or revoke your proxy at any time before your proxy is voted at the applicable special meeting. You can do this by:

timely delivering a signed written notice of revocation;

timely delivering a new, valid proxy bearing a later date (including by telephone or through the internet); or

attending the special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person.

Simply attending the Patterson-UTI special meeting or the SSE special meeting without voting will not revoke any proxy that you have previously given or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by the Secretary of Patterson-UTI or SSE, as applicable, no later than the beginning of the applicable special meeting.

Regardless of the method used to deliver your previous proxy, you may revoke your proxy by any of the above methods.

If you hold shares of either Patterson-UTI or SSE in street name : If your shares are held in street name, you must contact your bank, broker or other nominee to change your vote.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of SSE common stock?

- A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). It is a condition to Patterson-UTI's obligation to complete the merger that Patterson-UTI receive an opinion of Vinson & Elkins LLP, counsel to Patterson-UTI, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to SSE's obligation to complete the merger that SSE receive an opinion of Wachtell, Lipton, Rosen & Katz, special counsel to SSE, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. If the merger so qualifies, a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences) of SSE common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock. For further information, see Material U.S. Federal Income Tax Consequences beginning on page 153.

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Your tax consequences will depend on your individual situation. Accordingly, please consult your own tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q: When do you expect the merger to be completed?

A: Patterson-UTI and SSE hope to complete the merger as soon as reasonably possible and expect the closing of the merger to occur late in the first quarter or early in the second quarter of 2017. However, the merger is subject to the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Patterson-UTI and SSE could result in the merger being completed at an earlier time, a later time or not at all.

Q: What are the conditions to consummate the merger?

A: The respective obligations of Patterson-UTI, SSE and Merger Sub to effect the merger and otherwise consummate the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of certain conditions at or before the closing date of the merger (the "closing date"), including but not limited to: (i) the effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of a stop order suspending the effectiveness of such registration statement on Form S-4 or proceedings initiated or threatened by the SEC for that purpose; (ii) adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of SSE common stock entitled to vote thereon; (iii) approval of the issuance of Patterson-UTI common stock pursuant to the merger agreement by the affirmative vote of holders of a majority of the shares present in person or represented by proxy and entitled to vote thereon; (iv) authorization for the listing on the NASDAQ of the shares of Patterson-UTI common stock to be issued in connection with the merger, subject to official notice of issuance; and (v) expiration or termination of any waiting periods applicable to the consummation of the merger and the other transactions contemplated by the merger agreement under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (referred to in this joint proxy statement/prospectus as the "HSR Act") (on January 13, 2017, Patterson-UTI and SSE were notified by U.S. antitrust authorities that the early termination of the waiting period under the HSR Act had been granted).

In addition, Patterson-UTI's and Merger Sub's obligations to effect the merger are subject to the satisfaction or waiver of additional conditions, including but not limited to: (i) receipt by Patterson-UTI of a tax opinion from its counsel, dated as of the closing date, that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code; (ii) SSE or any of its subsidiaries not incurring one or more material losses the value of which exceed, or would reasonably be expected to exceed, individually or in the aggregate, \$100 million during the pre-closing period; and (iii) the indebtedness less cash and cash equivalents (the "net debt") of SSE and its subsidiaries not exceeding \$500 million and SSE furnishing to Patterson-UTI and Merger Sub a certificate executed by the chief executive officer and chief financial officer of SSE, dated as of the closing date, confirming that the net debt of SSE and its subsidiaries as of the closing date does not exceed \$500 million and setting forth SSE's calculation of the net debt of SSE and its subsidiaries.

Further, SSE's obligations to effect the merger are subject to the satisfaction or waiver of additional conditions, including but not limited to: (i) receipt by SSE of a tax opinion from its special counsel, dated as of the closing date, that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code; (ii) Patterson-UTI or any of its subsidiaries not incurring one or more material losses the value of which exceed, or would reasonably be

expected to exceed, individually or in the aggregate, \$300 million during the pre-closing period; and (iii) the net debt of Patterson-UTI and its subsidiaries not exceeding \$725 million plus any indebtedness incurred to refinance SSE's existing indebtedness or pay transaction costs, and Patterson-UTI furnishing to SSE a certificate executed by the chief executive officer and chief financial officer of Patterson-UTI, dated as of the closing date, confirming that the net debt of Patterson-UTI and its subsidiaries as of the closing date does not exceed \$725 million plus any indebtedness incurred to refinance SSE's existing indebtedness or pay transaction costs.

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See The Merger Agreement Conditions to Completion of the Merger beginning on page 142 for more information.

Q: What happens if the merger is not completed?

A: If the issuance of Patterson-UTI common stock in the merger is not approved by Patterson-UTI stockholders or if the merger is not completed for any other reason, SSE stockholders will not receive any form of consideration for the SSE common stock they own in connection with the merger. In certain circumstances, SSE or Patterson-UTI may be required to pay up to \$7,500,000 of the other party's expenses, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, or Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. For a discussion of these and other rights of each of Patterson-UTI and SSE to terminate the merger agreement, see The Merger Agreement Termination Fees and Expenses beginning on page 146.

Q: Do I need to do anything with my shares of common stock other than vote for the proposals at the special meeting?

A: *Patterson-UTI Stockholders:* If you are a Patterson-UTI stockholder, after the merger is completed, you are not required to take any action with respect to your shares of Patterson-UTI common stock.

SSE Stockholders: If you are a SSE stockholder, after the merger is completed, each share of SSE common stock that you hold will be converted automatically into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio together with cash (without interest) in lieu of any fractional shares, as applicable. You do not need to take any action at this time. A letter of transmittal and instructions for the surrender of SSE common stock certificates, or in the case of book entry shares, the surrender of such shares, will be mailed to SSE stockholders shortly after the completion of the merger.

Q: Are stockholders entitled to appraisal rights?

A: The holders of Patterson-UTI common stock are not entitled to appraisal rights in connection with the merger under Delaware law. SSE stockholders are entitled to appraisal rights under Section 262 of the General Corporation Law of the State of Delaware (the DGCL), provided they satisfy the special criteria and conditions set forth in Section 262 of the DGCL. SSE common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Patterson-UTI common stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

For more information regarding appraisal rights, see The Merger Appraisal Rights beginning on page 121. In addition, a copy of Section 262 of the DGCL is attached to this joint proxy statement/prospectus as Annex E.

Q: What happens if I transfer my shares of SSE common stock before the SSE special meeting?

A: The record date for the SSE special meeting is earlier than the date of the SSE special meeting and the date that the merger is expected to be completed. If you transfer your shares of SSE common stock after the SSE record date but before the SSE special meeting, you will retain your right to vote at the SSE special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the effective date of the merger.

Q: What does it mean if I receive more than one set of materials?

A: This means you own shares of both Patterson-UTI and SSE common stock or you own shares of Patterson-UTI or SSE common stock that are registered under different names. For example, you may own

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some shares directly as a stockholder of record and other shares through a bank, broker or other nominee or you may own shares through more than one bank, broker or other nominee. In these situations, you will receive multiple sets of proxy materials. You must complete, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the voting instruction forms you receive in order to vote all of the shares of Patterson-UTI and/or SSE common stock that you own. Each proxy card you receive will come with its own self-addressed, stamped envelope; if you submit your proxy by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

Q: How can I find out more information?

A: For more information about Patterson-UTI and SSE, see the section titled **Where You Can Find More Information** beginning on page 233.

Q: Who can help answer my questions?

A: Patterson-UTI stockholders who have questions about the merger, the other matters to be voted on at the special meetings or how to submit a proxy, or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

(800) 891-3214

SSE stockholders who have questions about the merger, the other matters to be voted on at the special meetings or how to submit a proxy, or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

Seventy Seven Energy Inc.

777 NW 63rd Street

Oklahoma City, Oklahoma 73116

(405) 608-7777

Attn: Investor Relations

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SUMMARY

This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger and the other matters being considered at the Patterson-UTI and SSE special meetings. Patterson-UTI and SSE urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section titled "Where You Can Find More Information" beginning on page 233. We have included page references in this summary to direct you to a more complete description of the topics presented below.

The Companies

Patterson-UTI Energy, Inc.

Patterson-UTI Energy, Inc., a Delaware corporation, is a Houston, Texas-based oilfield services company that primarily owns and operates in the United States one of the largest fleets of land-based drilling rigs and a large fleet of pressure pumping equipment. Patterson-UTI's contract drilling business operates in the continental United States and western Canada, and its pressure pumping business operates primarily in Texas and the Appalachian region. Patterson-UTI also manufactures and sells pipe handling components and related technology to drilling contractors in North America and other select markets. In addition, Patterson-UTI owns and invests as a non-operating working interest owner in oil and natural gas assets that are primarily located in Texas and New Mexico. As of December 31, 2016, Patterson-UTI had a drilling fleet that included 161 APEX® rigs. As of December 31, 2016, Patterson-UTI had approximately 1.1 million hydraulic horsepower to provide pressure pumping services.

Patterson-UTI's common stock is traded on the Nasdaq Global Select Market under the symbol PTEN.

The principal executive offices of Patterson-UTI are located at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, and Patterson-UTI's telephone number is (281) 765-7100. Additional information about Patterson-UTI and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 233.

Seventy Seven Energy Inc.

Seventy Seven Energy Inc., a Delaware corporation, is an Oklahoma City, Oklahoma-based independent oilfield services company that provides a wide range of wellsite services and equipment to U.S. land-based exploration and production customers operating in unconventional resource plays. SSE offers services and equipment that are strategic to its customers' oil and natural gas operations. SSE's services include drilling, hydraulic fracturing and oilfield rentals. SSE's operations are geographically diversified across many of the most active oil and natural gas plays in the onshore United States, including the Anadarko and Permian Basins and the Eagle Ford, Haynesville, Marcellus, Niobrara and Utica Shales. On June 30, 2014, SSE separated from Chesapeake Energy Corporation (CHK) in a series of transactions, which is referred to in this joint proxy statement/prospectus as the spin-off. Prior to the spin-off, SSE was an Oklahoma limited liability company operating under the name Chesapeake Oilfield Operating, L.L.C. and an indirect, wholly-owned subsidiary of CHK.

SSE's common stock is traded on the OTC Market Group Inc.'s OTC Grey market (the OTC Grey) under the symbol SVNT.

The principal executive offices of SSE are located at 777 NW 63rd St., Oklahoma City, Oklahoma 73116, and SSE's telephone number is (405) 608-7777.

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Pyramid Merger Sub, Inc.

Pyramid Merger Sub, Inc., a wholly owned subsidiary of Patterson-UTI, is a Delaware corporation that was formed on December 7, 2016 for the sole purpose of effecting the merger. In the merger, Merger Sub will be merged with and into SSE, with SSE surviving the merger as a wholly owned subsidiary of Patterson-UTI.

The Meetings

The Patterson-UTI Special Meeting (see page 63)

The special meeting of Patterson-UTI stockholders will be held at Patterson-UTI's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064 on _____, at _____, local time. The special meeting of Patterson-UTI stockholders is being held to consider and vote on:

a proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger;

a proposal to approve the adjournment of the Patterson-UTI special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Completion of the merger is conditioned on approval by Patterson-UTI stockholders of the issuance of Patterson-UTI common stock pursuant to the merger agreement.

Only record holders of shares of Patterson-UTI common stock at the close of business on February 22, 2017, the record date for the Patterson-UTI special meeting, are entitled to notice of, and to vote at, the Patterson-UTI special meeting. At the close of business on the record date, the only outstanding voting securities of Patterson-UTI were common stock, and 166,327,753 shares of Patterson-UTI common stock were issued and outstanding, approximately _____ of which were owned and entitled to be voted by Patterson-UTI directors and executive officers. The Patterson-UTI directors and executive officers are currently expected to vote their shares in favor of each Patterson-UTI proposal listed above.

With respect to each Patterson-UTI proposal listed above, Patterson-UTI stockholders may cast one vote for each share of Patterson-UTI common stock that they own as of the Patterson-UTI record date. The proposal to approve the issuance of Patterson-UTI common stock requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon. The proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote on the proposal, regardless of whether there is a quorum.

No business may be transacted at the Patterson-UTI special meeting unless a quorum is present. If a quorum is not present at the special meeting, or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to issue shares of Patterson-UTI common stock in connection with the merger, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, Patterson-UTI stockholders may be asked to vote on a proposal to adjourn the Patterson-UTI special meeting in order to permit the

further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

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Reasons for the Merger; Recommendation of the Patterson-UTI Board of Directors (see page 83)

The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable and fair to and in the best interests of Patterson-UTI stockholders. **The Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote FOR the proposal to approve the issuance of Patterson-UTI common stock pursuant to the merger agreement and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting to a later date or dates, if necessary or appropriate to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the issuance of shares of Patterson-UTI common stock.** For more information regarding the factors considered by the Patterson-UTI board of directors in reaching its decisions relating to its recommendation, see the section titled *The Merger Patterson-UTI's Reasons for the Merger; Recommendation of the Patterson-UTI Board of Directors*.

Opinion of Patterson-UTI's Financial Advisor (see page 86)

Patterson-UTI engaged Piper Jaffray & Co., through its Simmons & Company International division (referred to as Piper Jaffray), to act as financial advisor in connection with the transactions contemplated by the merger agreement. On December 12, 2016, Piper Jaffray delivered to the Patterson-UTI board of directors its oral opinion, confirmed by its delivery of a written opinion dated December 12, 2016, that, as of the date thereof, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Piper Jaffray's written opinion, the up to 49,559,000 shares of Patterson-UTI common stock to be issued for all outstanding shares of SSE pursuant to the merger agreement was fair, from a financial point of view, to Patterson-UTI.

The full text of Piper Jaffray's written opinion dated December 12, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Piper Jaffray in delivering its opinion, is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference in its entirety.

Piper Jaffray's opinion was addressed to, and provided for the information and benefit of, the Patterson-UTI board of directors and was delivered to the Patterson-UTI board of directors in connection with its evaluation of the fairness of the merger consideration from a financial point of view, to Patterson-UTI, and did not address any other aspects or implications of the transactions contemplated by the merger agreement. Piper Jaffray's opinion does not constitute a recommendation to the Patterson-UTI board of directors or to any other persons in respect of the transactions contemplated by the merger agreement, including as to how any holder of Patterson-UTI common stock should vote or act with respect to the proposal to adopt any other matter. Piper Jaffray's opinion did not address the relative merits of the transactions contemplated by the merger agreement compared to other business or financial strategies that might be available to Patterson-UTI, nor did it address the underlying business decision of Patterson-UTI to enter into the merger agreement or to consummate the transactions contemplated by the merger agreement.

For a more complete discussion of Piper Jaffray's opinion, see *The Merger Opinion of Patterson-UTI's Financial Advisor* beginning on page 86.

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The SSE Special Meeting (see page 68)

The special meeting of SSE stockholders will be held at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on _____, 2017, at _____, local time. The special meeting of SSE stockholders is being held in order to consider and vote on:

a proposal to adopt the merger agreement, which is further described in the sections titled "The Merger" and "The Merger Agreement," beginning on pages 73 and 125, respectively;

a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger; and

a proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal above.

Completion of the merger is conditioned on approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, by the SSE stockholders. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is a vote separate and apart from the vote on the proposal to adopt the merger agreement. Accordingly, a SSE stockholder may vote to approve one proposal and not the other. Because the vote on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is advisory in nature only, it will not be binding on SSE or Patterson-UTI, and the approval of that proposal is not a condition to the completion of the merger.

Only record holders of shares of SSE common stock at the close of business on February 22, 2017, the record date for the SSE special meeting, are entitled to notice of, and to vote at, the SSE special meeting. At the close of business on the record date, the only outstanding voting securities of SSE were common stock, and 22,949,374 shares of SSE common stock were issued and outstanding and entitled to vote at the SSE special meeting, approximately _____ of which were owned and entitled to be voted by SSE directors and executive officers. The SSE directors and executive officers are currently expected to vote their shares in favor of each of the SSE proposals listed above.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC, BlueMountain Capital Management, LLC and Mudrick Capital Management, L.P. have entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE's board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder's sole discretion. See "The Merger Agreement Voting and Support Agreements" beginning on page 148 for more information.

With respect to each SSE proposal listed above, SSE stockholders may cast one vote for each share of SSE common stock that they own as of the SSE record date. The proposal to adopt the merger agreement requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger requires the affirmative vote of a majority of

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the voting power of the outstanding shares present in person or represented by proxy at the special meeting and entitled to vote thereon, assuming a quorum is present. The proposal to approve adjournment of the SSE special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the special meeting and entitled to vote thereon, regardless of whether there is a quorum.

No business may be transacted at the SSE special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to adopt the merger agreement, than is required, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, SSE stockholders may be asked to vote on a proposal to adjourn the SSE special meeting in order to permit the further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days, or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which cases a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Reasons for the Merger; Recommendation of the SSE Board of Directors (see page 95)

The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. **The SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt the merger agreement.** For more information regarding the factors considered by the SSE board of directors in reaching its decision to recommend the approval of the merger agreement, see the section titled The Merger SSE's Reasons for the Merger; Recommendation of the SSE Board of Directors.

Opinion of SSE's Financial Advisor (see page 98)

SSE retained Morgan Stanley & Co. LLC, which we refer to in this joint proxy statement/prospectus as Morgan Stanley, in connection with the merger. On December 12, 2016, Morgan Stanley rendered to the SSE board of directors its oral opinion, subsequently confirmed in writing on December 12, 2016, that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in its written opinion, the consideration to be received by SSE stockholders pursuant to the merger agreement was fair, from a financial point of view, to the holders of SSE common stock. The full text of Morgan Stanley's written opinion dated as of December 12, 2016, to the SSE board of directors, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley in rendering its opinion, is attached as Annex D to, and is incorporated by reference into, this joint proxy statement/prospectus. The summary of the opinion of Morgan Stanley in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. We encourage you to read Morgan Stanley's opinion and the summary of Morgan Stanley's opinion below carefully and in their entirety.

Morgan Stanley's opinion was rendered for the benefit of the SSE board of directors, in its capacity as such, and addressed only the fairness, from a financial point of view, of the consideration to be received by SSE stockholders pursuant to the merger agreement to the holders of SSE common stock as of the date of

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the opinion. Morgan Stanley's opinion does not address any of the relative merits of the transactions contemplated by the merger agreement as compared to other business or financial strategies that might be available to SSE, nor does it address the underlying business decision of SSE to enter into the merger agreement or proceed with any other transaction contemplated by the merger agreement. In addition, Morgan Stanley's opinion does not in any manner address the prices at which Patterson-UTI common stock will trade following the consummation of the merger or at any time. The opinion was addressed to, and rendered for the benefit of, the SSE board of directors and was not intended to, and does not, constitute advice or a recommendation to any holder of SSE common stock as to how to vote or act on any matter with respect to the merger.

For a more complete discussion of Morgan Stanley's opinion, see "The Merger" Opinion of SSE's Financial Advisor beginning on page 98.

The Merger

A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. Patterson-UTI and SSE encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section titled "The Merger Agreement" beginning on page 125.

Form of the Merger (see page 125)

Subject to the terms and conditions of the merger agreement, at the effective time, Merger Sub, a wholly owned subsidiary of Patterson-UTI that was formed for the sole purpose of effecting the merger, will merge with and into SSE. SSE will survive the merger and become a wholly owned subsidiary of Patterson-UTI.

Merger Consideration (see page 125)

Each issued and outstanding share of SSE common stock, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected in compliance with Section 262 of the DGCL, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio. The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time (which includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying tax withholding obligations upon the vesting of SSE restricted stock unit awards); *provided that*, in the event that any Series A warrants to acquire shares of SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B of this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio.

In addition, Patterson-UTI will not issue fractional shares of SSE common stock pursuant to the merger agreement. Instead, each SSE stockholder who otherwise would have been entitled to receive a fraction of a share

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of Patterson-UTI common stock will receive cash (without interest) in lieu thereof, upon surrender of his or her shares of SSE common stock. The exchange agent will aggregate and sell all fractional shares issuable as part of the merger consideration at the prevailing price on the NASDAQ. An SSE stockholder who would otherwise have received a fraction of a share of Patterson-UTI common stock will receive an amount of cash generated from such sales attributable to the stockholder's proportionate interest in the net proceeds of such sales, less expenses and without interest.

The exchange ratio will not be adjusted for changes in the market value of the common stock of SSE or Patterson-UTI. As a result, the implied value of the consideration to SSE stockholders will fluctuate between the date of this joint proxy statement/prospectus and the effective time. Based on the closing price of Patterson-UTI common stock on the NASDAQ on December 12, 2016, the last trading day before public announcement of the merger, the aggregate transaction value of the merger consideration payable to SSE stockholders was approximately \$1.42 billion, assuming the issuance of 49,559,000 shares of Patterson-UTI common stock.

Treatment of SSE Incentive Plan Restricted Stock Unit Awards (see page 114)

Each SSE restricted stock unit award granted prior to December 12, 2016 that is outstanding as of immediately prior to the effective time will immediately vest, and any forfeiture restrictions applicable to all such awards will immediately lapse. Such restricted stock unit awards will be deemed settled, and shares of SSE common stock subject to such awards will be treated as shares of SSE common stock and receive the merger consideration. In addition, at the effective time, each SSE restricted stock unit award granted on or following December 12, 2016 will be assumed by Patterson-UTI and converted into a restricted stock unit award, with the same terms and conditions as in effect immediately prior to the effective time, covering a number of shares of Patterson-UTI common stock equal to (i) the number of shares of SSE common stock subject to the award immediately prior to the effective time, multiplied by (ii) the exchange ratio (discussed above), rounded to the nearest whole share.

Expected Timing of the Merger

Patterson-UTI and SSE currently expect the closing of the merger to occur late in the first quarter or early in the second quarter of 2017. However, the merger is subject to the satisfaction or waiver of conditions as described in the merger agreement, and it is possible that factors outside the control of Patterson-UTI and SSE could result in the merger being completed at an earlier time, a later time or not at all.

Conditions to Completion of the Merger (see page 142)

The respective obligations of Patterson-UTI, SSE and Merger Sub to effect the merger and otherwise consummate the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following conditions at or before the closing date:

effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of a stop order suspending the effectiveness of such registration statement on Form S-4 or proceedings initiated or threatened by the SEC for that purpose;

adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of SSE common stock entitled to vote thereon;

approval of the issuance of Patterson-UTI common stock pursuant to the merger agreement by the affirmative vote of holders of a majority of the shares present in person or represented by proxy and entitled to vote thereon;

authorization for the listing on the NASDAQ of the shares of Patterson-UTI common stock to be issued in connection with the merger, subject to official notice of issuance;

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expiration or termination of any waiting periods applicable to the consummation of the merger and the other transactions contemplated by the merger agreement under the HSR Act (on January 13, 2017, Patterson-UTI and SSE were notified by U.S. antitrust authorities that the early termination of the waiting period under the HSR Act had been granted); and

absence of any laws, temporary restraining orders, preliminary or permanent injunctions or other orders that have the effect of making the merger illegal or otherwise prohibiting completion of the merger.

In addition, Patterson-UTI's and Merger Sub's obligations to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

each of the representations and warranties of SSE set forth in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date as though made on the closing date, unless otherwise specified and subject to certain materiality thresholds;

performance of, or compliance with, in all material respects, all covenants and obligations required to be performed or complied with by SSE under the merger agreement on or prior to the closing date;

receipt of a certificate executed by the chief executive officer and chief financial officer of SSE, dated as of the closing date, confirming the satisfaction of the conditions described in the preceding two bullet points;

receipt by Patterson-UTI of a tax opinion from its counsel, dated as of the closing date, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

SSE or any of its subsidiaries not incurring one or more material losses the value of which exceed, or would reasonably be expected to exceed, individually or in the aggregate, \$100 million during the pre-closing period; and

net debt of SSE and its subsidiaries not exceeding \$500 million and SSE furnishing to Patterson-UTI and Merger Sub a certificate executed by the chief executive officer and chief financial officer of SSE, dated as of the closing date, confirming that the net debt of SSE and its subsidiaries as of the closing date does not exceed \$500 million and setting forth SSE's calculation of the net debt of SSE and its subsidiaries.

In addition, SSE's obligations to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

each of the representations and warranties of Patterson-UTI set forth in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date as though made on the closing date, unless otherwise specified and subject to certain materiality thresholds;

performance of, or compliance with, in all material respects, all covenants and obligations required to be performed or complied with by Patterson-UTI under the merger agreement on or prior to the closing date;

receipt by SSE of a certificate executed by the chief executive officer and chief financial officer of Patterson-UTI, dated as of the closing date, confirming the satisfaction of the conditions described in the preceding two bullet points;

receipt by SSE of a tax opinion from its special counsel, dated as of the closing date, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

Patterson-UTI or any of its subsidiaries not incurring one or more material losses the value of which exceed, or would reasonably be expected to exceed, individually or in the aggregate, \$300 million during the pre-closing period; and

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the net debt of Patterson-UTI and its subsidiaries not exceeding \$725 million plus any indebtedness incurred to refinance SSE's existing indebtedness or pay transaction costs, and Patterson-UTI furnishing to SSE a certificate executed by the chief executive officer and chief financial officer of Patterson-UTI, dated as of the closing date, confirming that the net debt of Patterson-UTI and its subsidiaries as of the closing date does not exceed \$725 million plus any indebtedness incurred to refinance SSE's existing indebtedness or pay transaction costs.

Debt Financing (see page 134)

In connection with the merger, Patterson-UTI entered into a financing commitment letter with Canyon Capital Advisors LLC for a senior unsecured bridge facility in an aggregate principal amount not to exceed \$150 million for the purposes of repaying or redeeming certain of SSE and its subsidiaries' indebtedness and to pay related fees and expenses. Any undrawn commitments under the bridge facility will automatically terminate on the closing date. Patterson-UTI may issue debt securities or equity, incur bank loans or consummate other financings or use cash on hand in lieu of drawing all or a portion of the bridge loan committed to be funded under the bridge facility.

No Solicitation of Competing Proposals (see page 135)

The merger agreement generally precludes SSE from, directly or indirectly, (i) soliciting, initiating, facilitating, knowingly encouraging or inducing or taking any action that could be reasonably expected to lead to the making, submission or announcement of a proposal competing with the transactions contemplated by the merger agreement, (ii) furnishing any nonpublic information regarding SSE or its subsidiaries to any third party in connection with or in response to a proposal competing with the transactions contemplated by the merger agreement, (iii) engaging in discussions or negotiations with any third party with respect to a proposal competing with the transactions contemplated by the merger agreement, (iv) approving, endorsing, or recommending a proposal competing with the transactions contemplated by the merger agreement or (v) entering into any agreement contemplating or otherwise relating to a proposal competing with the transactions contemplated by the merger agreement. However, if SSE receives a proposal meeting certain requirements from a third party, and the SSE board of directors determines in good faith, after consultation with its outside legal counsel and its outside financial advisor, that such competing proposal is or is reasonably likely to result in a superior proposal, and that the failure to take such action would be inconsistent with its fiduciary duties under applicable legal requirements, SSE may furnish non-public information to, and engage in discussions or negotiations with, that third party regarding such competing proposal. See the section titled "The Merger Agreement - No Solicitation of Competing Proposals."

In addition, the merger agreement generally precludes Patterson-UTI from, directly or indirectly, (i) soliciting, initiating, facilitating, knowingly encouraging or inducing or taking any action that could be reasonably expected to lead to the making, submission or announcement of a proposal competing with the transactions contemplated by the merger agreement, (ii) furnishing any nonpublic information regarding Patterson-UTI or its subsidiaries to any third party in connection with or in response to a proposal competing with the transactions contemplated by the merger agreement, (iii) engaging in discussions or negotiations with any third party with respect to a proposal competing with the transactions contemplated by the merger agreement, (iv) approving, endorsing, or recommending a proposal competing with the transactions contemplated by the merger agreement or (v) entering into any agreement contemplating or otherwise relating to a proposal competing with the transactions contemplated by the merger agreement. However, if Patterson-UTI receives a proposal meeting certain requirements from a third party, and the Patterson-UTI board of directors determines in good faith, after consultation with its outside legal counsel and its outside financial advisor, that such competing proposal is or is reasonably likely to result in a superior proposal, and that the failure to take such action would be inconsistent with its fiduciary duties under applicable legal requirements, Patterson-UTI may furnish

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non-public information to, and engage in discussions or negotiations with, that third party regarding such competing proposal. See the section titled *The Merger Agreement No Solicitation of Competing Proposals*.

Changes in Board Recommendations (see page 138)

The merger agreement generally provides that, subject to the exceptions described below, SSE may not change its recommendation that SSE stockholders adopt the merger agreement, and Patterson-UTI may not change its recommendation that Patterson-UTI stockholders approve the issuance of Patterson-UTI common stock in the merger.

However, notwithstanding the foregoing, the merger agreement provides that, prior to obtaining SSE stockholder approval of the merger and in response to a bona fide competing proposal that did not result from a material breach of the non-solicitation covenants and certain related covenants, SSE may effect a change of recommendation after satisfaction of certain conditions set forth under *The Merger Agreement Changes in Board Recommendations*. In addition, the merger agreement provides that, prior to obtaining SSE stockholder approval of the merger and in response to an intervening event with respect to SSE, SSE may effect a change of recommendation after satisfaction of certain conditions set forth under *The Merger Agreement Changes in Board Recommendations*.

The merger agreement also provides that, prior to obtaining Patterson-UTI stockholder approval of the proposed issuance of Patterson-UTI common stock in the merger and in response to a bona fide competing proposal that did not result from a material breach of the non-solicitation covenants and certain related covenants or an intervening event with respect to Patterson-UTI, the Patterson-UTI board of directors or any committee thereof may effect a change of recommendation after satisfaction of certain conditions set forth under *The Merger Agreement Changes in Board Recommendations*.

Termination of the Merger Agreement (see page 144)

The merger agreement may be terminated prior to the effective time under the following circumstances:

by mutual written consent of Patterson-UTI and SSE;

by either Patterson-UTI or SSE:

if the merger is not consummated by on or before 5:00 p.m. Central Time on June 30, 2017 (or August 31, 2017 in the event such date is extended as provided for in the merger agreement), unless the failure to close by that date is due to the failure of the terminating party to perform any of its material covenants or agreements under the merger agreement;

if any governmental entity issues a final and nonappealable order, or takes any other action, permanently restraining, enjoining or otherwise prohibiting the consummation of the merger or a legal requirement is in place which permanently makes the completion of the merger illegal or otherwise prohibits the consummation of the merger;

if the SSE stockholders fail to adopt the merger agreement at the SSE special meeting; or

if the Patterson-UTI stockholders fail to approve the issuance of Patterson-UTI common stock in the merger at the Patterson-UTI special meeting;

by Patterson-UTI:

prior to obtaining approval of the SSE stockholders, if (i) the SSE board of directors makes a change of recommendation, (ii) SSE fails to include the SSE board recommendation in this joint proxy statement/prospectus or (iii) SSE, its subsidiaries, any SSE directors or officers, any stockholders party to the voting agreements or any designated representative of SSE materially violates or breaches the non-solicitation covenants of the merger agreement;

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if (i) SSE's representations and warranties were inaccurate as of the date of the merger agreement such that the condition regarding the accuracy of SSE's representations in the merger agreement would not be satisfied, (ii) SSE's representations and warranties become inaccurate as of a date subsequent to the date of the merger agreement, such that the condition regarding the accuracy of SSE's representations in the merger agreement would not be satisfied, or (iii) SSE breaches any of its covenants, such that the condition regarding SSE's covenants in the merger agreement would not be satisfied;

by SSE:

prior to obtaining approval of the Patterson-UTI stockholders, if (i) the Patterson-UTI board of directors makes a change of recommendation, (ii) Patterson-UTI fails to include the Patterson-UTI board recommendation in this joint proxy statement/prospectus or (iii) Patterson-UTI, its subsidiaries, any Patterson-UTI directors or officers or any designated representative of Patterson-UTI materially violates or breaches the non-solicitation or stockholder meeting covenants of the merger agreement;

if (i) Patterson-UTI's representations and warranties were inaccurate as of the date of the merger agreement such that the condition regarding the accuracy of Patterson-UTI's representations in the merger agreement would not be satisfied, (ii) Patterson-UTI's representations and warranties become inaccurate as of a date subsequent to the date of the merger agreement, such that the condition regarding the accuracy of Patterson-UTI's representations in the merger agreement would not be satisfied, or (iii) Patterson-UTI breaches any of its covenants, such that the condition regarding Patterson-UTI's covenants in the merger agreement would not be satisfied.

Termination Fees and Expenses (see page 146)

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus. In certain circumstances, SSE or Patterson-UTI may be required to pay up to \$7,500,000 of the other party's expenses, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, or Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. See the section titled "The Merger Agreement Termination Fees and Expenses" beginning on page 146 for a discussion of the circumstances under which such termination fee will be required to be paid.

Comparison of Stockholder Rights and Corporate Governance Matters (see page 168)

The governing corporate documents of SSE differ from the governing corporate documents of Patterson-UTI. As a result, SSE stockholders that receive Patterson-UTI common stock as merger consideration will have different rights once they become stockholders of Patterson-UTI. These differences are described in detail under the section titled "Comparison of Rights of Patterson-UTI Stockholders and SSE Stockholders."

Listing of Patterson-UTI Common Stock; Halting of Trading of SSE Common Stock (see page 121)

It is a condition to the completion of the merger that the shares of Patterson-UTI common stock to be issued to SSE stockholders be authorized for listing on the NASDAQ at the effective time, subject to official notice of issuance. Upon completion of the merger, shares of SSE common stock will cease to be traded on the OTC Grey.

Interests of SSE Directors and Executive Officers in the Merger (see page 113)

SSE's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of the SSE stockholders generally. The members of the SSE board of directors were aware of and

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considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that SSE stockholders adopt the merger agreement.

These interests include, among others:

Each SSE executive officer is a party to an employment agreement with SSE that would provide that executive with potential compensation and benefits in the event that the executive is involuntarily terminated in connection with the merger.

SSE's directors and executive officers hold equity compensation plan awards under the Seventy Seven Energy Inc. 2016 Omnibus Incentive Plan (the "SSE Incentive Plan"), the vesting of which will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement.

SSE's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement, as more fully described in "The Merger Agreement" Indemnification and Insurance beginning on page 142.

In addition, the SSE board of directors has adopted a resolution providing that the disposition of SSE shares by SSE's officers and directors in exchange for Patterson-UTI shares in the merger is intended to be exempt from liability pursuant to Section 16(b) of the Exchange Act.

Regulatory Clearances Required to Complete the Transactions (see page 118)

Consummation of the merger is subject to the expiration or termination of any applicable waiting period under the HSR Act. On January 3, 2017, Patterson-UTI and SSE filed Notification and Report Forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission, which is referred to as the FTC. On January 13, 2017, Patterson-UTI and SSE were notified by the FTC that the early termination of the waiting period under the HSR Act had been granted. See "The Merger" Regulatory Clearances Required for the Merger.

Board of Directors and Executive Management Following the Merger (see page 118)

Following the completion of the merger, it is anticipated that the Patterson-UTI board of directors will have seven members, consisting of the seven individuals currently serving on the Patterson-UTI board of directors as of the date of this joint proxy statement/prospectus.

Following the completion of the merger, it is anticipated that each of the Patterson-UTI executive officers will continue to serve in their current positions and under the same compensation plans and arrangements that were in place prior to the merger.

Appraisal Rights (see page 121)

The holders of Patterson-UTI common stock are not entitled to appraisal rights in connection with the merger under Delaware law.

The holders of SSE common stock are entitled to appraisal rights in connection with the merger under Delaware law. SSE common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Patterson-UTI common stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

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Exchange of Shares in the Merger (see page 126)

On or prior to the effective time, Patterson-UTI will enter into an agreement with a bank or trust company reasonably acceptable to SSE to act as agent for the holders of SSE common stock in connection with the merger and to receive the merger consideration and cash sufficient to pay cash (without interest) in lieu of fractional shares to which holders of fractional shares may become entitled. At the effective time, each share of SSE common stock outstanding immediately prior to the effective time, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio (as defined above).

Promptly after the effective time, but in no event later than three business days after the closing date, Patterson-UTI will cause the exchange agent to mail to each holder of SSE common stock a letter of transmittal specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates shall pass, only upon proper delivery of such certificates to the exchange agent, or in the case of book entry shares, upon adherence to the procedures set forth in the letter of transmittal and instructions explaining the procedure for surrendering SSE stock certificates in exchange for shares of Patterson-UTI common stock or, in the case of book entry shares, the surrender of such shares for payment of the merger consideration.

After the effective time, shares of SSE common stock, including shares for which appraisal rights held by SSE stockholders have been perfected, will no longer be outstanding. At the effective time, all such shares will be automatically canceled and will cease to exist, and each certificate or book entry share, if any, that previously represented shares of SSE common stock (other than shares for which appraisal rights have been perfected) will represent only the right to receive the merger consideration as described above, any cash (without interest) in lieu of fractional shares of Patterson-UTI common stock and any dividends or other distributions to which the holders of the certificates become entitled upon surrender of such certificates or book entry shares. Any shares of SSE common stock for which appraisal rights have been perfected will represent the right to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL. With respect to those shares of Patterson-UTI common stock deliverable upon the surrender of SSE stock certificates or book entry shares, until holders of such SSE stock certificates or book entry shares have surrendered those stock certificates or book entry shares to the exchange agent, those holders will not receive dividends or distributions declared or made with respect to such shares of Patterson-UTI common stock with a record date after the effective time.

SSE stockholders will not receive any fractional shares of Patterson-UTI common stock pursuant to the merger. Instead of any fractional shares, SSE stockholders will be paid an amount in cash (without interest) for such fraction of a share. The exchange agent will aggregate and sell all fractional shares issuable as part of the merger consideration at the prevailing price on the NASDAQ. An SSE stockholder who would otherwise have received a fraction of a share of Patterson-UTI common stock will receive an amount of cash generated from such sales attributable to the stockholder's proportionate interest in the net proceeds of such sales, less expenses and without interest.

Patterson-UTI stockholders need not take any action with respect to their stock certificates.

Anticipated Accounting Treatment (see page 156)

Patterson-UTI prepares its financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The merger will be accounted for using the acquisition method of accounting with Patterson-UTI being considered the acquirer of SSE for accounting purposes. This means that Patterson-UTI will allocate the purchase price to the fair value of SSE's tangible and intangible assets and liabilities at the acquisition date, with the excess

purchase price being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually.

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Material U.S. Federal Income Tax Consequences (see page 153)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Patterson-UTI's obligation to complete the merger that Patterson-UTI receive an opinion of Vinson & Elkins LLP, counsel to Patterson-UTI, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to SSE's obligation to complete the merger that SSE receive an opinion of Wachtell, Lipton, Rosen & Katz, special counsel to SSE, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. If the merger so qualifies, a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences) of SSE common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock. For further information, see Material U.S. Federal Income Tax Consequences beginning on page 153.

Your tax consequences will depend on your individual situation. Accordingly, please consult your own tax advisor for a full understanding of the particular tax consequences of the merger to you.

Risk Factors (see page 35)

In evaluating the merger, in addition to the other information contained in this joint proxy statement/prospectus, you should carefully consider the risk factors relating to the merger and each of Patterson-UTI and SSE beginning on page 35.

Table of Contents**Summary Selected Consolidated Financial Data****Summary Selected Consolidated Historical Financial Data of Patterson-UTI**

The following table sets forth Patterson-UTI's selected consolidated historical financial information that has been derived from Patterson-UTI's consolidated financial statements as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012. This consolidated financial data does not include the effects of the merger. You should read this financial information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in Patterson-UTI's Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated into this joint proxy statement/prospectus by reference. The selected statement of operations data for the years ended December 31, 2013 and 2012 and selected balance sheet data as of December 31, 2014, 2013 and 2012 have been derived from Patterson-UTI's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference. See *Where You Can Find More Information* beginning on page 233.

	Years Ended December 31,				
	2016	2015	2014	2013	2012
	(In thousands, except per share amounts)				
Statement of Operations Data:					
Operating revenues:					
Contract drilling	\$ 543,663	\$ 1,153,892	\$ 1,838,830	\$ 1,679,611	\$ 1,821,713
Pressure pumping	354,070	712,454	1,293,265	979,166	841,771
Other	18,133	24,931	50,196	57,257	59,930
Total	915,866	1,891,277	3,182,291	2,716,034	2,723,414
Operating costs and expenses:					
Contract drilling	305,804	608,848	1,066,659	968,754	1,075,491
Pressure pumping	334,588	612,021	1,036,310	744,243	580,878
Other	8,384	11,500	13,102	12,909	11,303
Depreciation, depletion, amortization and impairment	668,434	864,759	718,730	597,469	526,614
Impairment of goodwill		124,561			
Selling, general and administrative	69,205	74,913	80,145	73,852	64,473
Other operating (income) expense, net	(14,323)	1,647	(15,781)	(3,384)	(33,806)
Provision for bad debts					1,100
Total	1,372,092	2,298,249	2,899,165	2,393,843	2,226,053
Operating income (loss)	(456,226)	(406,972)	283,126	322,191	497,361
Other expense	(39,970)	(35,477)	(28,843)	(25,750)	(21,688)
Income (loss) before income taxes	(496,196)	(442,449)	254,283	296,441	475,673
Income tax expense (benefit)	(177,562)	(147,963)	91,619	108,432	176,196
Net income (loss)	\$ (318,634)	\$ (294,486)	\$ 162,664	\$ 188,009	\$ 299,477

Net income (loss) per common share:

Basic	\$	(2.18)	\$	(2.00)	\$	1.12	\$	1.29	\$	1.96
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Diluted	\$	(2.18)	\$	(2.00)	\$	1.11	\$	1.28	\$	1.96
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Cash dividends per common share	\$	0.16	\$	0.40	\$	0.40	\$	0.20	\$	0.20
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Weighted average number of common shares outstanding:

Basic	146,178	145,416	144,066	144,356	151,144
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Diluted	146,178	145,416	145,376	145,303	151,699
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	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Consolidated statements of cash flow data:			
Net Cash provided by (used in):			
Operating activities	\$ 305,034	\$ 999,437	\$ 728,726
Investing activities	(97,755)	(722,962)	(1,195,409)
Financing activities	(285,278)	(199,264)	260,729

	2016	2015	December 31, 2014 (In thousands)	2013	2012
Balance Sheet Data:					
Total assets	\$ 3,804,606	\$ 4,529,484	\$ 5,390,912	\$ 4,683,375	\$ 4,552,507
Borrowings under line of credit			303,000		
Other long-term debt	598,437	787,900	667,029	678,873	688,188
Stockholders' equity	2,248,724	2,561,131	2,905,810	2,755,997	2,640,657
Working capital	18,506	178,887	340,816	454,498	340,220

Summary Selected Consolidated Historical Financial Data of SSE

The following table sets forth SSE's selected consolidated historical financial information that has been derived from the consolidated financial statements of SSE and its predecessor, Chesapeake Oilfield Operating, L.L.C. ("COO"), as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012. This consolidated financial data does not include the effects of the merger. You should read this financial information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in this joint proxy statement/prospectus under Information about SSE beginning on page 182. The selected statement of operations data and cash flow data for the years ended December 31, 2013 and 2012 and selected balance sheet data as of December 31, 2014, 2013 and 2012 have been derived from SSE's audited consolidated financial statements for such years, which are not included in this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 233.

The historical combined financial statements of COO for periods and as of dates prior to its formation on October 25, 2011 were prepared on a "carve-out" basis from CHK and are intended to represent the financial results of CHK's oilfield services operations, which is COO's accounting predecessor, for the periods presented. The selected historical financial data is not necessarily indicative of results to be expected in future periods and does not necessarily reflect what SSE's financial position and results of operations would have been had SSE operated as an independent public company during periods prior to its spin-off from CHK.

On June 7, 2016 (the "Petition Date"), SSE and its subsidiaries (collectively the "Debtors") filed voluntary petitions for relief (the "Bankruptcy Petitions") under Chapter 11 of the United States Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), case number 16-11409. The Debtors continued to operate their business as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The subsidiary Debtors in these Chapter 11 cases were Seventy Seven Operating LLC, Seventy Seven Land Company LLC, Seventy Seven Finance Inc., Performance Technologies, L.L.C., PTL Prop Solutions, L.L.C., Western Wisconsin Sand Company, LLC, Nomac Drilling, L.L.C., SSE Leasing LLC, Keystone Rock & Excavation, L.L.C. and Great Plains Oilfield Rental, L.L.C., which represent all subsidiaries of SSE. On July 14, 2016, the Bankruptcy

Court issued an order (the Confirmation

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Order) confirming the Joint Pre-packaged Plan of Reorganization (referred to, as amended and supplemented, as the Plan) of the Debtors. On August 1, 2016 (the Reorganization Effective Date), the Plan became effective pursuant to its terms and the Debtors emerged from their Chapter 11 cases.

Upon emergence from bankruptcy, SSE adopted fresh-start accounting and became a new entity for financial reporting purposes. As a result of the application of fresh-start accounting and the effects of the implementation of the Plan, SSE's condensed consolidated financial statements on or after August 1, 2016 are not comparable with the financial statements prior to the Reorganization Effective Date. Subsequent to the Petition Date, all expenses, gains and losses directly associated with the reorganization are reported as Reorganization items, net in the accompanying statements of operations. References to Successor or Successor Company relate to SSE on and subsequent to August 1, 2016. References to Predecessor or Predecessor Company relate to SSE prior to August 1, 2016. All significant intercompany accounts and transactions within SSE have been eliminated. See Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 157. In addition, for more information with respect to the implementation of the Plan and subsequent emergence from Chapter 11 bankruptcy, see SSE's Current Report on Form 8-K filed on July 20, 2016 and SSE's Current Report on Form 8-K filed on August 4, 2016.

	Successor Five Months Ended December 31, 2016	Seven Months Ended July 31, 2016	Predecessor Years Ended December 31,			
			2015	2014	2013	2012
	(in thousands, except per share data)					
Income Statement Data:						
Revenues	\$ 222,378	\$ 333,919	\$ 1,131,244	\$ 2,080,892	\$ 2,188,205	\$ 1,920,022
Operating Expenses:						
Operating costs(a)	166,726	237,014	855,870	1,580,353	1,717,709	1,390,786
Depreciation and amortization	73,898	162,425	295,421	292,912	289,591	231,322
General and administrative	31,808	66,667	112,141	108,139	80,354	66,360
Loss on sale of a business			35,027			
(Gains) losses on sales of property and equipment, net	(1,748)	848	14,656	(6,272)	(2,629)	2,025
Impairment of goodwill			27,434			
Impairments and other(b)		6,116	18,632	30,764	74,762	60,710
Total Operating Expenses	270,684	473,070	1,359,181	2,005,896	2,159,787	1,751,203
Operating (Loss) Income	(48,306)	(139,151)	(227,937)	74,996	28,418	168,819
Other (Expense) Income:						
Interest expense	(15,497)	(48,116)	(99,267)	(79,734)	(56,786)	(53,548)
Gains on early extinguishment of debt			18,061			
Loss and impairment from equity investees			(7,928)	(6,094)	(958)	(361)

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Other income	2,112	2,318	3,052	664	1,758	1,543
Reorganization items, net	(1,868)	(29,892)				
Total Other Expense	(15,253)	(75,690)	(86,082)	(85,164)	(55,986)	(52,366)
(Loss) Income Before Income Taxes	(63,559)	(214,841)	(314,019)	(10,168)	(27,568)	116,453
Income Tax (Benefit) Expense		(59,131)	(92,628)	(2,189)	(7,833)	46,877
Net (Loss) Income	\$ (63,559)	\$ (155,710)	\$ (221,391)	\$ (7,979)	\$ (19,735)	\$ 69,576
(Loss) Earnings Per Common Share(c):						
Basic	\$ (2.86)	\$ (2.84)	\$ (4.42)	\$ (0.17)	\$ (0.42)	\$ 1.48
Diluted	\$ (2.86)	\$ (2.84)	\$ (4.42)	\$ (0.17)	\$ (0.42)	\$ 1.48

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	Successor Five Months Ended December 31, 2016	Seven Months Ended July 31, 2016	2015	Predecessor Years Ended December 31,		
				2014	2013	2012
Cash Flow Data:						
Cash flows provided by operations	\$ 21,890	\$ 6,469	\$ 284,106	\$ 265,296	\$ 337,071	\$ 211,151
Cash flows used in investing activities	\$ (2,482)	\$ (80,126)	\$ (159,667)	\$ (367,646)	\$ (296,817)	\$ (577,324)
Cash flows (used in) provided by financing activities	\$ (8,504)	\$ (19,241)	\$ 5,318	\$ 101,563	\$ (39,803)	\$ 366,870
Other Financial Data:						
Capital expenditures	\$ 12,502	\$ 82,787	\$ 205,706	\$ 457,618	\$ 349,806	\$ 622,825

- (a) Historical operating costs include the effect of \$18.9 million, \$76.9 million and \$100.8 million of rig rent expense associated with SSE's lease of drilling rigs for the years December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, SSE had purchased all rigs that were subject to these lease arrangements.
- (b) Historical impairments and other include the effect of \$9.7 million, \$22.4 million and \$24.9 million of lease termination costs associated with repurchases of leased drilling rigs for the years ended December 31, 2014, 2013 and 2012, respectively.
- (c) On June 30, 2014, SSE distributed 46,932,433 shares of its common stock to CHK shareholders in conjunction with the spin-off. For comparative purposes, and to provide a more meaningful calculation for weighted average shares, SSE has assumed this amount to be outstanding for periods prior to the spin-off.

	Successor December 31, 2016	2015	Predecessor December 31, 2014 2013 2012 (in thousands)		
Balance Sheet Data:					
Cash	\$ 48,654	\$ 130,648	\$ 891	\$ 1,678	\$ 1,227
Property and equipment, net	\$ 749,540	\$ 1,530,420	\$ 1,767,053	\$ 1,497,476	\$ 1,581,519
Total assets	\$ 948,550	\$ 1,902,618	\$ 2,290,293	\$ 2,015,845	\$ 2,106,870
Long-term debt, less current maturities	\$ 425,212	\$ 1,564,592	\$ 1,572,241	\$ 1,043,952	\$ 1,055,559
Total equity	\$ 451,248	\$ 118,840	\$ 291,023	\$ 547,192	\$ 596,817

Summary Selected Unaudited Pro Forma Condensed Combined Financial Information

The following selected unaudited pro forma condensed combined statements of operations data for the year ended December 31, 2016 have been prepared to give effect to the merger as if it had occurred on January 1, 2016. The unaudited pro forma condensed combined balance sheet data at December 31, 2016 have been prepared to give effect to the merger as if it had occurred on December 31, 2016. The following selected unaudited pro forma condensed combined financial information should be read in conjunction with the section titled "Unaudited Pro Forma Condensed Combined Financial Statements" and related notes included in this joint proxy statement/prospectus beginning on page 157.

The unaudited pro forma financial statements have been prepared using the acquisition method of accounting for business combinations under U.S. GAAP, with Patterson-UTI treated as the accounting acquirer. Under the acquisition method of accounting, Patterson-UTI will record all assets acquired and liabilities assumed at their respective acquisition date fair values upon the merger closing date. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measure. The sources and amounts of merger transaction expenses may also differ from those assumed in the following pro forma adjustments. Accordingly, the pro forma adjustments are preliminary, they have been made solely for the purpose of providing pro forma financial statements, and they are subject to revision based on a final determination of fair value as of the date of

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acquisition. Differences between these preliminary estimates and the final acquisition accounting may have a material impact on the accompanying pro forma financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and are not intended to represent or be indicative of what the combined company's financial position or results of operations would have been had the merger been completed as of the dates presented herein. In addition, the unaudited pro forma condensed combined financial statements should not be taken as representative of the future results of operations or financial position of the combined company. The unaudited pro forma condensed combined financial statements do not reflect the impacts of any potential operational efficiencies, asset dispositions, revenue enhancements, cost savings or economies of scale that the combined company may achieve as a result of the merger.

	Year Ended December 31, 2016 (in thousands, except per share amounts)
Pro Forma Condensed Combined Statement of Operations Information:	
Revenue	\$ 1,472,163
Loss from continuing operations attributable to Patterson-UTI/SSE	(433,098)
Loss per share from continuing operations attributable to Patterson-UTI/SSE, basic	(2.02)
Loss per share from continuing operations attributable to Patterson-UTI/SSE, diluted	(2.02)

	As of December 31, 2016 (in thousands)
Pro Forma Condensed Combined Balance Sheet Information:	
Cash and cash equivalents	\$ 174,017
Total assets	5,780,208
Long-term debt	598,437
Stockholders' equity	4,044,682

Table of Contents**Unaudited Comparative Per Share Data**

The following table sets forth certain historical net loss per share of Patterson-UTI and SSE and per share book value information on an unaudited pro forma condensed combined basis after giving effect to the merger.

Historical per share data of Patterson-UTI for the year ended December 31, 2016 was derived from Patterson-UTI's historical financial statements for the respective periods. Historical per share data of SSE for the year ended December 31, 2016 was derived from SSE's historical financial statements for the respective periods. This information should be read together with the consolidated financial statements and related notes of SSE that are included in this joint proxy statement/prospectus and the consolidated financial statements and related notes of Patterson-UTI that are either included in or incorporated by reference into this joint proxy statement/prospectus by reference. See **Where You Can Find More Information** beginning on page 233.

Unaudited pro forma combined per share data for the year ended December 31, 2016 was derived and should be read in conjunction with the unaudited pro forma condensed combined financial data included under **Unaudited Pro Forma Condensed Combined Financial Statements** beginning on page 157. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the combined company's operating results or financial position had the merger occurred on January 1, 2016. The equivalent pro forma per share information was derived by multiplying the combined company pro forma per share information by the merger exchange ratio of 1.7731.

	Five Months Ended December 31, 2016	Seven Months Ended July 31, 2016	Year Ended December 31, 2016
Historical Patterson-UTI:			
Net loss per share			
Basic			\$ (2.18)
Diluted			\$ (2.18)
Cash dividends per share(1)			\$ 0.16
Net book value per share			\$ 15.18
Historical SSE Successor:			
Net loss per share			
Basic	\$ (2.86)		
Diluted	\$ (2.86)		
Cash dividends per share(1)(2)	\$		
Net book value per share	\$ 20.19		
Historical SSE Predecessor:			
Net loss per share			
Basic		\$ (2.84)	
Diluted		\$ (2.84)	
Cash dividends per share(1)(2)		\$	
Net book value per share		\$	
Equivalent Pro Forma SSE:			
Net loss per share			
Basic			\$ (3.59)
Diluted			\$ (3.59)

Cash dividends per share(1)(2)	\$	0.28
Net book value per share	\$	33.22
Pro Forma Combined:		
Net loss per share		
Basic	\$	(2.02)
Diluted	\$	(2.02)
Cash dividends per share(1)(2)	\$	0.16
Net book value per share	\$	18.74

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- (1) The merger agreement prohibits Patterson-UTI and SSE (unless consented to in advance by the other, which consent may not be unreasonably withheld, delayed or conditioned, or in the case of Patterson-UTI, unless such dividend does not exceed \$0.02 per share per quarter) from paying dividends to their respective stockholders until the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms.
- (2) Since its spin-off, SSE has not declared any dividends and does not anticipate declaring or providing any cash dividends to holders of SSE common stock in the foreseeable future.

Table of Contents**Comparative Market Prices**

The following table shows the closing sale prices of Patterson-UTI common stock as reported on the NASDAQ and SSE common stock as reported on the OTC Grey as of December 12, 2016, the last full trading day before public announcement of the merger, and as of _____, 2017 the last trading day for which this information could be calculated prior to the date of this joint proxy statement/prospectus.

	Patterson-UTI Common Stock	SSE Common Stock	SSE Equivalent Per Share(1)
December 12, 2016	\$ 28.67	\$ 26.35	\$ 50.83
_____, 2017	\$	\$	\$

- (1) The equivalent per share data for SSE common stock has been determined by multiplying the market price of one share of Patterson-UTI common stock on each of the dates by the exchange ratio of 1.7731. Such exchange ratio has been calculated assuming that all outstanding Series A warrants of SSE are exercised for cash, no other warrants are exercised, no other shares of SSE are issued prior to closing and certain other assumptions set forth in Example 1 of Annex B of this joint proxy statement/prospectus.

The market price of Patterson-UTI common stock and SSE common stock will fluctuate prior to the merger.

Patterson-UTI stockholders and SSE stockholders are urged to obtain current market quotations for the shares prior to making any decision with respect to the merger.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the federal securities laws that are not limited to historical facts, but reflect Patterson-UTI's and/or SSE's current beliefs, expectations or intentions regarding future events. Statements in this joint proxy statement/prospectus and the documents incorporated by reference herein that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act, and Section 27A of the Securities Act. Words such as may, will, could, should, expect, plan, project, intend, anticipate, believe, estimate, predict, potential, pursue, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Patterson-UTI's and SSE's expectations with respect to the synergies, costs and other anticipated financial impacts of the proposed transaction; future financial and operating results of the combined company; the combined company's plans, objectives, expectations and intentions with respect to future operations and services; approval of the proposed transaction by stockholders; the satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction.

Although Patterson-UTI and SSE believe the expectations reflected in such forward-looking statements are reasonable, such expectations may not occur. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the combined company to be materially different from actual future results expressed or implied by the forward-looking statements. These risks and uncertainties also include those set forth under Risk Factors, beginning on page 35, as well as, among others, risks and uncertainties relating to:

The receipt of approval of both Patterson-UTI's and SSE's stockholders;

The time required to complete the merger;

Uncertainty as to whether the conditions to closing the merger will be satisfied or whether the merger will be completed;

The diversion of management time on merger-related issues;

The ultimate timing, outcome and results of integrating the operations of Patterson-UTI and SSE;

The effects of the business combination of Patterson-UTI and SSE, including the combined company's future financial condition, results of operations, strategy and plans;

Potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger;

Expected benefits from the merger and the ability of Patterson-UTI to realize those benefits;

Expectations regarding regulatory approval of the merger;

Whether merger-related litigation will occur and, if so, the results of any litigation, settlements and investigations;

Potential triggering of change of control provisions in certain agreements to which SSE is a party;

Availability of capital and the ability to repay indebtedness when due;

Volatility in customer spending and in oil and natural gas prices that could adversely affect demand for our services and their associated effect on rates;

Loss of key customers;

Utilization, margins and planned capital expenditures;

Interest rate volatility;

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Compliance with covenants under Patterson-UTI's debt agreements;

Excess availability of land drilling rigs and pressure pumping equipment, including as a result of reactivation or construction;

Equipment specialization and new technologies;

Operating hazards attendant to the natural gas and oil business;

Failure by customers to pay or satisfy their contractual obligations (particularly with respect to fixed term contracts);

Difficulty in building and deploying new equipment;

Expansion and development trends of the oil and gas industry;

Weather;

Shortages, delays in delivery, and interruptions in supply of, equipment and materials;

The ability to retain management and field personnel;

The ability to effectively identify and enter new markets;

The ability to realize backlog;

Strength and financial resources of competitors;

Environmental risks and ability to satisfy future environmental costs;

Global economic conditions;

Operating costs;

Competition and demand for our services;

Liabilities from operations for which Patterson-UTI or SSE, as applicable, do not have and receive full indemnification or insurance;

Governmental regulation;

Ability to obtain insurance coverage on commercially reasonable terms;

Financial flexibility; and

Other financial, operational and legal risks and uncertainties detailed from time to time in either Patterson-UTI's or SSE's SEC filings.

Patterson-UTI and SSE caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Patterson-UTI's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. The forward-looking statements speak only as of the date made and, other than as required by law, neither Patterson-UTI nor SSE undertake any obligation to update publicly or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise. In the event that a party does update any forward-looking statement, no inference should be made that the parties will make additional updates with respect to that statement, related matters or any other forward-looking statements. All subsequent written and oral forward-looking statements concerning Patterson-UTI, SSE, the proposed transaction or other matters and attributable to Patterson-UTI or SSE or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section titled "Special Note Regarding Forward-Looking Statements," you should carefully consider the following risks before deciding whether to vote for any of the proposals described in this joint proxy statement/prospectus. In addition, you should read and consider the risks associated with each of the businesses of Patterson-UTI and SSE because these risks will also affect the combined company following the merger. The risks related to Patterson-UTI's business can be found in its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as those risks may be updated or supplemented in its subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section titled "Where You Can Find More Information" beginning on page 233.

Risk Factors Relating to the Merger

The exchange ratio will not be adjusted in the event of any change in either Patterson-UTI's or SSE's stock price.

At the effective time, each share of SSE common stock outstanding immediately prior to the effective time, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio. This exchange ratio will not be adjusted for changes in the market price of either Patterson-UTI common stock or SSE common stock between the date of signing the merger agreement and completion of the merger. Changes in the price of Patterson-UTI common stock prior to the merger will affect the value of Patterson-UTI common stock that SSE common stockholders will receive on the date of the merger. Stock price changes may result from a variety of factors (many of which are out of our control), including the following:

changes in the respective businesses, operations and prospects of Patterson-UTI and SSE;

changes in market assessments of the business, operations and prospects of either company;

investor behavior and strategies, including market assessments of the likelihood that the merger will be completed, including related considerations regarding regulatory clearance of the merger;

interest rates, general market and economic conditions and other factors generally affecting the price of Patterson-UTI's and SSE's common stock; and

federal, state and local legislation, governmental regulation and legal developments in the businesses in which Patterson-UTI and SSE operate.

The prices of Patterson-UTI common stock and SSE common stock at the closing of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the

date of each stockholders meeting. As a result, the value represented by the exchange ratio will also vary, and you will not know or be able to calculate at the time of the special meetings the market value of the merger consideration you will receive upon completion of the merger. For example, based on the closing price of Patterson-UTI common stock during the period from December 12, 2016, the last trading day before public announcement of the merger, through _____, the latest practicable trading date before the date of this joint proxy statement/prospectus and assuming the issuance of 49,559,000 shares of Patterson-UTI common stock in the merger, the exchange ratio represented a value ranging from a high of \$ _____ to a low of \$ _____ for each share of SSE common stock.

In addition, the merger might not be completed until a significant period of time has passed after the respective special stockholder meetings. Because the exchange ratio will not be adjusted to reflect any changes in

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the market value of Patterson-UTI common stock or SSE common stock, the market value of the Patterson-UTI common stock issued in connection with the merger and the SSE common stock surrendered in connection with the merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from, among other things, changes in the business, operations or prospects of Patterson-UTI or SSE prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of Patterson-UTI and SSE. Neither Patterson-UTI nor SSE is permitted to terminate the merger agreement solely because of changes in the market price of either company's common stock.

The exchange ratio may be reduced upon the occurrence of certain events.

The number of shares of Patterson-UTI issuable as merger consideration is subject to reduction if holders of Series A warrants to purchase SSE common stock fail to exercise their warrants in full by tendering the cash exercise price to SSE prior to closing. If any Series A warrants are not exercised or are exercised using a net share settlement feature, the aggregate number of shares of Patterson-UTI common stock issued as merger consideration will be reduced to reflect the loss of the cash proceeds that would be received by SSE if all of the Series A warrants were exercised for cash.

In addition, the exchange ratio will be affected by the aggregate number of shares of SSE common stock outstanding or deemed to be outstanding as of immediately prior to the effective time, which includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of shares of SSE common stock tendered to SSE on or after August 1, 2016 for purposes of satisfying tax withholding obligations upon the vesting of restricted stock unit awards.

These factors could reduce the number of shares of Patterson-UTI common stock that a holder of SSE common stock will receive in the merger. Annex B of this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio.

The market value of Patterson-UTI common stock could be negatively affected by risks and conditions that apply to Patterson-UTI, which may be different from the risks and conditions applicable to SSE, and Patterson-UTI stockholders will have different rights than SSE stockholders.

Following the merger, stockholders of Patterson-UTI and former stockholders of SSE will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. The business of Patterson-UTI and its subsidiaries and other companies it may acquire in the future are different from those of SSE. There is a risk that various factors, conditions and developments that would not affect the price of SSE common stock could negatively affect the price of Patterson-UTI common stock. Current stockholders of Patterson-UTI and SSE may not wish to continue to invest in the combined company, or may wish to reduce their investment in the combined company, including in order to comply with institutional investing guidelines, to increase diversification, to track any rebalancing of stock indices in which Patterson-UTI common stock is included, to respond to the risk profile of the combined company or to realize a gain. In addition, if, following the merger, large amounts of Patterson-UTI common stock are sold, the price of its common stock could decline.

Holders of shares of Patterson-UTI common stock will have rights as Patterson-UTI stockholders that differ from the rights they had as SSE stockholders before the merger. For a detailed comparison of the rights of Patterson-UTI stockholders to the rights of SSE stockholders, see "Comparison of Stockholder Rights" beginning on page 168.

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Current Patterson-UTI stockholders will have a reduced ownership and voting interest in the combined company after the merger.

Patterson-UTI will issue up to 49,559,000 shares of Patterson-UTI common stock to SSE stockholders in the merger. As a result of these issuances, SSE stockholders are expected to hold up to approximately 25% of the combined company's outstanding common stock immediately following completion of the merger.

Patterson-UTI stockholders currently have the right to vote for their respective directors and on other matters affecting the applicable company. Each Patterson-UTI stockholder will remain a stockholder of Patterson-UTI with a percentage ownership of the combined company that will be smaller than the stockholder's percentage of Patterson-UTI prior to the merger. As a result of these reduced ownership percentages, Patterson-UTI stockholders will have less voting power in the combined company than they now have with respect to Patterson-UTI.

The merger is subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all.

The merger is subject to a number of conditions beyond Patterson-UTI's and SSE's control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these conditions will be satisfied. Any delay in completing the merger could cause the combined company not to realize some or all of the benefits that we expect to achieve if the merger is successfully completed within its expected time frame. See "The Merger Agreement—Conditions to Completion of the Merger" beginning on page 142.

Failure to complete the merger could negatively impact the future business and financial results of Patterson-UTI and SSE.

Neither Patterson-UTI nor SSE can make any assurances that it will be able to satisfy all of the conditions to the merger or succeed in any litigation brought in connection with the merger. If the merger is not completed, the financial results of Patterson-UTI and/or SSE may be adversely affected and Patterson-UTI and/or SSE will be subject to several risks, including but not limited to:

SSE being required to pay Patterson-UTI a termination fee of \$40,000,000 or Patterson-UTI being required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000, in each case under certain circumstances provided in the merger agreement;

payment of costs relating to the merger, such as legal, accounting, financial advisor and printing fees, regardless of whether the merger is completed;

the focus of each company's management team on the merger instead of the pursuit of other opportunities that could have been beneficial to each company; and

the potential occurrence of litigation related to any failure to complete the merger.

In addition, if the merger is not completed, Patterson-UTI and/or SSE may experience negative reactions from the financial markets and from their respective customers and employees. If the merger is not completed, SSE and

Patterson-UTI cannot assure their stockholders that these risks will not materialize and will not materially and adversely affect the business, financial results and stock prices of SSE or Patterson-UTI.

The merger agreement contains provisions that limit each party's ability to pursue alternatives to the merger, could discourage a potential competing acquiror of either Patterson-UTI or SSE from making a favorable alternative transaction proposal and, in specified circumstances, could require either party to pay a termination fee to the other party.

The merger agreement contains non-solicitation provisions that, subject to limited exceptions, restrict SSE's and Patterson-UTI's ability to, among other things, directly or indirectly solicit, initiate, facilitate,

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knowingly encourage or induce or take any action that could be reasonably expected to lead to the making, submission or announcement of a proposal competing with the transactions contemplated by the merger agreement. In addition, while the board of directors of SSE and Patterson-UTI each have the ability, in certain circumstances, to change its recommendation of the transaction to their respective stockholders, neither party can terminate the merger agreement to accept an alternative proposal, and the other party generally has an opportunity to modify the terms of the merger and the merger agreement in response to any alternative proposals that may be made before such board of directors may withdraw or modify its recommendation. Moreover, in certain circumstances, SSE or Patterson-UTI may be required to pay up to \$7,500,000 of the other party's expenses, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, or Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. See The Merger Agreement No Solicitation of Competing Proposals beginning on page 135, The Merger Agreement Termination of the Merger Agreement beginning on page 144 and The Merger Agreement Termination Fees and Expenses beginning on page 146.

These provisions could discourage a potential third party that might have an interest in acquiring all or a significant portion of SSE or Patterson-UTI from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the merger. In addition, these provisions might result in a potential third party acquirer proposing to pay a lower price to the stockholders than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

If the merger agreement is terminated and either Patterson-UTI or SSE determines to seek another business combination, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the merger.

SSE's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of SSE stockholders generally.

SSE's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of the SSE stockholders generally. The members of the SSE board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to SSE's stockholders that the merger agreement be approved. These interests include, among others: (i) each SSE executive officer is a party to an employment agreement with SSE that could provide that executive with potential compensation and benefits in the event the executive is involuntarily terminated in connection with the merger, (ii) SSE's directors and executive officers hold equity compensation plan awards under the SSE Incentive Plan, the vesting of which awards will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement, and (iii) SSE's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement. See The Merger Interests of SSE Directors and Executive Officers in the Merger beginning on page 113 for more information. In addition, the SSE board of directors has adopted a resolution providing that the disposition of SSE shares by SSE's officers and directors in exchange for Patterson-UTI shares in the merger is intended to be exempt from liability pursuant to Section 16(b) of the Exchange Act.

Completion of the merger may trigger change in control or other provisions in certain agreements to which SSE is a party.

The completion of the merger may trigger change in control or other provisions in certain agreements to which SSE is a party. If Patterson-UTI and SSE are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages.

Even if Patterson-UTI and SSE are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to SSE or the combined company.

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Patterson-UTI and SSE may be unable to obtain the regulatory clearances and approvals required to complete the merger or, in order to do so, Patterson-UTI and SSE may be required to comply with material restrictions or conditions.

Under the HSR Act, neither Patterson-UTI nor SSE may complete the merger until required information and materials are furnished to the U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC), and the applicable waiting period under the HSR Act terminates or expires. On January 3, 2017, Patterson-UTI and SSE filed the requisite notification and report forms under the HSR Act with the DOJ and the FTC. On January 13, 2017, Patterson-UTI and SSE were notified by the FTC that the early termination of the waiting period under the HSR Act had been granted.

The merger may also be subject to the regulatory requirements of other municipal, state, federal, or foreign governmental agencies and authorities. Regulatory entities may impose certain requirements or obligations as conditions for their approval or in connection with their review.

The merger agreement may require Patterson-UTI and SSE to accept conditions from these regulators that could adversely impact the combined company without either of them having the right to refuse to close the merger on the basis of those regulatory conditions. Neither Patterson-UTI nor SSE can provide any assurance that they will obtain the necessary clearances or approvals, or that any required conditions will not have a material adverse effect on the combined company following the merger or result in the abandonment of the merger.

Additionally, even after the above-described statutory waiting periods have expired, and even after completion of the merger, governmental authorities could seek to challenge the merger. Patterson-UTI or SSE may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

The pendency of the merger could adversely affect the business and operations of Patterson-UTI and SSE.

In connection with the pending merger, some customers or vendors of each of Patterson-UTI and SSE may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of Patterson-UTI and SSE, regardless of whether the merger is completed. Similarly, current and prospective employees of Patterson-UTI and SSE may experience uncertainty about their future roles with SSE following the merger, which may materially adversely affect the ability of each of Patterson-UTI and SSE to attract, retain and motivate key personnel during the pendency of the merger and which may materially adversely divert attention from the daily activities of Patterson-UTI's and SSE's existing employees.

In addition, due to operating covenants in the merger agreement, each of Patterson-UTI and SSE may be unable, during the pendency of the merger, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions that are not in the ordinary course of business, even if such actions would prove beneficial to Patterson-UTI or SSE, as applicable. Further, the process of seeking to accomplish the merger could also divert the focus of management of either company from pursuing other opportunities that could be beneficial to it, without realizing any of the benefits which might have resulted had the merger been completed.

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If the merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, the stockholders of SSE may be required to pay substantial U.S. federal income taxes.

As a condition to the completion of the merger, each of SSE and Patterson-UTI will have received a tax opinion from its respective counsel described in the section titled “The Merger Agreement – Conditions to Completion of the Merger,” dated as of the closing date, that the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. These opinions will be based on customary assumptions and representations from SSE and Patterson-UTI, as well as certain covenants and undertakings by Patterson-UTI and SSE. If any of the representations, assumptions, covenants or undertakings upon which the opinions are based is incorrect, incomplete, inaccurate or violated, the validity of the opinions may be affected and the tax consequences of the merger could differ from those described in this joint proxy statement/prospectus. An opinion of counsel represents such counsel’s best legal judgment but is not binding on the IRS or any court. Neither Patterson-UTI nor SSE intends to obtain a ruling from the IRS with respect to the tax consequences of the merger. Accordingly, there can be no assurances that the IRS will not assert, or that a court will not sustain, a position contrary to that contained in such opinions. If the IRS or a court determines that the merger should not be treated as a “reorganization” within the meaning of Section 368(a) of the Code, upon the exchange of SSE common stock for Patterson-UTI common stock pursuant to the merger, a holder of SSE common stock generally would recognize taxable gain or loss as if it sold its shares of SSE common stock. See “Material U.S. Federal Income Tax Consequences” beginning on page 153.

Risk Factors Relating to the Combined Company Following the Merger

The combined company’s debt may limit its financial flexibility.

As of January 20, 2017, Patterson-UTI had \$10 million outstanding under its credit facility and a total of \$600 million in principal amount of senior notes outstanding. In connection with consummation of the merger, Patterson-UTI may fund all or a portion of the repayment of SSE’s outstanding indebtedness through available cash and borrowings under its existing credit facility. As of January 20, 2017, SSE had a total of \$473.25 million in principal amount of term loans outstanding and no outstanding borrowings under its credit facility. In addition, the combined company may incur additional debt from time to time in connection with the financing of operations, acquisitions, recapitalizations and refinancings. The level of the combined company’s debt could have several important effects on future operations, including, among others:

a significant portion of the combined company’s income from operations may be applied to the payment of principal and interest on the debt and will not be available for other purposes;

covenants contained in the combined company’s existing and future debt arrangements may require the combined company to meet financial tests that may affect its flexibility in planning for and reacting to changes in its business, including possible acquisition opportunities;

the combined company’s ability to obtain additional financing for capital expenditures, acquisitions, general corporate and other purposes may be limited or burdened by increased costs or more restrictive covenants;

the combined company may not be able to refinance or extend the term of the existing debt on favorable terms or at all which would have a material effect on its ability to continue operations;

the combined company may be at a competitive disadvantage to similar companies that have less debt;

the combined company's vulnerability to adverse economic and industry conditions may increase; and

the combined company may face limitations on its flexibility to plan for and react to changes in its business and the industries in which it operates.

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The failure to integrate successfully the businesses of Patterson-UTI and SSE in the expected timeframe would adversely affect the combined company's future results following the merger.

The merger involves the integration of two companies that currently operate independently. The success of the merger will depend in large part on the ability of the combined company to realize the anticipated benefits, including cost savings, innovation and operational efficiencies, from combining the businesses of Patterson-UTI and SSE. To realize these anticipated benefits, the businesses of Patterson-UTI and SSE must be successfully integrated. This integration will be complex and time-consuming. The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in the combined company not achieving the anticipated benefits of the merger.

Potential difficulties that may be encountered in the integration process include the following:

integrating the businesses of Patterson-UTI and SSE in a manner that permits the combined company to achieve the full benefit of synergies, cost savings and operational efficiencies that are anticipated to result from the merger;

complexities associated with managing the larger, more complex combined business;

complexities associated with integrating the workforces of the two companies;

potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the merger, including one-time cash costs to integrate the two companies that may exceed the anticipated range of such one-time cash costs that Patterson-UTI and SSE estimated as of the date of execution of the merger agreement;

difficulty or inability to refinance the debt of the combined company or comply with the covenants thereof;

performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the merger and integrating the companies operations; and

the disruption of, or the loss of momentum in, each company's ongoing business or inconsistencies in standards, controls, systems, procedures and policies.

Any of these difficulties in successfully integrating the businesses of Patterson-UTI and SSE, or any delays in the integration process, could adversely affect the combined company's ability to achieve the anticipated benefits of the merger and could adversely affect the combined company's business, financial results, financial condition and stock price. Even if the combined company is able to integrate the business operations of Patterson-UTI and SSE successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that Patterson-UTI and SSE currently expect from this

integration or that these benefits will be achieved within the anticipated time frame.

The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the merger.

Following the merger, the size of the business of the combined company will increase significantly beyond the current size of either Patterson-UTI's or SSE's business. The combined company's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the merger.

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The combined company is expected to incur substantial expenses related to the merger and the integration of Patterson-UTI and SSE.

The combined company is expected to incur substantial expenses in connection with the merger and the integration of Patterson-UTI and SSE. There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including accounting and finance, asset management, benefits, billing, drilling and pressure pumping data solutions, health, safety and environment, human resources, maintenance, marketing, payroll and purchasing. While Patterson-UTI and SSE have assumed that a certain level of expenses will be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses could result in the combined company's taking charges against earnings following the completion of the merger, and the amount and timing of any such charges are uncertain at present.

The unaudited prospective financial information for Patterson-UTI and SSE included in this joint proxy statement/prospectus reflect management estimates and may not prove to be reflective of actual future results.

In connection with the merger, Patterson-UTI and SSE prepared and considered, among other things, certain internal, unaudited prospective financial information for Patterson-UTI and SSE, respectively. This unaudited prospective financial information included assumptions regarding future operating cash flows, expenditures and growth of Patterson-UTI and SSE. This internal, unaudited prospective financial information speaks only as of the date made and, except as required by applicable securities laws, will not be updated. This unaudited prospective financial information is subject to significant economic, competitive, industry and other uncertainties, including the factors described under Risk Factors beginning on page 35 and Special Note Regarding Forward-Looking Statements beginning on page 33, which factors and uncertainties may cause the unaudited prospective financial information or the underlying assumptions to be inaccurate. As a result of these contingencies, there can be no assurance that the unaudited prospective financial information of Patterson-UTI and SSE will be achieved in full, at all or within projected timeframes. In view of these uncertainties, the inclusion of the unaudited prospective financial information of Patterson-UTI and SSE in this joint proxy statement/prospectus should not be regarded as an indication that the board of directors of Patterson-UTI or SSE, Patterson-UTI, SSE, Merger Sub, Piper Jaffray or Morgan Stanley or any other recipient of this information considered, or now considers, it to be an assurance of the achievement of future results.

The unaudited prospective financial information was prepared for internal use and to assist Patterson-UTI and SSE with their due diligence investigations and their respective financial advisors with their financial analyses. The unaudited prospective financial information was not prepared with a view toward public disclosure or toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Pricewaterhouse Coopers LLP, the independent registered public accounting firm for both Patterson-UTI and SSE, has neither examined, compiled nor performed any procedures with respect to the unaudited prospective financial information. For additional information regarding the unaudited prospective financial information, see The Merger Certain Unaudited Prospective Financial Information of Patterson-UTI and SSE beginning on page 110.

The unaudited pro forma financial information included in this document is presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger.

The unaudited pro forma financial information contained in this document is presented for illustrative purposes only, is based on various adjustments, assumptions and preliminary estimates and may not be an

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indication of the combined company's financial condition or results of operations following the merger for several reasons. The actual financial condition and results of operations of the combined company following the merger may not be consistent with or evident from this unaudited pro forma financial information. In addition, the assumptions used in preparing the unaudited pro forma financial information may prove to be inaccurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company. See Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 157.

Uncertainty about the merger and diversion of management could harm the combined company following the merger.

The combined company's success will be dependent upon the experience and industry knowledge of its officers and other key employees. The merger could result in current and prospective employees experiencing uncertainty about their future with the combined company following the merger. These uncertainties may impair the ability of the combined company to retain, recruit or motivate key personnel. In addition, completion of the merger and integrating the companies' operations will require a significant amount of time and attention from management of the two companies. The diversion of management's attention away from ongoing operations could adversely affect business relationships of the combined company following the merger.

Uncertainties associated with the merger may cause a loss of key employees, which could adversely affect the future business and operations of the combined company.

Patterson-UTI and SSE are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. Each company's success until the merger and the combined company's success after the merger will depend in part upon the ability of Patterson-UTI and SSE to retain key employees. Current and prospective employees of Patterson-UTI and SSE may experience uncertainty about their roles within the combined company following the merger, which may have an adverse effect on the ability of each of Patterson-UTI and SSE to attract or retain key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key employees of Patterson-UTI and SSE to the same extent that Patterson-UTI and SSE have previously been able to attract or retain their own employees.

The combined company may not be able to utilize a portion of SSE's or Patterson-UTI's net operating loss carryforwards (NOLs) to offset future taxable income for U.S. federal tax purposes, which could adversely affect the combined company's net income and cash flows.

As of December 31, 2016, SSE had federal income tax NOLs of approximately \$130.6 million, net of estimated cancellation of indebtedness income, which will expire between 2034 and 2036, and, as of December 31, 2016, Patterson-UTI had federal income tax NOLs of approximately \$483.8 million, which will expire between 2035 and 2036. Utilization of these NOLs depends on many factors, including the combined company's future taxable income, which cannot be predicted with any accuracy. In addition, Section 382 of the Code generally imposes an annual limitation on the amount of an NOL that may be used to offset taxable income when a corporation has undergone an ownership change (as determined under Section 382). Determining the limitations under Section 382 is technical and highly complex. An ownership change generally occurs if one or more shareholders (or groups of shareholders) who are each deemed to own at least 5% of the corporation's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period.

SSE underwent an ownership change in 2016 as a result of its emergence from Chapter 11 bankruptcy proceedings, and we believe SSE will undergo another ownership change as a result of its acquisition pursuant to the merger, and the corresponding annual limitation associated with either of those changes in ownership could prevent the combined company from fully utilizing prior to their expiration SSE's NOLs as of the effective

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time. While Patterson-UTI's issuance of stock pursuant to the merger would, standing alone, be insufficient to result in an ownership change with respect to Patterson-UTI, we cannot assure you that Patterson-UTI will not undergo an ownership change as a result of the merger taking into account other changes in ownership of Patterson-UTI stock occurring within the relevant three-year period described above. If Patterson-UTI were to undergo an ownership change, the combined company may be prevented from fully utilizing Patterson-UTI's NOLs as of the time of the merger prior to their expiration. Future changes in stock ownership or future regulatory changes could also limit the combined company's ability to utilize SSE's or Patterson-UTI's NOLs. To the extent the combined company is not able to offset future taxable income with SSE's or Patterson-UTI's NOLs, the combined company's net income and cash flows may be adversely affected.

Fluctuations in oil and natural gas prices could adversely affect drilling, completion and production activities by oil and natural gas companies and the combined company's valuation, revenues, cash flows and profitability.

Following the completion of the merger, the combined company's operations will depend on the level of spending by oil and gas companies for drilling, completion and production activities. Both short-term and long-term trends in oil and natural gas prices affect these levels. Oil and natural gas prices, as well as the level of drilling, completion and production activity, can be highly volatile. For example, in 2016, oil prices were as high as \$54.01 per barrel and as low as \$26.19 per barrel. Worldwide military, political and economic events, including initiatives by the Organization of Petroleum Exporting Countries, affect both the demand for, and the supply of, oil and natural gas. Weather conditions, governmental regulation (both in the United States and elsewhere), levels of consumer demand, the availability of pipeline capacity and other factors that will be beyond the control of the combined company may also affect the supply of, demand for, and price of oil and natural gas. Lower oil and natural gas prices may cause some of the combined company's customers to terminate, seek to renegotiate or fail to honor their drilling contracts and affect the fair market value of its assets, which in turn could result in impairments of assets. A sustained period of low prices or further decline in oil and natural gas prices could adversely impact the combined company's cash forecast models used to determine whether the carrying value of its long-lived assets exceeds its future cash flows, which could result in future impairment to its long-lived assets. A prolonged period of lower oil and natural gas prices could also affect the combined company's ability to retain skilled personnel and affect its ability to access capital to finance and grow its business. There can be no assurances as to the future level of demand for the combined company's services or future conditions in the oil and natural gas and oilfield services industries.

Business issues currently faced by Patterson-UTI or SSE may be imputed to the operations of the other.

To the extent that either Patterson-UTI or SSE currently has or is perceived by customers to have operational challenges, such as service performance, safety issues or workforce issues, those challenges may raise concerns by existing customers of the other company following the merger, which may limit or impede the combined company's future ability to obtain additional work from those customers.

Risk Factors Relating to Patterson-UTI

Patterson-UTI's business is and will be subject to the risks described in Patterson-UTI's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as such risks may be updated or supplemented in its subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 233.

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Risk Factors Relating to SSE

SSE is dependent on CHK for a majority of its revenues. Therefore, SSE is indirectly subject to the business and financial risks of CHK. SSE has no control over CHK's business decisions and operations, and CHK is under no obligation to adopt a business strategy that is favorable to SSE.

SSE currently provides a significant percentage of its oilfield services and equipment to CHK and its working interest partners. For the five months ended December 31, 2016, the seven months ended July 31, 2016, and the years ended December 31, 2015, 2014 and 2013, CHK and its working interest partners accounted for approximately 51%, 65%, 70%, 81% and 90% of SSE's revenues, respectively. If CHK ceases to engage SSE on terms that are attractive to SSE during any period, SSE's business, financial condition and results of operations would be materially adversely affected during such period. Accordingly, SSE is indirectly subject to the business and financial risks of CHK, some of which are the following:

the volatility of oil and natural gas prices, which could have a negative effect on the value of CHK's oil and natural gas properties, its drilling program, its ability to finance its operations and its willingness to allocate capital toward exploration and development activities;

the availability of capital on favorable terms to fund CHK's exploration and development activities;

its discovery rate of new oil and natural gas reserves and the speed at which it develops such reserves;

uncertainties inherent in estimating quantities of natural gas and oil reserves and projecting future rates of production;

its drilling and operating risks, including potential environmental liabilities;

pipeline, storage and other transportation capacity constraints and interruptions;

adverse effects of governmental and environmental regulation; and

losses from pending or future litigation.

In particular, CHK has generally made capital expenditures in excess of its operating cash flows. To fund these expenditures, CHK obtained capital from its revolving credit facility, the debt capital markets, oil and natural gas asset sales and other sources. If CHK is unable to generate cash flow from operations sufficient to fund its capital expenditures, CHK may be required to reduce its drilling and completion activities, which could have a material adverse impact on SSE's business, financial condition and results of operations.

SSE serves customers who are involved in drilling for and producing oil and natural gas. Adverse developments affecting the oil and natural gas industry or drilling and completions activity, including sustained low oil, natural gas, or natural gas liquids prices, reduced demand for oil and natural gas products and increased regulation of drilling and production, could have a material adverse effect on SSE's business, financial condition and results of operations.

SSE's revenues are generated from customers who are engaged in drilling for and producing oil and natural gas. Developments that adversely affect oil and natural gas drilling and production services could adversely affect SSE's customers' demand for its products and services, resulting in a material adverse effect on SSE's business, financial condition and results of operations.

The predominant factor that would reduce demand for SSE's products and services is reduced land-based drilling and completions activity in the continental United States. Commodity prices, and market expectations of potential changes in these prices, may significantly affect this level of activity, as well as the rates paid for SSE's services. Oil and natural gas prices are volatile and have fluctuated dramatically in recent years. SSE negotiates the rates payable under its contracts based on prevailing market prices for the services SSE provides. Declines in the prices of oil, natural gas, or natural gas liquids have had an adverse impact on the level of drilling, exploration and production activity since the end of the fourth quarter of 2014, and sustained low levels of

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drilling, exploration and production activity or further declines could materially and adversely affect the demand for SSE's products and services and its results of operations. However, higher commodity prices do not necessarily translate into increased drilling and completions activity because SSE's customers' expectations of future prices also influence their activity. Additionally, SSE has incurred costs and had downtime in the past as it redeployed equipment and personnel from one unconventional resource play to another to meet its customers' needs, and in the future SSE may incur redeployment costs and have downtime any time its customers' activities are refocused towards different drilling regions.

Another factor that would reduce demand for SSE's products and services is a decline in the level of drilling and production activity as a result of increased government regulation of that activity. SSE's customers' drilling and production operations are subject to extensive federal, state, local and foreign laws and government regulations concerning emissions of pollutants and greenhouse gases; hydraulic fracturing; the handling of oil and natural gas and byproducts thereof and other materials and substances used in connection with oil and natural gas operations, including drilling fluids and wastewater; well siting and spacing; production limitations; plugging and abandonment of wells; unitization and pooling of properties; and taxation. More stringent legislation or regulation, a moratorium on drilling or hydraulic fracturing, or increased taxation of oil and natural gas drilling and completions activity could directly curtail such activity or increase the cost of drilling, resulting in reduced levels of drilling and completions activity and therefore reduced demand for SSE's products and services.

Demand for services in SSE's industry is cyclical and depends on drilling and completion spending by CHK and other exploration and production companies in the U.S., and the level of such activity is cyclical.

Demand for services in SSE's industry is cyclical, and SSE depends on CHK's and its other customers' willingness to make capital and operating expenditures to explore for, develop and produce oil and natural gas in the U.S. SSE's customers' willingness to undertake these activities depends largely upon prevailing industry conditions that are influenced by numerous factors over which SSE has no control, including:

prices, and expectations about future prices, of oil and natural gas;

domestic and foreign supply of and demand for oil and natural gas;

the availability, pricing and perceived safety of pipeline, trucking, train storage and other transportation capacity;

lead times associated with acquiring equipment and availability of qualified personnel;

the expected rates of decline in production from existing and prospective wells;

the discovery rates of new oil and natural gas reserves;

laws and regulations relating to environmental matters;

federal, state and local regulation of hydraulic fracturing and other oilfield activities, including public pressure on governmental bodies and regulatory agencies to regulate SSE's industry;

adverse weather conditions, including hurricanes that can affect oil and natural gas operations over a wide area;

oil refining capacity;

merger and divestiture activity among oil and gas producers;

tax laws, regulation and policies;

the availability of water resources and suitable proppants in sufficient quantities and on acceptable terms for use in hydraulic fracturing operations;

the availability, capacity and cost of disposal and recycling services for used hydraulic fracturing fluids;

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the political environment in oil and natural gas producing regions, including uncertainty or instability resulting from civil disorder, terrorism or war;

advances in exploration, development and production technologies or in technologies affecting energy consumption;

the price and availability of alternative fuels and energy sources;

uncertainty in capital and commodities markets; and

the ability of oil and natural gas producers to raise capital on favorable terms.

Anticipated future prices for crude oil and natural gas are a primary factor affecting spending and drilling and completions activity by exploration and production companies, including CHK. Actual or anticipated lower prices or volatility in prices for oil and natural gas typically decrease spending and drilling and completions activity, which can cause rapid and material declines in demand for SSE's services and in the prices SSE is able to charge for its services. Worldwide political, economic and military events as well as natural disasters and other factors beyond SSE's control contribute to oil and natural gas price levels and volatility and are likely to continue to do so in the future.

SSE negotiates the rates payable under its contracts based on prevailing market prices, and, consequently, the prices it is able to charge will fluctuate with market conditions. A material decline in oil and natural gas prices or drilling and completions activity levels or sustained lower prices or activity levels could have a material adverse effect on SSE's business, financial condition, results of operations and cash flows. For example, beginning at the end of the fourth quarter of 2014 and continuing throughout the majority of 2015 and 2016, SSE experienced reductions in both the demand for its services and the prices it is able to charge as the sharp decline in oil prices has led its customers to reduce spending and cut costs. Industry activity is beginning to increase as the U.S. domestic rig count was 589 during the fourth quarter of 2016, which, while down 22% compared to the fourth quarter of 2015, was up 22% compared to the third quarter of 2016. Additionally, the average price of oil during the fourth quarter of 2016 was \$49.25 per barrel, which represented a 17% increase compared to the fourth quarter of 2015 and a 10% increase compared to the third quarter of 2016. These average oil prices remain well below the average prices in 2014. The average price of natural gas during the fourth quarter of 2016 was \$3.04 per McF, an increase of 47% compared to the fourth quarter of 2015 and a 6% increase compared to the third quarter of 2016. Further price declines or prolonged levels of low prices will further negatively affect the demand for SSE's services and the prices it is able to charge to its customers. Additionally, SSE may incur costs and have downtime during periods when its customers' activities are refocused towards different drilling regions.

Spending by exploration and production companies can also be affected by conditions in the capital markets. Limitations on the availability of capital, or higher costs of capital, for financing expenditures may cause CHK and other exploration and production companies to make additional reductions to capital budgets in the future, even if oil or natural gas prices increase from current levels. Any such cuts in spending will curtail drilling and completion programs as well as discretionary spending on wellsite services, which may result in a reduction in the demand for SSE's services, the rates it can charge, and the utilization of its services. Moreover, reduced discovery rates of new oil and natural gas reserves, or a decrease in the development rate of reserves in SSE's market areas, whether due to increased governmental or environmental regulation, limitations on exploration and drilling and completions activity or other factors, could also have an impact on SSE's business, even in a stronger oil and natural gas price environment.

An adverse development in any of these areas could have an adverse impact on SSE's customers' operations or financial condition, which could in turn result in reduced demand for its products and services.

SSE's current backlog of contract drilling and hydraulic fracturing revenue may not be fully realized.

As of December 31, 2016, the contract backlog associated with SSE's drilling and hydraulic fracturing services was approximately \$253.0 million, of which approximately 74% was with CHK. SSE calculates its

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drilling backlog by adding together (i) the day rate under its active rig contracts multiplied by the number of days remaining under the contracts and (ii) the implied daily margin rate on its IBC rigs multiplied by the number of days remaining on those contracts. SSE calculates its hydraulic fracturing backlog by multiplying the (i) rate per stage, which varies by operating region and is, therefore, estimated based on current customer activity levels by region and current contract pricing, by (ii) the number of stages remaining under the contract, which it estimates based on current and anticipated utilization of its crews. With respect to SSE's hydraulic fracturing backlog, its contracts provide for periodic adjustments of the rates it may charge for its services, which will be negotiated based on then-prevailing market pricing and in the future may be higher or lower than the current rates it charges and utilize in calculating SSE's backlog. SSE's drilling backlog calculation does not include any reduction in revenues related to mobilization or demobilization, nor does it include potential reductions in rates for unscheduled standby or during periods in which the rig is moving, on standby or incurring maintenance and repair time in excess of what is permitted under the drilling contract. The contractual rate may be higher than the actual rate SSE receives because of a number of factors, including downtime or suspension of operations. Several factors could cause downtime or a suspension of operations, many of which are beyond SSE's control, including:

breakdowns of equipment;

work stoppages, including labor strikes;

shortages of material and skilled labor;

severe weather or harsh operating conditions; and

force majeure events.

In addition, many of SSE's drilling contracts are subject to termination by the customer on short notice and provide for an early termination payment to SSE in the event that the contract is terminated by the customer. SSE calculates its contract drilling early termination value assuming each rig remains stacked for the remainder of the term of the terminated contract. As a result of the foregoing, revenues could differ materially from the backlog and early termination amounts presented. Moreover, SSE can provide no assurance that its customers will be able or willing to fulfill their contractual commitments to SSE. Liquidity issues could lead SSE's customers to go into bankruptcy or could encourage its customers to seek to repudiate, cancel or renegotiate SSE's contracts for various reasons. Many of SSE's contracts permit early termination of the contracts by the customer for convenience (without cause), generally exercisable upon advance notice to SSE and in some cases without making an early termination payment to SSE. SSE's inability to realize the full amount of its contract backlog amounts and early termination amounts may have a material adverse effect on its business, financial position and results of operations.

SSE recently emerged from bankruptcy, which could adversely affect its business and relationships.

It is possible that SSE having filed for bankruptcy and its recent emergence from the Chapter 11 bankruptcy proceedings could adversely affect its business and relationships with customers, employees and suppliers. Due to uncertainties, many risks exist, including the following:

key suppliers could terminate their relationship with SSE or require financial assurances or enhanced performance;

the ability of SSE to renew existing contracts and compete for new business may be adversely affected;

the ability of SSE to attract, motivate and/or retain key executives and employees may be adversely affected;

SSE's employees may be distracted from performance of their duties or more easily attracted to other employment opportunities; and

competitors may take business away from SSE, and SSE's ability to attract and retain customers may be negatively impacted.

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The occurrence of one or more of these events could have a material and adverse effect on SSE's operations, financial condition and reputation. SSE cannot assure you that having been subject to bankruptcy protection will not adversely affect its operations in the future.

SSE's industry is highly competitive. If SSE is unable to compete successfully, its profitability may be reduced.

The oilfield services industry in which SSE operates is highly competitive. Price competition, rig or fleet availability, location and suitability, experience of the workforce, safety records, financial strength, reputation, operating integrity and condition of the equipment are all factors used by customers in awarding contracts. SSE's future success and profitability will partly depend upon its ability to keep pace with its customers' demands with respect to these factors. SSE's competitors are numerous, ranging from global diversified services companies to other independent marketers and distributors of varying sizes, financial resources and experience. Some of SSE's competitors may have greater financial, technical and personnel resources than SSE. Contracts are traditionally awarded on the basis of competitive bids or direct negotiations with customers. The competitive environment could intensify if there is consolidation among exploration and production companies because such consolidation would reduce the number of available customers. The fact that drilling rigs and other oilfield services equipment are mobile and can be moved from one area to another in response to market conditions heightens the competition in the industry. In addition, any increase in the supply of land drilling rigs and hydraulic fracturing fleets could have a material adverse impact on market prices under SSE's contracts and utilization rates of its services. This increased supply could also require higher capital investment to keep SSE's services competitive.

SSE's business involves many hazards and operational risks, and SSE is not insured against all the risks it faces.

SSE's operations are subject to many hazards and risks, including the following:

accidents resulting in serious bodily injury and the loss of life or property;

liabilities from accidents or damage by its fleet of trucks, rigs and other equipment;

pollution and other damage to the environment;

exposure to toxic gases or other hazardous substances;

well blow-outs, the uncontrolled flow of oil, natural gas or other well fluids into or through the environment, including onto the ground or into the atmosphere, surface waters or an underground formation;

fires and explosions;

mechanical or technological failures;

spillage handling and disposing of materials;

adverse weather conditions; and

failure of SSE's employees to comply with its internal environmental health and safety guidelines. If any of these hazards occur, they could result in suspension of operations, termination of contracts without compensation, damage to or destruction of SSE's equipment and the property of others, or injury or death to SSE's personnel or third parties and could expose SSE to substantial liability or losses. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. In addition, these risks may be greater for SSE upon the acquisition of another company that has not allocated significant resources and management focus to safety and has a poor safety record.

SSE is not fully insured against all risks inherent in its business. For example, SSE does not have any business interruption/loss of income insurance that would provide coverage in the event of damage to any of its

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equipment or facilities. Although SSE is insured for environmental pollution resulting from environmental accidents that occur on a sudden and accidental basis, SSE may not be insured against all environmental accidents that might occur, some of which may result in toxic tort claims. If a significant accident or event occurs for which SSE is not adequately insured, it could adversely affect its business, financial condition and results of operations. Furthermore, SSE may not be able to maintain or obtain insurance of the type and amount it desires at reasonable rates. As a result of market conditions, premiums and deductibles for certain of SSE's insurance policies may substantially increase. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage.

SSE's business may be adversely affected by a deterioration in general economic conditions or the further weakening of the broader energy industry.

A prolonged economic slowdown, another recession in the United States, adverse events relating to the energy industry and local, regional and national economic conditions and factors, particularly a worsening of the continuing downturn in the exploration and production sector, could negatively impact SSE's operations and therefore, adversely affect its results. The risks associated with SSE's business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased spending by its customers.

Restrictions in the agreements governing SSE's outstanding indebtedness could adversely affect SSE's business, financial condition and results of operations.

The operating and financial restrictions in SSE's credit facility and term loans and any future financing agreements could restrict SSE's ability to finance its future operations or capital needs, or otherwise pursue its business activities. For example, SSE's credit facility limits SSE's and its subsidiaries' ability to, among other things:

incur additional debt or issue guarantees;

incur or permit certain liens to exist;

make certain investments, acquisitions or other restricted payments;

dispose of assets;

engage in certain types of transactions with affiliates;

merge, consolidate or transfer all or substantially all of SSE's assets; and

prepay certain indebtedness.

Furthermore, SSE's credit facility contains a covenant requiring SSE to maintain a fixed charge coverage ratio of 1.0 to 1.0 based on the ratio of consolidated EBITDA to fixed charges when availability under the facility is less than 12.5%.

A failure to comply with the covenants in the agreements governing SSE's indebtedness could result in an event of default, which, if not cured or waived, would permit the exercise of remedies against SSE that would be likely to have a material adverse effect on its business, financial condition and results of operations. Remedies under SSE's credit facility and term loan include foreclosure on the collateral securing the indebtedness, which includes operating assets and accounts receivable. Moreover, the existence of these covenants may also prevent or delay SSE from pursuing business opportunities that SSE believes would otherwise benefit it.

SSE's assets may require significant amounts of capital for maintenance, upgrades and refurbishment.

SSE's drilling rigs and hydraulic fracturing fleets may require significant capital investment in maintenance, upgrades and refurbishment to maintain the competitiveness of its assets. SSE's rigs and fleets typically do not

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generate revenue while they are undergoing maintenance, refurbishment or upgrades. Any maintenance, upgrade or refurbishment project for SSE's assets could increase its indebtedness or reduce cash available for other opportunities. Further, such projects may require proportionally greater capital investments as a percentage of total asset value, which may make such projects difficult to finance on acceptable terms. To the extent SSE is unable to fund such projects, SSE may have fewer rigs and fleets available for service or its rigs and fleets may not be attractive to potential or current customers. Such demands on SSE's capital or reductions in demand for SSE's rigs and fleets could have a material adverse effect on its business, financial condition and results of operations.

SSE participates in a capital intensive industry and it may not be able to finance its capital needs.

SSE intends to rely primarily on cash on hand, cash flows from operating activities and borrowings under its credit facility to fund its future capital expenditures. If SSE's cash on hand, cash flows from operating activities and borrowings under its credit facility are not sufficient to fund its capital expenditures, it would be required to fund these expenditures through the issuance of debt or equity or alternative financing plans, such as:

refinancing or restructuring SSE's debt;

selling assets; or

reducing or delaying acquisitions or capital investments, such as planned upgrades or acquisitions of equipment and refurbishments of SSE's rigs and related equipment, even if previously publicly announced.

The terms of existing or future debt instruments and the terms of the merger agreement may restrict SSE from adopting some of these alternatives. If debt and equity capital or alternative financing plans are not available on favorable terms or at all, SSE would be required to curtail its capital spending, and its ability to sustain or improve its profits may be adversely affected. SSE's ability to refinance or restructure its debt will depend on the condition of the capital markets and its financial condition at such time, among other things. Any refinancing of SSE debt could be at higher interest rates and may require SSE to comply with more onerous covenants, which could further restrict its business operations.

Shortages or increases in the costs of the equipment SSE uses in its operations could adversely affect its operations in the future.

SSE generally does not have long term contracts in place that provide for the delivery of equipment, including, but not limited to, drill pipe, replacement parts and other equipment. SSE could experience delays in the delivery of the equipment that it has ordered and its placement into service due to factors that are beyond SSE's control. New federal regulations regarding diesel engines, demand by other oilfield services companies and numerous other factors beyond SSE's control could adversely affect SSE's ability to procure equipment that it has not yet ordered or cause the prices of such equipment to increase. Price increases, delays in delivery and interruptions in supply may require SSE to increase capital and repair expenditures and incur higher operating costs. In certain instances, SSE may have the ability to cancel purchases of equipment that may no longer be needed. Each of these could have a material adverse effect on its business, financial condition and results of operations.

SSE is dependent on a small number of suppliers for key raw materials and finished products.

SSE does not have long term contracts with third party suppliers for many of the raw materials and finished products that it uses in large volumes in its operations, including, in the case of its hydraulic fracturing operations, proppants, acid, gels, including guar gum, chemicals and water, and fuels used in SSE's equipment and vehicles. Especially during periods in which oilfield services are in high demand, the availability of raw materials and finished products used in SSE's industry decreases and the price of such raw materials and finished

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products increases. SSE is dependent on a small number of suppliers for key raw materials and finished products. SSE's reliance on such suppliers could increase the difficulty of obtaining such raw materials and finished products in the event of shortage in SSE's industry or cause it to pay higher prices to obtain such raw materials and finished products. Price increases, delays in delivery and interruptions in supply may require SSE to incur higher operating costs. Each of these could have a material adverse effect on SSE's business, financial condition and results of operations.

The loss of key executives could adversely affect SSE's ability to effectively operate and manage its business.

SSE is dependent upon the efforts and skills of its executives to operate and manage its business. SSE cannot assure you that it will be able to retain these employees, and the loss of the services of one or more of its key executives could increase its exposure to the other risks described in this Risk Factors section. SSE does not maintain key man insurance on any of its personnel.

SSE may record losses or impairment charges related to idle assets or assets that it sells.

Prolonged periods of low utilization, changes in technology or the sale of assets below their carrying value may cause SSE to experience losses. These events could result in the recognition of impairment charges that reduce its net income. Significant impairment charges as a result of adverse market conditions or otherwise could have a material adverse effect on SSE's financial condition.

The unavailability of skilled workers could hurt SSE's operations.

SSE is dependent upon the available pool of skilled employees to conduct its business safely, reliably and efficiently. SSE competes with other oilfield services businesses and other employers to attract and retain qualified personnel with the technical skills and experience required to provide the highest quality service. Historically, SSE's industry has experienced high employee turnover rates as a result of both the physically demanding nature of the work and the volatile and cyclical nature of the oilfield services industry. For example, there have been significant reductions in employee headcount throughout the oilfield services industry due to low oil and natural gas prices since mid-2014. Particularly if the current downturn is prolonged, many of these workers may retire or pursue employment opportunities in other industries, many of which may offer a more desirable work environment at wage rates that are competitive with SSE's. SSE cannot assure you that it will be able to recruit, train and retain an adequate number of workers to replace departing workers or that might be needed to take advantage of opportunities once the current business environment begins to improve. The inability to maintain an adequate workforce could have a material adverse effect on its business, financial condition, cash flows and results of operations.

During periods of high drilling and completions activities levels, the demand for skilled workers is high and the supply is limited, and a shortage in the labor pool of skilled workers or other general inflationary pressures or changes in applicable laws and regulations have in the past, and could in the future, make it more difficult for SSE to attract and retain personnel and require it to enhance its wage and benefits packages thereby increasing its operating costs.

Although SSE's employees are not covered by a collective bargaining agreement, union organizational efforts could occur and, if successful, could increase SSE's labor costs. A significant increase in the wages paid by competing employers or the unionization of groups of SSE's employees could result in increases in the wage rates that SSE must pay. Likewise, laws and regulations to which SSE are subject, such as the Fair Labor Standards Act, which governs such matters as minimum wage, overtime and other working conditions, can increase SSE's labor costs or subject it to liabilities to its employees. SSE cannot assure you that labor costs will not increase. Increases in SSE's labor costs or unavailability of skilled workers could impair its capacity and diminish its profitability, having a material adverse

effect on its business, financial condition and results of operations.

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SSE's inability to obtain or implement new technology may cause SSE to become less competitive.

The oilfield services industry is subject to the introduction of new drilling and completion techniques and services using new technologies, some of which may be subject to patent protection or costly to obtain. As competitors and others use or develop new technologies in the future, SSE may be placed at a competitive disadvantage. Furthermore, SSE may face competitive pressure to implement or acquire certain new technologies at a substantial cost. Some of its competitors have greater financial, technical and personnel resources that may allow them to enjoy technological advantages and implement new technologies before SSE can. SSE cannot be certain that it will be able to implement new technologies or products on a timely basis or at an acceptable cost. Thus, limits on SSE's ability to effectively use and implement new and emerging technologies may have a material adverse effect on SSE's business, financial condition and results of operations.

Oilfield anti-indemnity provisions enacted by many states may restrict or prohibit a party's indemnification of SSE.

SSE typically enters into agreements with its customers governing the provision of its services, which usually include certain indemnification provisions for losses resulting from operations. Such agreements may require each party to indemnify the other against certain claims regardless of the negligence or other fault of the indemnified party; however, many states place limitations on contractual indemnity agreements, particularly agreements that indemnify a party against the consequences of its own negligence. Furthermore, certain states, including Louisiana, New Mexico, Texas and Wyoming, have enacted statutes generally referred to as "oilfield anti-indemnity acts" expressly prohibiting certain indemnity agreements contained in or related to oilfield services agreements. Such oilfield anti-indemnity acts may restrict or void a party's indemnification of SSE, which could have a material adverse effect on SSE's business, financial condition and results of operations.

Delays in obtaining permits by SSE's customers for their operations could impair SSE's business.

SSE's customers are required to obtain permits from one or more governmental agencies in order to perform drilling and/or completion activities. Such permits are typically required by state agencies but can also be required by federal and local governmental agencies. The requirements for such permits vary depending on the location where such drilling and completion activities will be conducted. As with all governmental permitting processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit to be issued and the conditions which may be imposed in connection with the granting of the permit. Certain regulatory authorities have delayed or suspended the issuance of permits while the potential environmental impacts associated with issuing such permits can be studied and appropriate mitigation measures evaluated. Permitting delays, an inability to obtain new permits or revocation of SSE or SSE customers' current permits could cause a loss of revenue and could materially and adversely affect SSE's business, financial condition and results of operations.

Changes in laws or government regulations regarding hydraulic fracturing could increase SSE's costs of doing business, limit the areas in which SSE's customers can operate and reduce oil and natural gas production by SSE's customers, which could adversely impact its business.

The hydraulic fracturing process is water intensive and there has been increased public concern regarding the usage of water supplies for hydraulic fracturing, an alleged potential for hydraulic fracturing to adversely affect drinking water, and the suitability of disposal outlets for fracturing fluids. This has led to federal, state and local proposals that would increase the regulatory burden on hydraulic fracturing. Presently, hydraulic fracturing is regulated primarily at the state level, typically by state oil and natural gas commissions and similar agencies. Several states where SSE conducts its water and environmental services business, such as Texas and Pennsylvania, have either adopted or proposed laws and/or regulations to require oil and natural gas operators to disclose chemical ingredients and water volumes used to

hydraulically fracture wells. The chemical ingredient information is generally available to the public via online databases, and this may bring more public scrutiny to

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hydraulic fracturing operations. Apart from disclosure obligations, states have been imposing more stringent well construction and monitoring requirements. Local governments likewise have been enacting restrictions on fracturing. Congress has in recent legislative sessions considered legislation to amend the SDWA (as defined below), including legislation that would repeal the exemption for hydraulic fracturing from the definition of "underground injection" and require federal permitting and regulatory control of hydraulic fracturing, as well as legislative proposals to require disclosure of the chemical constituents of the fluids used in the fracturing process. The U.S. Congress may consider similar SDWA legislation in the future.

Federal agencies have been pursuing a variety of initiatives relating to hydraulic fracturing. For example, the EPA has asserted federal regulatory authority pursuant to the SDWA over certain hydraulic fracturing activities involving the use of diesel fuels and published permitting guidance on February 11, 2014 addressing the performance of such activities using diesel fuels in those states where the EPA is the permitting authority. Also, in 2014, the EPA issued an advance notice of proposed rulemaking under the Toxic Substances Control Act to solicit public input on the information that should be reported or disclosed for hydraulic fracturing chemical substances and mixtures. Further, the EPA proposed federal Clean Water Act regulations in 2015 that would govern wastewater discharges to publicly owned treatment works from hydraulic fracturing and certain other natural gas operations. In March 2015, the U.S. Department of the Interior promulgated a final rule for hydraulic fracturing activities on federal lands, including requirements for disclosure, well bore integrity and handling of flowback water; however, these rules were struck down by a federal court in Wyoming in June 2016. Moreover, in June 2012, the Occupational Safety and Health Administration (OSHA) and the National Institute of Occupational Safety and Health (NIOSH) issued a joint hazard alert for workers who use silica (commonly referred to as "sand") in hydraulic fracturing activities. OSHA formally proposed to lower the permissible exposure limit for airborne silica in 2013, and it has prepared guidance identifying other workplace hazards resulting from hydraulic fracturing along with ways to reduce exposure to those hazards.

The process of hydraulic fracturing produces large quantities of wastewater that must be disposed of, leading to a significant increase in the number of disposal wells drilled in recent years. Unlike enhanced recovery wells and hydraulic fracturing, wastewater disposal wells are not accompanied by any withdrawal of fluids and, thus, have greater potential for pressure buildup, potentially increasing the likelihood of induced seismic activity. In March 2016, the United States Geological Survey identified six states with the most significant hazards from induced seismicity, including Texas, Colorado, Oklahoma, Kansas, New Mexico and Arkansas. In addition, a number of lawsuits have been filed, most recently in Oklahoma, alleging that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells and hydraulic fracturing.

If new federal, state or local laws or regulations that significantly restrict hydraulic fracturing activities are adopted, such legal requirements could result in delays, eliminate certain drilling and completions activities and make it more difficult or costly for SSE to perform fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could reduce oil and natural gas exploration and production activities by SSE's customers and, therefore, adversely affect SSE's business. Such laws or regulations could also materially increase SSE's costs of compliance and doing business by more strictly regulating how hydraulic fracturing wastes are handled or disposed. The impact of such requirements could be materially adverse to SSE's business, financial condition and results of operations.

SSE and its customers are subject to federal, state and local laws and regulations regarding issues of health, safety, climate change and protection of the environment. Under these laws and regulations, SSE may become liable for penalties, damages or costs of remediation or other corrective measures. Any changes in laws or government regulations could increase SSE's costs of doing business.

SSE and its customers' operations are subject to stringent federal, state and local laws and regulations relating to, among other things, protection of natural resources, wetlands, endangered species, the environment,

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health and safety, waste management, waste disposal and transportation of waste and other materials. SSE's operations pose risks of environmental liability, including leakage or spills from SSE's operations to surface or subsurface soils, surface water or groundwater. Environmental laws and regulations often impose strict liability and may impose joint and several liability. Therefore, in some situations, SSE could be exposed to liability as a result of its conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties without regard to whether SSE caused or contributed to the conditions. Actions arising under these laws and regulations could result in the shutdown of SSE's operations, fines and penalties, expenditures for remediation or other corrective measures, and claims for liability for property damage, exposure to hazardous materials, exposure to hazardous waste or personal injuries. Sanctions for noncompliance with applicable environmental laws and regulations also may include the assessment of administrative, civil or criminal penalties, revocation of permits, temporary or permanent cessation of operations in a particular location and issuance of corrective action orders. Such claims or sanctions and related costs could cause SSE to incur substantial costs or losses and could have a material adverse effect on its business, financial condition and results of operations. Additionally, an increase in regulatory requirements on oil and natural gas exploration and completion activities could significantly delay or interrupt SSE's operations.

For instance, in May 2016, the EPA issued final new source performance standards governing methane emissions, imposing more stringent controls on methane and volatile organic compounds emissions at new and modified oil and natural gas production, processing, storage, and transmission facilities. The EPA has also announced that it intends to impose methane emission standards for existing sources and has issued information collection requests to companies with production, gathering and boosting, gas processing, storage, and transmission facilities. In November 2016, the Department of the Interior issued final rules relating to the venting, flaring and leaking of natural gas by oil and natural gas producers who operate on federal and Indian lands. The rules limit routine flaring of natural gas, require the payment of royalties on avoidable gas losses and require plans or programs relating to gas capture and leak detection and repair. In addition, several states are pursuing similar measures to regulate emissions of methane from new and existing sources within the oil and natural gas source category. As a result of this continued regulatory focus, future federal and state regulations of the oil and natural gas industry remain a possibility and could result in increased compliance costs on SSE's operations.

SSE's operations may incur substantial costs to comply with climate change legislation and regulatory initiatives, which may also reduce the demand for fossil fuels and its services.

In response to certain scientific studies suggesting that emissions of GHGs, including carbon dioxide and methane, are contributing to the warming of the Earth's atmosphere and other climatic conditions, the U.S. Congress has considered adopting comprehensive legislation to reduce emissions of GHGs, and almost one-half of the states have already taken legal measures to reduce emissions of GHGs, primarily through measures to promote the use of renewable energy and/or regional GHG cap-and-trade programs. In addition, in December 2009, the EPA determined that emissions of carbon dioxide, methane and certain other GHGs endanger public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the Earth's atmosphere and other climatic changes. Based on these findings, the EPA has begun adopting and implementing regulations to restrict emissions of GHGs under existing provisions of the Clean Air Act (the "CAA"). The EPA has already adopted rules under the CAA that, among other things, cover reductions in GHG emissions from motor vehicles, permits for certain large stationary sources of GHGs, monitoring and annual reporting of GHG emissions from specified GHG emission sources, including oil and natural gas exploration and production operations, and power plant performance standards that are designed to lead to the creation of additional state GHG control programs. For instance, the EPA has adopted rules under the CAA for the permitting of greenhouse gas emissions from stationary sources under the Prevention of Significant Deterioration ("PSD") and Title V permitting programs. In October 2015, the EPA finalized rules that added new sources to the scope of the GHG monitoring and reporting requirements. These new sources include gathering and boosting facilities as well as completions and workovers from hydraulically fractured oil wells. The revisions also

include the addition of well identification reporting requirements for certain facilities.

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Finally, efforts have also been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. In 2015, the United States participated in the United Nations Conference on Climate Change, which led to the creation of the Paris Agreement. In April 2016, the United States signed the Paris Agreement, which requires member countries to review and represent a progression in their nationally determined contributions, which set GHG emission reduction goals, every five years.

Although it is not possible at this time to estimate how potential future laws or regulations addressing GHG emissions would impact SSE's business, either directly or indirectly, any future federal, state or local laws or implementing regulations that may be adopted to address GHG emissions in areas where SSE operates could require SSE or its customers to incur increased compliance and operating costs. Regulation of GHGs could also result in a reduction in demand for and production of oil and natural gas, which would result in a decrease in demand for SSE's services. Additionally, to the extent that unfavorable weather conditions are exacerbated by global climate change or otherwise, SSE's operations may be adversely affected to a greater degree than it has previously experienced, including an increase in delays and costs. SSE cannot predict with any certainty at this time how these possibilities may affect its operations, but effects could be materially adverse. Restrictions on emissions of methane or carbon dioxide that may be imposed in various states likewise could adversely affect the oil and natural gas industry. Moreover, incentives to conserve energy or use alternative energy sources could reduce demand for oil and natural gas and thereby reduce demand for SSE's services.

Changes in Federal and/or State Motor Carrier regulations may increase SSE's costs and negatively impact SSE's results of operations.

For several facets of its operations, SSE operates trucks and other heavy equipment that are required to comply with Federal and/or State Motor Carrier regulations. The U.S. Department of Transportation and various state agencies exercise broad powers over SSE's motor carrier operations, generally governing such matters as the authorization to engage in various activities, safety, equipment testing and specifications and insurance requirements. The trucking industry is subject to possible regulatory and legislative changes that may impact SSE's operations, such as changes in fuel emissions limits, the hours of service regulations that govern the amount of time a driver may drive or work in any specific period, limits on vehicle weight and size and other matters. In 2011, the National Highway Traffic Safety Administration (NHTSA) and the EPA published regulations governing fuel efficiency and GHG emissions from medium- and heavy-duty trucks, beginning with vehicles built for model year 2014. In October 2016, those agencies finalized a second phase of fuel efficiency and GHG standards for medium- and heavy-duty trucks as well as trailers used in combination with tractors. The EPA regulates air emissions from certain off-road diesel engines that are used by SSE to power equipment in the field. Under these Tier IV regulations, SSE is required to retrofit or retire certain engines, and SSE is limited in the number of non-compliant off-road diesel engines it can purchase. Tier IV engines are costlier and are not always available. Until Tier IV-compliant engines that meet SSE's needs are available, these regulations could limit its ability to acquire a sufficient number of engines to expand its fleet and to replace existing engines as they are taken out of service. As a result of these regulations, SSE may experience an increase in costs related to truck purchases and maintenance, an impairment of equipment productivity, a decrease in the residual value of these vehicles and an increase in operating expenses. Proposals to increase federal, state or local taxes, including taxes on motor fuels, are also made from time to time, and any such increase would increase SSE's operating costs. SSE cannot predict whether, or in what form, any legislative or regulatory changes applicable to its trucking operations will be enacted and to what extent any such legislation or regulations could increase its costs or otherwise adversely affect its business, financial condition and results of operations.

Severe weather could have a material adverse effect on SSE's business.

Adverse weather can directly impede SSE's operations. Repercussions of severe weather conditions may include:

curtailment of services;

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weather-related damage to facilities and equipment, resulting in suspension of operations;

inability to deliver equipment and personnel to job sites in accordance with contract schedules; and

loss of productivity.

These constraints could delay SSE's operations and materially increase its operating and capital costs. Unusually warm winters or cool summers may also adversely affect the demand for its services by decreasing the demand for natural gas. SSE's operations in semi-arid regions can be affected by droughts and other lack of access to water used in SSE's operations, especially with respect to SSE's hydraulic fracturing operations.

Cybersecurity risks and threats could affect SSE's business.

SSE relies heavily on information systems to conduct its business. There can be no assurance that the systems SSE has designed to prevent or limit the effects of cyber incidents or attacks will be sufficient to prevent or detect such incidents or attacks, or to avoid a material impact on SSE's systems when such incidents or attacks do occur. If SSE's systems for protecting against cybersecurity risks are circumvented or breached, it could result in the loss of SSE's intellectual property or other proprietary information, including customer data, as well as disrupt SSE's normal business operations and result in significant costs to remedy the effects of such incidents.

A sustained failure of SSE's enterprise resource planning systems could adversely affect SSE's business.

Since the spin-off, SSE has implemented and used enterprise resource planning systems to operate its business. A sustained failure of these systems could adversely affect its business by preventing it from:

closing its financials and preparing financial statements;

tracking its repair and maintenance, payroll and other expenses;

tracking fixed assets or purchase orders and receipts for supply chain purchases;

gaining visibility of the financial performance at each of lines of business; and

being able to properly manage the needs of customers.

Since the completion of implementation, SSE has begun to integrate its enterprise resource planning systems into its operations. If its information technology systems are disrupted due to problems with the integration of such systems or otherwise, SSE's customers could determine that SSE has become unreliable and decrease their utilization of its services. Such a disruption to SSE's information technology systems could have an adverse effect on its business, financial condition and results of operations.

SSE is subject to continuing contingent tax liabilities of CHK following the spin-off.

Under the Code and the related rules and regulations, each corporation that was a member of CHK's consolidated tax reporting group during any taxable period or portion of any taxable period ending on or before the effective time of the spin-off is jointly and severally liable for the federal income tax liability of the entire consolidated tax reporting group for that taxable period. SSE has entered into a tax sharing agreement with CHK that allocates the responsibility for prior year taxes of CHK's consolidated tax reporting group between SSE and CHK and its subsidiaries. However, if CHK were unable to pay, SSE nevertheless could be required to pay the entire amount of such taxes.

SSE's tax sharing agreement limits its ability to take certain actions and may require SSE to indemnify CHK for significant tax liabilities which cannot be precisely quantified at this time.

Under the terms of SSE's tax sharing agreement with CHK, SSE generally is responsible for all taxes attributable to its business, whether accruing before, on or after the date of the spin-off, and CHK generally is

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responsible for any taxes arising from the spin-off or certain related transactions that are imposed on SSE, CHK or its other subsidiaries. Although CHK generally will be responsible for any taxes arising from the spin-off, SSE would be responsible for any such taxes to the extent such taxes result from certain actions or failures to act by SSE that occur after June 30, 2014, the effective date of the tax sharing agreement. SSE's liabilities under the tax sharing agreement could have a material adverse effect on SSE. At this time, SSE cannot precisely quantify the amount of liabilities it may have under the tax sharing agreement and there can be no assurances as to their final amounts.

In addition, in the tax sharing agreement SSE covenanted not to take any action, or fail to take any action, after the effective date of the tax sharing agreement, which action or failure to act is inconsistent with the spin-off qualifying under Sections 355 and 368(a)(1)(D) of the Code. As a result, SSE might determine to continue to operate certain of its business operations for the foreseeable future even if a sale or discontinuance of such business might otherwise have been advantageous.

Potential indemnification liabilities to CHK pursuant to the master separation agreement could materially adversely affect SSE.

The master separation agreement with CHK provides for, among other things, provisions governing the relationship between SSE and CHK resulting from the spin-off. Among other things, the master separation agreement provides for indemnification obligations designed to make SSE financially responsible for substantially all liabilities that may exist relating to its business activities incurred after the spin-off. If SSE is required to indemnify CHK under the circumstances set forth in the master separation agreement, SSE may be subject to substantial liabilities. Additionally, in certain circumstances, SSE will be prohibited from making an indemnity claim until it first seeks an insurance recovery.

In connection with SSE's separation from CHK, CHK indemnified SSE for certain liabilities. However, there can be no assurance that the indemnities will be sufficient to insure SSE against the full amount of such liabilities, or that CHK's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the master separation agreement and tax sharing agreement, CHK agreed to indemnify SSE for certain liabilities. However, third parties could seek to hold SSE responsible for any of the liabilities that CHK has agreed to retain, and there can be no assurance that the indemnity from CHK will be sufficient to protect SSE against the full amount of such liabilities, or that CHK will be able to fully satisfy its indemnification obligations. Moreover, even if SSE ultimately succeeds in recovering from CHK any amounts for which SSE is held liable, SSE may be temporarily required to bear these losses. If CHK is unable to satisfy its indemnification obligations, the underlying liabilities could have a material adverse effect on SSE's business, financial condition and results of operations.

SSE's actual financial results after emergence from bankruptcy are not comparable to its historical financial information as a result of SSE's implementation of the plan of reorganization, the transactions contemplated thereby and its adoption of fresh-start accounting.

In connection with the disclosure statement SSE filed with the bankruptcy court, and the hearing to consider confirmation of the plan of reorganization, SSE prepared projected financial information to demonstrate to the bankruptcy court the feasibility of the plan of reorganization and SSE's ability to continue operations upon its emergence from bankruptcy. Those projections were prepared solely for the purpose of the bankruptcy proceedings and have not been, and will not be, updated on an ongoing basis and should not be relied upon by investors. At the time they were prepared, the projections reflected numerous assumptions concerning SSE's anticipated future performance, with respect to prevailing and anticipated market and economic conditions that were and remain beyond SSE's control and may not materialize. Projections are inherently subject to substantial and numerous uncertainties and

to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections and/or valuation estimates may prove to be wrong in material respects.

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Actual results will likely vary significantly from those contemplated by the projections. As a result, investors should not rely on these projections.

In addition, upon SSE's emergence from bankruptcy, it adopted fresh-start accounting. Accordingly, SSE's financial conditions and results of operations following its emergence from bankruptcy are not comparable to the financial condition or results of operations reflected in SSE's historical financial statements. SSE's financial results for future periods following the application of fresh-start accounting will be different from historical trends and such differences may be material.

There is a limited trading market for SSE's securities and the market price of SSE's securities is subject to volatility.

Upon SSE's emergence from bankruptcy, SSE's old common stock was cancelled and SSE issued new common stock in its reorganization (New Common Stock). SSE's New Common Stock is not listed on any national or regional securities exchange or quoted on any over-the-counter market. SSE's New Common Stock is eligible to trade in the OTC Grey market. OTC Grey market securities do not have bid or ask quotations in the OTC Link system or the OTC Bulletin Board (OTCBB). Broker-dealers must report OTC Grey market trades to the Financial Industry Regulatory Authority (FINRA), therefore trade data is available on <http://www.otcm Markets.com> and other public sources. Generally, trading in the OTC Grey market is much more limited than trading on any national securities exchange. The market price of SSE's common stock could be subject to wide fluctuations in response to, and the level of trading that develops with SSE's common stock may be affected by, numerous factors, many of which are beyond SSE's control. These factors include, among other things, SSE's new capital structure as a result of the transactions contemplated by the plan of reorganization, its limited trading history subsequent to SSE's emergence from bankruptcy, SSE's limited trading volume, the concentration of holdings of SSE's common stock, the lack of comparable historical financial information due to SSE's adoption of fresh-start accounting, actual or anticipated variations in SSE's operating results and cash flow, the nature and content of SSE's earnings releases, announcements or events that impact SSE's products, customers, competitors or markets, business conditions in SSE's markets and the general state of the securities markets and the market for energy-related stocks, as well as general economic and market conditions and other factors that may affect SSE's future results, including those other risk factors described in this section. No assurance can be given that an active market will develop for the common stock or as to the liquidity of the trading market for the common stock. The common stock may be traded only infrequently in transactions arranged through brokers or otherwise, and reliable market quotations may not be available. Holders of SSE's common stock may experience difficulty in reselling, or an inability to sell, their shares. In addition, if an active trading market does not develop or is not maintained, significant sales of SSE's common stock, or the expectation of these sales, could materially and adversely affect the market price of SSE's common stock. No assurances can be given regarding SSE's ability to be quoted on one of the over-the-counter markets or a national exchange in a timely manner or at all.

SSE's historical financial information with respect to periods prior to June 30, 2014 is not necessarily indicative of its future financial condition or future results of operations nor does it reflect what SSE's financial condition or results of operations would have been as an independent public company during those periods.

The historical financial information prior to June 30, 2014 that SSE has included in this joint proxy statement/prospectus does not reflect what SSE's financial condition or results of operations would have been as an independent public company during the periods presented and is not necessarily indicative of SSE's future financial condition or future results of operations. This is primarily a result of the following factors:

SSE's historical financial results prior to June 30, 2014 reflect allocations of expenses for services historically provided by CHK, and those allocations may be significantly lower than the comparable expenses SSE would have incurred as an independent company;

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SSE's historical financial results prior to June 30, 2014 reflect CHK's guarantee of utilization levels for SSE's drilling rigs and following the spin-off such guarantee was terminated;

SSE's historical financial results prior to June 30, 2014 do not reflect various transactions that were effected in connection with the spin-off;

contracts with customers may be at less favorable rates than those in place under SSE's arrangement with CHK prior to the spin-off;

SSE's cost of debt and other capitalization is different from that reflected in its historical financial statements; and

the historical financial information may not fully reflect the increased costs associated with being an independent public company, including significant changes in SSE's cost structure, management, financing arrangements, cash tax payment obligations and business operations as a result of SSE's spin-off from CHK, including all the costs related to being an independent public company.

Members of SSE's management may have conflicts of interest because of their ownership of shares of common stock of CHK.

Members of SSE's management own shares of common stock of CHK. This ownership could create, or appear to create, potential conflicts of interest when SSE's executive officers are faced with decisions that could have different implications for SSE and CHK.

SSE historically has had material weaknesses in its internal control over financial reporting. If SSE does not maintain an effective system of internal control over financial reporting, SSE may not be able to accurately report its financial results.

A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. In prior periods SSE identified a control deficiency that constituted a material weakness. SSE did not design and maintain effective controls related to the recoverability of the carrying value of property and equipment. Specifically, SSE did not design a review precise enough to determine the accuracy and support of certain assumptions related to the property and equipment impairment assessments.

Deficiencies in internal control over financial reporting are matters that may require an extended period to remediate. SSE will continue to evaluate, design and implement policies and procedures to address deficiencies to maintain adequate internal control over financial reporting as a public company. Internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control objectives will be met. These inherent limitations include system errors, the potential for human error and unauthorized actions of employees or contractors, inadequacy of controls, temporary lapses in controls due to shortfalls in transition planning and oversight or resources, and other factors. Consequently, such controls may not prevent or detect misstatements in SSE's reported financial results as required under SEC and any exchange rules, which could increase our operating costs or impair our ability to operate SSE's business. Controls may also become inadequate due to changes in circumstances, and it is necessary to replace, upgrade or modify SSE's internal

information systems from time to time.

If SSE management is not successful in maintaining a strong internal control environment, material weaknesses could occur, causing investors to lose confidence in SSE's reported financial information. This could lead to a decline in SSE's stock price, limit SSE's ability to access the capital markets in the future, and require SSE to incur additional costs to improve its internal control systems and procedures.

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There may be circumstances in which the interests of SSE's significant stockholders could be in conflict with the interests of SSE's other stockholders.

Funds associated with BlueMountain Capital Management, LLC, Axar Capital Management, LLC and Mudrick Capital Management, L.P. currently own approximately 35.0%, 15.6% and 8.6%, respectively, of SSE's outstanding common stock. Circumstances may arise in which these stockholders may have an interest in pursuing or preventing acquisitions, divestitures or other transactions, including the issuance of additional shares or debt, that, in their judgment, could enhance their investment in SSE or another company in which they invest. Such transactions might adversely affect SSE or other holders of SSE's common stock. Furthermore, SSE has entered into a Stockholders Agreement with the Registration Rights Holders that provides for certain director nomination rights subject to conditions on share ownership. Certain significant actions by SSE require the consent of one or more of the Holders. These actions include, but are not limited to, the issuance of equity securities of SSE representing more than 10% of the shares of New Common Stock issued pursuant to the plan of reorganization, the incurrence of indebtedness under the New ABL Credit Facility in excess of \$275 million in the aggregate and other indebtedness in excess of \$550 million in the aggregate, and the consummation of acquisitions greater than \$100 million. In addition, SSE's significant concentration of share ownership may adversely affect the trading price of SSE's common shares because investors may perceive disadvantages in owning shares in companies with significant stockholders.

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THE COMPANIES

Patterson-UTI Energy, Inc.

Patterson-UTI Energy, Inc., a Delaware corporation, is a Houston, Texas-based oilfield services company that primarily owns and operates in the United States one of the largest fleets of land-based drilling rigs and a large fleet of pressure pumping equipment. Patterson-UTI's contract drilling business operates in the continental United States and western Canada, and its pressure pumping business operates primarily in Texas and the Appalachian region. Patterson-UTI also manufactures and sells pipe handling components and related technology to drilling contractors in North America and other select markets. In addition, Patterson-UTI owns and invests as a non-operating working interest owner in oil and natural gas assets that are primarily located in Texas and New Mexico. As of December 31, 2016, Patterson-UTI had a drilling fleet that included 161 APEX® rigs. As of December 31, 2016, Patterson-UTI had approximately 1.1 million hydraulic horsepower to provide pressure pumping services.

Patterson-UTI's common stock is traded on the Nasdaq Global Select Market under the symbol PTEN.

The principal executive offices of Patterson-UTI are located at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, and Patterson-UTI's telephone number is (281) 765-7100. Additional information about Patterson-UTI and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 233.

Seventy Seven Energy Inc.

Seventy Seven Energy Inc., a Delaware corporation, is an Oklahoma City-based independent oilfield services company that provides a wide range of wellsite services and equipment to U.S. land-based exploration and production customers operating in unconventional resource plays. SSE offers services and equipment that are strategic to its customers' oil and natural gas operations. SSE's services include drilling, hydraulic fracturing and oilfield rentals. SSE's operations are geographically diversified across many of the most active oil and natural gas plays in the onshore United States, including the Anadarko and Permian Basins and the Eagle Ford, Haynesville, Marcellus, Niobrara and Utica Shales.

On June 30, 2014, SSE separated from Chesapeake Energy Corporation (CHK) in a series of transactions, which is referred to in this joint proxy statement/prospectus as the spin-off. Prior to the spin-off, SSE was an Oklahoma limited liability company operating under the name Chesapeake Oilfield Operating, L.L.C. and an indirect, wholly owned subsidiary of CHK.

SSE's common stock is traded on the OTC Market Group Inc.'s OTC Grey market (the OTC Grey) under the symbol SVNT.

The principal executive offices of SSE are located at 777 NW 63rd St., Oklahoma City, Oklahoma 73116, and SSE's telephone number is (405) 608-7777.

Pyramid Merger Sub, Inc.

Pyramid Merger Sub, Inc., a wholly owned subsidiary of Patterson-UTI, is a Delaware corporation that was formed on December 7, 2016 for the sole purpose of effecting the merger. In the merger, Merger Sub will be merged with and into SSE, with SSE surviving the merger as a wholly owned subsidiary of Patterson-UTI.

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THE PATTERSON-UTI SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the Patterson-UTI stockholders as part of a solicitation of proxies by the Patterson-UTI board of directors for use at the Patterson-UTI special meeting to be held at the time and place specified below and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement/prospectus provides Patterson-UTI stockholders with information they need to know to be able to vote or instruct their vote to be cast at the Patterson-UTI special meeting.

Date, Time and Place

The special meeting of Patterson-UTI stockholders will be held at Patterson-UTI's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, on _____, 2017, at _____, local time.

Purpose of the Patterson-UTI Special Meeting

At the Patterson-UTI special meeting, Patterson-UTI stockholders will be asked to consider and vote on the following:

a proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger;

a proposal to approve the adjournment of the Patterson-UTI special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Completion of the merger is conditioned on approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger.

Recommendation of the Patterson-UTI Board of Directors

At a special meeting held on December 12, 2016, the Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable and fair to and in the best interests of Patterson-UTI stockholders. **Accordingly, the Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

Patterson-UTI stockholders should read carefully this joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety for more detailed information concerning the merger and the transactions contemplated by the merger agreement.

Patterson-UTI Record Date; Stockholders Entitled to Vote

The record date for the Patterson-UTI special meeting is February 22, 2017. Only record holders of shares of Patterson-UTI common stock at the close of business on such date are entitled to notice of, and to vote at, the Patterson-UTI special meeting. At the close of business on the record date, Patterson-UTI's only outstanding class of voting securities was the Patterson-UTI common stock, and 166,327,753 shares of Patterson-UTI common stock were issued and outstanding. A list of the Patterson-UTI stockholders of record who are entitled to vote at the Patterson-UTI special meeting will be available for inspection by any Patterson-UTI stockholder

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for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Patterson-UTI special meeting at Patterson-UTI's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064 and will also be available at the Patterson-UTI special meeting for examination by any stockholder present at such meeting.

Each share of Patterson-UTI common stock outstanding on the record date for the Patterson-UTI special meeting is entitled to one vote on each proposal and any other matter coming before the Patterson-UTI special meeting.

Voting by Patterson-UTI's Directors and Executive Officers

At the close of business on the record date for the Patterson-UTI special meeting, Patterson-UTI directors and executive officers were entitled to vote shares of Patterson-UTI common stock or approximately % of the shares of Patterson-UTI common stock outstanding on that date. The Patterson-UTI directors and executive officers are currently expected to vote their shares in favor of all Patterson-UTI proposals.

Quorum

No business may be transacted at the Patterson-UTI special meeting unless a quorum is present. Stockholders who hold shares representing at least a majority of the voting power of all outstanding shares of common stock entitled to vote at the Patterson-UTI special meeting must be present in person or represented by proxy to constitute a quorum. If a quorum is not present at the special meeting, or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to issue shares of Patterson-UTI common stock in connection with the merger, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, Patterson-UTI stockholders may be asked to vote on a proposal to adjourn the Patterson-UTI special meeting in order to permit the further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days, or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which cases a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

All shares of Patterson-UTI common stock represented at the Patterson-UTI special meeting, including shares that are represented but that vote to abstain from voting on one or more proposals, will be treated as present for purposes of determining the presence of a quorum. Broker non-votes will not be treated as present for purposes of determining the presence of a quorum.

Required Vote

The required votes to approve the Patterson-UTI proposals are as follows:

The issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger requires the affirmative vote of a majority of the shares of Patterson-UTI common stock present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote on the proposal, assuming a quorum is present. Each share of Patterson-UTI common stock outstanding on the record date for the Patterson-UTI special meeting is entitled to one vote on this proposal. Assuming a quorum is present, shares

that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

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The adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote on the proposal, regardless of whether there is a quorum. Each share of Patterson-UTI common stock outstanding on the record date for the Patterson-UTI special meeting is entitled to one vote on this proposal. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

Voting of Proxies by Holders of Record

If you were a record holder of Patterson-UTI common stock at the close of business on the record date for the Patterson-UTI special meeting, a proxy card is enclosed for your use. Patterson-UTI requests that you vote your shares as promptly as possible by (i) accessing the internet site listed on the Patterson-UTI proxy card, (ii) calling the toll-free number listed on the Patterson-UTI proxy card or (iii) submitting your Patterson-UTI proxy card by mail by using the provided self-addressed, stamped envelope. Information and applicable deadlines for voting through the internet or by telephone are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the shares of Patterson-UTI common stock represented by it will be voted at the Patterson-UTI special meeting in accordance with the instructions contained in the proxy card. Your internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned a proxy card.

If a proxy is returned without an indication as to how the shares of Patterson-UTI common stock represented are to be voted with regard to a particular proposal, the Patterson-UTI common stock represented by the proxy will be voted in accordance with the recommendation of the Patterson-UTI board of directors and, therefore, FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and FOR the proposal to adjourn the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

At the date hereof, the Patterson-UTI board of directors has no knowledge of any business that will be presented for consideration at the Patterson-UTI special meeting and that would be required to be set forth in this joint proxy statement/prospectus or the related proxy card other than the matters set forth in Patterson-UTI's Notice of Special Meeting of Stockholders. If any other matter is properly presented at the Patterson-UTI special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

Your vote is important. Accordingly, if you were a record holder of Patterson-UTI common stock on the record date for the Patterson-UTI special meeting, please sign and return the enclosed proxy card or vote via the internet or telephone regardless of whether you plan to attend the Patterson-UTI special meeting in person. Proxies submitted through the specified internet website or by phone must be received by _____, eastern time, on _____, 2017 to ensure that the proxies are voted.

Shares Held in Street Name

If you hold shares of Patterson-UTI common stock through a broker, bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is your broker, bank or other nominee, and not you, and you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Patterson-UTI or by voting in person at the Patterson-UTI special meeting unless you have a legal proxy, which you must obtain from your

broker, bank or other nominee. Furthermore, brokers, banks or other nominees who hold shares of Patterson-UTI common stock on behalf of their customers may not give a proxy to Patterson-UTI to vote those shares without specific instructions from their customers.

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If you are a Patterson-UTI stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on any of the Patterson-UTI proposals.

Voting in Person

If you plan to attend the Patterson-UTI special meeting and wish to vote in person, you will be given a ballot at the special meeting. If you are a registered stockholder, please be prepared to provide proper identification, such as a driver's license, at the Patterson-UTI special meeting. If your shares are held in street name, you must bring to the special meeting a proxy executed in your favor from the record holder (your broker, bank or other nominee) of the shares authorizing you to vote at the special meeting.

Revocation of Proxies

If you are the record holder of Patterson-UTI common stock, you can change your vote or revoke your proxy at any time before your proxy is voted at the special meeting. You can do this by:

Giving written notice to Patterson-UTI's corporate secretary;

Delivering a valid, later-dated proxy or a later-dated vote by telephone or on the internet in a timely manner;
or

Voting by ballot at the special meeting.

A registered stockholder may revoke a proxy by any of these methods, regardless of the method used to deliver the stockholder's previous proxy. Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Patterson-UTI Energy, Inc.

10713 West Sam Houston Parkway North, Suite 800

Houston, Texas 77064

(281) 765-7100

Attention: Corporate Secretary

If your shares are held in street name through a broker, bank or other nominee and deliver voting instructions to the record holder of those shares, you may only revoke the voting of those shares in accordance with your instruction if the record holder revokes the original proxy as directed above and either resubmits a proxy reflecting your voting instructions or delivers to you a legal proxy giving you the right to vote the shares.

Solicitation of Proxies

Patterson-UTI is soliciting proxies for the Patterson-UTI special meeting from its stockholders. In accordance with the merger agreement, Patterson-UTI will pay its own cost of soliciting proxies from its stockholders, including the cost of mailing this joint proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by Patterson-UTI's officers, directors and regular employees, without additional remuneration, by personal interview, telephone or other means of communication.

Patterson-UTI will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of Patterson-UTI common stock. Patterson-UTI may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

To help ensure the presence in person or by proxy of the holders of the largest number of shares of Patterson-UTI common stock possible, Patterson-UTI has engaged Georgeson LLC ("Georgeson"), a proxy solicitation firm, to solicit proxies on Patterson-UTI's behalf. Patterson-UTI has agreed to pay Georgeson a proxy solicitation fee not to exceed \$10,000. Patterson-UTI will also reimburse Georgeson for its reasonable out-of-pocket costs and expenses.

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Adjournments

The Patterson-UTI special meeting may be adjourned from time to time by the by the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or by proxy at the Patterson-UTI special meeting and entitled to vote thereon, regardless of whether there is a quorum, without further notice other than by an announcement made at the special meeting. If a quorum is not present at the special meeting, or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to issue shares of Patterson-UTI common stock in connection with the merger, then Patterson-UTI stockholders may be asked to vote on a proposal to adjourn the Patterson-UTI special meeting in order to permit the further solicitation of proxies.

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THE SSE SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the SSE stockholders as part of a solicitation of proxies by the SSE board of directors for use at the SSE special meeting to be held at the time and place specified below and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement/prospectus provides SSE stockholders with information they need to know to be able to vote or instruct their vote to be cast at the SSE special meeting.

Date, Time and Place

The special meeting of SSE stockholders will be held at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on _____, 2017, at _____, local time.

Purpose of the SSE Special Meeting

At the SSE special meeting, SSE stockholders will be asked to consider and vote on the following:

a proposal to adopt the merger agreement;

a proposal to approve, on an advisory (non-binding) basis the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger; and

a proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Completion of the merger is conditioned on the approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, by the SSE stockholders, which requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is a vote separate and apart from the vote on the proposal to adopt the merger agreement. Accordingly, a SSE stockholder may vote to approve one proposal and not the other. Because the vote on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is advisory in nature only, it will not be binding on SSE or Patterson-UTI, and the approval of that proposal is not a condition to the completion of the merger.

Recommendation of the SSE Board of Directors

At a special meeting held on December 12, 2016, the SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. **Accordingly, the SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE**

special meeting, if necessary or appropriate, to permit further solicitation of proxies.

SSE stockholders should read carefully this joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety for more detailed information concerning the merger and the transactions contemplated by the merger agreement.

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SSE Record Date; Stockholders Entitled to Vote

The record date for the SSE special meeting is February 22, 2017. Only record holders of shares of SSE common stock at the close of business on such date are entitled to notice of, and to vote at, the SSE special meeting. At the close of business on the record date, the only outstanding voting securities of SSE were shares of common stock, and 22,949,374 shares of SSE common stock were issued and outstanding and entitled to vote at the SSE special meeting. A list of the SSE stockholders of record who are entitled to vote at the SSE special meeting will be available for inspection by any SSE stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the SSE special meeting at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116 and will also be available at the SSE special meeting for examination by any stockholder present at such meeting.

Each share of SSE common stock outstanding on the record date for the SSE special meeting is entitled to one vote on each proposal and any other matter coming before the SSE special meeting.

Voting by SSE's Directors and Executive Officers

At the close of business on the record date for the SSE special meeting, SSE directors and executive officers were entitled to vote _____ shares of SSE common stock or approximately _____ % of the shares of SSE common stock issued and outstanding and entitled to vote at the SSE special meeting. The SSE directors and executive officers are currently expected to vote their shares in favor of all SSE proposals.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC, BlueMountain Capital Management, LLC and Mudrick Capital Management, L.P. have entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE's board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder's sole discretion. See The Merger Agreement Voting and Support Agreements beginning on page 148 for more information.

Quorum

No business may be transacted at the SSE special meeting unless a quorum is present. Stockholders who hold shares representing at least a majority of the voting power of all outstanding shares of common stock entitled to vote at the SSE special meeting must be present in person or represented by proxy to constitute a quorum. If a quorum is not present or if fewer shares are voted in favor of the proposal to adopt the merger agreement, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, SSE stockholders may be asked to vote on a proposal to adjourn the SSE special meeting in order to permit the further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which cases a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been

effectively revoked or withdrawn prior to the adjourned meeting.

All shares of SSE common stock represented at the SSE special meeting, including shares that are represented but that abstain from voting on one or more proposals, will be treated as present for purposes of determining the presence of a quorum. Broker non-votes will not be treated as present for purposes of determining the presence of a quorum.

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Required Vote

The required votes to approve the SSE proposals are as follows:

The approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote on this proposal. Each share of SSE common stock outstanding on the record date for the SSE special meeting is entitled to one vote on this proposal. Failures to vote, broker non-votes (if any) and abstentions will have the same effect as a vote **AGAINST** the approval of such proposal.

The approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote on this proposal, assuming a quorum is present. Each share of SSE common stock outstanding on the record date for the SSE special meeting is entitled to one vote on this proposal. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote **AGAINST** the approval of such proposal.

The approval of the adjournment of the SSE special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote on this proposal, regardless of whether there is a quorum. Each share of SSE common stock outstanding on the record date for the SSE special meeting is entitled to one vote on this proposal. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote **AGAINST** the approval of such proposal.

Voting of Proxies by Holders of Record

If you were a record holder of SSE common stock at the close of business on the record date for the SSE special meeting, a proxy card is enclosed for your use. SSE requests that you vote your shares as promptly as possible by (i) accessing the internet site listed on the SSE proxy card, (ii) calling the toll-free number listed on the SSE proxy card or (iii) submitting your SSE proxy card by mail by using the provided self-addressed, stamped envelope. Information and applicable deadlines for voting through the internet or by telephone are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the shares of SSE common stock represented by it will be voted at the SSE special meeting in accordance with the instructions contained in the proxy card. Your internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned a proxy card.

If a proxy is returned without an indication as to how the shares of SSE common stock represented are to be voted with regard to a particular proposal, the SSE common stock represented by the proxy will be voted in accordance with the recommendation of the SSE board of directors and, therefore, **FOR** the proposal to adopt the merger agreement, **FOR** the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and **FOR** the proposal to adjourn the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

At the date hereof, the SSE board of directors has no knowledge of any business that will be presented for consideration at the SSE special meeting and that would be required to be set forth in this joint proxy statement/prospectus or the related proxy card other than the matters set forth in SSE's Notice of Special Meeting of Stockholders. If any other matter is properly presented at the SSE special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

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Your vote is important. Accordingly, if you were a record holder of SSE common stock on the record date for the SSE special meeting, please sign and return the enclosed proxy card or vote via the internet or telephone regardless of whether you plan to attend the SSE special meeting in person. Proxies submitted through the specified internet website or by phone must be received by _____, eastern time, on _____, 2017 to ensure that your vote is counted.

Shares Held in Street Name

If you hold shares of SSE common stock through a broker, bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is your broker, bank or other nominee, and not you, and you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to SSE or by voting in person at the SSE special meeting unless you have a legal proxy, which you must obtain from your broker, bank or other nominee. Furthermore, brokers, banks or other nominees who hold shares of SSE common stock on behalf of their customers may not give a proxy to SSE to vote those shares without specific instructions from their customers.

If you are a SSE stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on any of the SSE proposals.

Voting in Person

If you plan to attend the SSE special meeting and wish to vote in person, you will be given a ballot at the special meeting. If you are a registered stockholder, please be prepared to provide proper identification, such as a driver's license, at the SSE special meeting. If your shares are held in street name, you must bring to the special meeting a proxy executed in your favor from the record holder (your broker, bank or other nominee) of the shares authorizing you to vote at the special meeting.

Revocation of Proxies

If you are the record holder of SSE common stock, you can change your vote or revoke your proxy at any time before your proxy is voted at the special meeting. You can do this by:

timely delivering a signed written notice of revocation;

timely delivering a new, valid proxy bearing a later date (including by mail, telephone or through the internet); or

attending the SSE special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person. Simply attending the SSE special meeting without voting will not revoke any proxy that you have previously given or change your vote.

A registered stockholder may revoke a proxy by any of these methods, regardless of the method used to deliver the stockholder's previous proxy. Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Seventy Seven Energy Inc.

777 N.W. 63rd Street

Oklahoma City, Oklahoma 73116

(405) 608-7777

Attention: Corporate Secretary

If your shares are held in street name through a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or nominee in accordance with its established procedures. If your shares are held in the name of a broker, bank or other nominee and you decide to change your

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vote by attending the special meeting and voting in person, your vote in person at the special meeting will not be effective unless you have obtained and present an executed proxy issued in your name from the record holder (your broker, bank or nominee).

Solicitation of Proxies

SSE is soliciting proxies for the SSE special meeting from its stockholders. In accordance with the merger agreement, SSE will pay its own cost of soliciting proxies from its stockholders, including the cost of mailing this joint proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by SSE's officers, directors and regular employees, without additional remuneration, by personal interview, telephone or other means of communication.

SSE will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of SSE common stock. SSE may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Adjournments

The SSE special meeting may be adjourned from time to time by the chairman of the SSE special meeting or by the affirmative vote of a majority of the voting power of the outstanding shares of SSE common stock so represented, regardless of whether there is a quorum. Notice does not need to be given of any such adjourned meeting if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken. However, if the adjournment is for more than 30 days, a notice of the adjourned meeting must be given to each SSE stockholder of record entitled to vote at the meeting. At the adjourned meeting, SSE may transact any business that might have been transacted at the original meeting. If a quorum is not present at the SSE special meeting or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement then SSE stockholders may be asked to vote on a proposal to adjourn the SSE special meeting in order to permit the further solicitation of proxies.

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THE MERGER

Effects of the Merger

At the effective time, Merger Sub, a wholly owned subsidiary of Patterson-UTI that was formed for the sole purpose of effecting the merger, will merge with and into SSE. SSE will survive the merger and become a wholly owned subsidiary of Patterson-UTI.

In the merger, each share of SSE common stock outstanding immediately prior to the effective time, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected, will be converted at the effective time into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio, with cash (without interest) paid in lieu of fractional shares. This exchange ratio will not be adjusted to reflect stock price changes prior to the closing of the merger. Patterson-UTI stockholders will continue to hold their existing shares of Patterson-UTI common stock.

Background of the Merger

The management and board of directors of both SSE and Patterson-UTI regularly review the performance, strategy, competitive position, opportunities and prospects of their respective companies, in light of the current business and economic environments and developments in the oil and natural gas industry. These reviews have included consideration of potential strategic alternatives, including pursuing potential strategic combinations and, in the case of SSE, a public offering and re-listing of SSE common stock on a major stock exchange. In the case of Patterson-UTI, it has most recently considered the acquisition of, or combination with, other drilling and pressure pumping businesses and other complementary oilfield service businesses, none of which progressed past preliminary discussions.

Patterson-UTI and its predecessor companies were major consolidators of land rigs, acquiring more than approximately 390 rigs in rig purchase transactions from 1995 through 2006. In 2006, Patterson-UTI effectively stopped acquiring rigs based on its determination that there were few, if any, rig fleets that were as technically advanced as the APEX® rigs that Patterson-UTI was designing and building.

From 2006 through 2016, Patterson-UTI has focused on growing its two core businesses, Contract Drilling and Pressure Pumping. In Contract Drilling, since 2006, Patterson-UTI has built 161 APEX® rigs, which are a type of high-spec rigs that are in demand in the United States onshore drilling market, as they allow Patterson-UTI customers efficiently to drill wells with long, horizontal laterals, and to drill multiple wells from one pad location.

In Pressure Pumping, Patterson-UTI has grown its fleet significantly over the past ten years, from a fleet of 43,000 fracturing horsepower at year-end 2006 to more than one million fracturing horsepower at year-end 2016. Patterson-UTI has grown its Pressure Pumping fleet based on the fundamental shift to unconventional resource plays, such as shale formations, which require increased pressure pumping horsepower and increased overall frac intensity. Patterson-UTI has grown its pressure pumping fleet through strategic acquisitions and through the construction of new equipment. Since 2010, Patterson-UTI has acquired pressure pumping assets totaling more than 350,000 fracturing horsepower. In addition to the increased horsepower, these acquisitions expanded Patterson-UTI's geographic footprint beyond its traditional focus in the northeast United States. Coincident with the acquisitions, Patterson-UTI has also organically grown its pressure pumping fleet through the construction of nearly 700,000 new fracturing horsepower.

In addition to profitable growth in the number of high-spec rigs and pressure pumping horsepower, Patterson-UTI has built an organization dedicated to constant improvement in the quality of service provided to its customers in both

businesses. This operational focus has led to significant improvements in safety and field operations. Patterson-UTI believes that it is now ranked among the leaders in both businesses in all significant operational and safety metrics.

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In October 2013, Patterson-UTI became aware that Chesapeake Energy Corporation (CHK) planned to spin-off its oilfield service business, including its fleet of drilling rigs, pressure pumping assets, rentals business and trucking assets. Prior to the spin-off, Patterson-UTI met with CHK to discuss a potential transaction in which Patterson-UTI would acquire from CHK these drilling rigs and pressure pumping assets. Patterson-UTI believed that the new rigs CHK was building were among the better designed and built new high-spec rigs in the land rig industry, and that the acquisition of this rig fleet would enable Patterson-UTI to better compete with competitors that had started building new high-spec rigs earlier than Patterson-UTI.

Additionally, the sizeable pressure pumping fleet would allow Patterson-UTI to achieve greater scale in a business in which scale provides efficiency. As these assets were built for a major exploration and production operator and were relatively new, Patterson-UTI had confidence in the quality of the assets. CHK also had invested significantly to build yards, maintenance and related facilities. In addition, both the drilling and pressure pumping operations had a reputation for providing excellent customer service and doing so in a safe and efficient manner. Perhaps most significantly, Patterson-UTI believed that there were no other businesses in the industry that were as complementary to Patterson-UTI. As such, Patterson-UTI believed that acquiring these assets would substantially enhance both of its core businesses.

In late 2013, Patterson-UTI conducted due diligence, including meeting with management of CHK s drilling business and physically inspecting multiple drilling rigs. However, following an offer by Patterson-UTI to purchase the drilling and pressure pumping businesses, CHK elected to spin off these businesses, together with the remainder of its oilfield services business, through a distribution of shares of SSE common stock to existing stockholders of CHK. The spin-off occurred on June 30, 2014, and the new company was named Seventy Seven Energy Inc.

As a publicly traded company, SSE s enterprise value reached a high of \$2.8 billion in late summer 2014. Ultimately, due to the high level of debt that SSE assumed as part of its separation from CHK and the downturn in oilfield services activity as a result of the severe drop in the price of oil beginning in the fall of 2014, on June 7, 2016, SSE and its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the Bankruptcy Court).

On June 27, 2016, Andy Hendricks, Patterson-UTI s Chief Executive Officer, and Mark Siegel, Patterson-UTI s Executive Chairman, met with representatives of Piper Jaffray, through its Simmons & Company International division, about several business matters. As part of this meeting, Messrs. Hendricks and Siegel asked Piper Jaffray to review whether SSE, following emergence from bankruptcy, would be an attractive merger candidate.

Patterson-UTI believed that the same strategic rationale that was strong in 2013 was stronger in 2016. SSE added additional new rigs to its fleet and additional pressure pumping horsepower since its spin-off from CHK in June 2014. Moreover, SSE continued to be an effective service provider both in drilling and pressure pumping despite operating in Chapter 11. Patterson-UTI believed that the acquisition of SSE could add roughly 25% to its fleet of high-spec rigs, and 50% to its pressure pumping horsepower. After completing its review, Piper Jaffray reported to Patterson-UTI management that SSE appeared to be an attractive acquisition candidate and suggested that Piper Jaffray approach Jed DiPaolo, the Chairman of the SSE board of directors, following SSE s emergence from bankruptcy to inquire about SSE s possible interest in merging with Patterson-UTI.

On July 14, 2016, the Bankruptcy Court issued an order confirming the Joint Pre-packaged Plan of Reorganization (the Reorganization Plan) of SSE and its subsidiaries.

At the regularly scheduled meeting of the Patterson-UTI board of directors on July 27, 2016, Mr. Siegel informed the Patterson-UTI board of directors of the request to Piper Jaffray to study SSE, Piper Jaffray s recommendation and the

planned approach to Mr. DiPaolo. The Patterson-UTI board of directors authorized management to execute on the plan. During the subsequent months, in addition to the board meetings described below, Mr. Siegel had frequent conversations with Curtis Huff, Patterson-UTI's Lead Director, to keep him

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apprised of the developments in the potential transaction with SSE. Additionally, Mr. Siegel regularly informed other Patterson-UTI directors about the status of the SSE discussions.

On August 1, 2016, the Reorganization Plan became effective pursuant to its terms and SSE and its subsidiaries emerged from their Chapter 11 cases.

On August 5, 2016, representatives of Piper Jaffray met with Mr. DiPaolo and informed him that Patterson-UTI, a client of Piper Jaffray, had expressed interest in acquiring SSE and inquired whether Mr. DiPaolo would be willing to meet with Mr. Hendricks and Mr. Siegel. While Mr. DiPaolo acknowledged that SSE would be a strategic fit for Patterson-UTI, he emphasized the quality of the SSE assets, the progress that SSE had made operationally and the speed with which it had emerged from the Chapter 11 proceedings. Mr. DiPaolo stated that he would discuss the matter with the SSE board of directors.

On August 9, 2016, the SSE board of directors held a special meeting to discuss Mr. DiPaolo's meeting with representatives of Piper Jaffray. After full discussion, the SSE board of directors directed Mr. DiPaolo to obtain more information regarding Patterson-UTI's interest in SSE. Following this meeting, Mr. DiPaolo contacted representatives of SSE's three largest stockholders: Axar Capital Management, LLC (Axar), BlueMountain Capital Management, LLC (BlueMountain) and Mudrick Capital Management, L.P. (Mudrick) and, together with BlueMountain and Axar, the Significant SSE Stockholders, which held and were entitled to vote in the aggregate approximately 59% of the outstanding shares of SSE common stock. Mr. DiPaolo discussed with the representatives of the Significant SSE Stockholders prices at which such stockholders would consider supporting a business combination transaction with Patterson-UTI.

On August 12, 2016, Mr. DiPaolo called a representative of Piper Jaffray to arrange for a meeting on August 19, 2016. During the August 19th meeting, representatives of Piper Jaffray inquired about SSE's interest in pursuing a potential merger with Patterson-UTI. Mr. DiPaolo responded that SSE intended to pursue a public offering and re-listing of SSE common stock on a major stock exchange and, if Patterson-UTI remained interested, discussions about a potential merger could be explored after this process was complete.

Following that meeting, at Mr. Siegel's request, representatives of Piper Jaffray asked Mr. DiPaolo to arrange a meeting in early September between Patterson-UTI management and representatives of the Significant SSE Stockholders in New York to further discuss a potential strategic transaction between Patterson-UTI and SSE. Mr. DiPaolo agreed to do so on the understanding that such discussion would be focused on Patterson-UTI and the industrial logic of a merger between Patterson-UTI and SSE and his belief that Patterson-UTI would likely require that the Significant SSE Stockholders enter into voting and support agreements with respect to any business combination ultimately negotiated between Patterson-UTI and SSE.

On August 25, 2016, the SSE board of directors held a special meeting to discuss Mr. DiPaolo's meeting with representatives of Piper Jaffray, including Piper Jaffray's request that representatives of Patterson-UTI meet with representatives of the Significant SSE Stockholders. After full discussion, the SSE board of directors agreed to continue pursuing other strategic alternatives for SSE, including a public offering and re-listing of SSE common stock, and the SSE board of directors directed SSE's management to begin preliminary work in anticipation of such an offering. Representatives of the Significant SSE Stockholders indicated that they would be willing to meet with Patterson-UTI.

On September 6, 2016, Messrs. Hendricks and Siegel met in the New York offices of BlueMountain with representatives of the Significant SSE Stockholders. During this meeting and in the subsequent meetings and conversations between representatives of Patterson-UTI and representatives of the Significant SSE Stockholders, each

representative of the Significant SSE Stockholders acted solely in his capacity as representative of a Significant SSE Stockholder. At the meeting, Messrs. Hendricks and Siegel provided the representatives of the Significant SSE Stockholders with background information regarding Patterson-UTI and its management, background on Patterson-UTI's attempt to acquire these assets previously from CHK and the industrial logic of a merger between SSE and Patterson-UTI. Representatives of the Significant SSE Stockholders inquired as to how

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Patterson-UTI proposed to determine the value of SSE. Messrs. Hendricks and Siegel discussed their thoughts on valuation methodology, but they did not provide specific valuation amounts as the purpose of the meeting had been to discuss Patterson-UTI and the industrial logic of a merger between Patterson-UTI and SSE.

Following this meeting, Omar Vaishnavi, a representative of BlueMountain, discussed with Mr. DiPaolo that it may be helpful if Mr. Vaishnavi discussed the proposed terms of any potential transaction directly with Mr. Siegel, given that Patterson-UTI would require that the Significant SSE Stockholders enter into voting and support agreements with respect to any business combination ultimately negotiated between Patterson-UTI and SSE. Mr. Vaishnavi noted that he could act as a liaison between Patterson-UTI and the Significant SSE Stockholders, and he would keep the SSE board of directors informed and involved, noting that any potential transaction would ultimately have to be approved by the SSE board of directors. Mr. DiPaolo agreed that this course of action would be helpful.

The next day, Mr. Vaishnavi contacted Mr. Siegel and suggested that the Significant SSE Stockholders explore further discussions with Patterson-UTI directly.

Following internal discussions among Patterson-UTI's management, Piper Jaffray and Mr. Huff, Mr. Siegel called Mr. Vaishnavi to better understand how such a negotiation would be handled. Mr. Vaishnavi advised that he could act as a liaison between Patterson-UTI and the Significant SSE Stockholders, and he would keep the SSE board of directors informed and involved. Mr. Vaishnavi requested that Patterson-UTI make a proposal to the Significant SSE Stockholders and indicated that the proposed public offering and re-listing of SSE common stock remained their preferred course of action.

During the subsequent two weeks, Patterson-UTI management worked with Piper Jaffray to analyze SSE and develop a proposal. This analysis centered around a relative comparison of the drilling rigs of Patterson-UTI and SSE by class of rig, a relative comparison of the two companies' pressure pumping assets and a relative comparison of the other assets of the companies. During this period, Patterson-UTI and Piper Jaffray prepared a presentation containing a proposal for Patterson-UTI to acquire SSE in an all-stock transaction pursuant to which SSE stockholders would own approximately 15% of the equity of the combined company, and which would assume no benefit for potential warrant proceeds since the SSE Series A warrants were out of the money at such a valuation level. The presentation explained Patterson-UTI's methodology and valuation in making the proposal.

On September 27, 2016, Messrs. Hendricks and Siegel met in the New York offices of BlueMountain with representatives of the Significant SSE Stockholders to discuss the terms on which the Significant SSE Stockholders would be willing to support a potential business combination. During this meeting, Patterson-UTI presented and discussed its proposal to acquire SSE in an all-stock transaction. The Significant SSE Stockholders understood the methodology employed by Patterson-UTI in developing its proposal, but noted that the classification and number of SSE drilling rigs used by Patterson-UTI was not correct in their view and disagreed with Patterson-UTI's valuation of the pressure pumping assets (which they characterized as a distressed valuation). The Significant SSE Stockholders also objected to a discount Patterson-UTI had proposed in light of SSE's CHK customer concentration. The Significant SSE Stockholders agreed to make a counterproposal shortly.

On October 4, 2016, the Significant SSE Stockholders sent Patterson-UTI a presentation that had been jointly prepared by the Significant SSE Stockholders. The presentation provided that (i) certain of the SSE rigs should be classified in a higher tier of rig than as proposed by Patterson-UTI, (ii) SSE's pressure pumping assets should be valued significantly higher than as proposed by Patterson-UTI, based on the public valuations of Patterson-UTI and other non-distressed pressure pumping companies, and (iii) the consideration should include a 10% premium on account of the change of control of SSE (in lieu of the discount that Patterson-UTI had proposed for SSE's customer concentration). The counterproposal called for SSE stockholders and Series A warrant holders to own 32% of the

equity of the combined company. Under this counterproposal, SSE Series A warrants would now be in the money and were assumed would be exercised on a full physical settlement basis, generating approximately \$92.5 million of warrant proceeds.

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On October 5, 2016, Mr. Hendricks requested that Mike Holcomb, Patterson-UTI's President of Drilling, conduct an independent, top-to-bottom evaluation of the rigs of SSE as compared to Patterson-UTI's rigs. Additionally, other work was initiated to determine the amount of Patterson-UTI's trading price that was attributable to its pressure pumping assets.

On October 6, 2016, Mr. Siegel and Mr. Vaishnavi spoke by telephone, with Mr. Siegel expressing disappointment with the counterproposal, which seemed to Patterson-UTI to be out of line with the relative values of the two companies. Mr. Siegel and Mr. Vaishnavi discussed the areas of disagreement with their respective analyses, in particular the tiering of certain of SSE's rigs and the valuation of the pressure pumping assets.

Following the October 6, 2016, discussion between Mr. Siegel and Mr. Vaishnavi, Mr. Holcomb completed and shared his analysis of the value of the SSE rig fleet and Patterson-UTI rig fleet with Messrs. Hendricks and Siegel. Mr. Holcomb ascribed a higher value to the SSE rig fleet than had been previously determined by Patterson-UTI management and Piper Jaffray.

After internal consideration by Patterson-UTI's management of Mr. Holcomb's analysis, the rig valuation that he prepared was shared with Piper Jaffray. Patterson-UTI's management and Piper Jaffray engaged in further analysis to determine an appropriate valuation for SSE. Further discussions were also held among Patterson-UTI management and Mr. Huff. Following such discussions and additional analysis, Patterson-UTI's management ascribed a higher value to SSE than previously provided for in Patterson-UTI's initial proposal to acquire SSE. Specifically, Patterson-UTI management valued the SSE rig fleet higher than previously determined as a result of further diligence on SSE's rigs, including Mr. Holcomb's analysis. Additionally, Patterson-UTI management concluded that SSE's pressure pumping equipment might compare favorably with Patterson-UTI's pressure pumping equipment and both fleets should be valued at an estimate of replacement cost.

On October 14, 2016, Patterson-UTI management, Piper Jaffray and Mr. Huff developed a counterproposal to the Significant SSE Stockholders. Later that day, Mr. Siegel telephoned Mr. Vaishnavi to continue their discussions, including a lengthy discussion about the relative quality of the two companies' rig fleets, the value of the two companies' pressure pumping assets, the value of other assets held by both companies, the reputation of Patterson-UTI in the marketplace, and the feasibility of a successful SSE initial public offering.

After this discussion, Mr. Siegel informed Mr. Vaishnavi that Patterson-UTI would be willing to agree that the SSE stockholders would receive in the merger 40.140 million shares of Patterson-UTI common stock, which would equate to approximately 21.4% of the equity of the combined company. Additionally, Patterson-UTI would pay an additional 3.765 million shares of Patterson-UTI common stock in connection with the SSE Series A warrants that would now be in the money and which were assumed would be exercised on a full physical settlement basis, generating approximately \$92.5 million of warrant proceeds. In total, the proposal provided 43.905 million shares of Patterson-UTI common stock for current shareholders and Series A warrant holders of SSE, or approximately 22.9% of the equity of the combined company (which, based on the October 13, 2016 closing Patterson-UTI share price of \$24.56, equated to a value for the SSE equity and warrants of approximately \$1.078 billion), with the assumption that the in-the-money warrants would be exercised on a full physical basis with applicable warrant proceeds. Mr. Vaishnavi thanked Mr. Siegel for the proposal and promised to discuss it with the other Significant SSE Stockholders and with SSE.

During the next few days, the Significant SSE Stockholders discussed the terms on which each such stockholder would be willing to support a business combination transaction between SSE and Patterson-UTI, and representatives of Mudrick and Axar conveyed to Mr. Vaishnavi that such stockholders would be willing to support a transaction in which SSE stockholders would receive 25% of the equity in the combined company.

On October 16, 2016, Mr. Vaishnavi informed Mr. Siegel that the Significant SSE Stockholders (i) would be willing to support a merger in which the stockholders of SSE would receive 25% of the equity in the

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combined company, (ii) would be willing to agree to a reasonable lock-up with respect to the shares of Patterson-UTI common stock that such Significant SSE Stockholders would receive in the merger, as previously proposed by Patterson-UTI, (iii) would like some level of board representation and (iv) wanted to be consulted with respect to Patterson-UTI's plans in terms of refinancing SSE's debt. Mr. Siegel thanked Mr. Vaishnavi for the constructive proposal and said that he would need to speak with the Patterson-UTI team. Mr. Siegel immediately informed Mr. Hendricks of the offer from Vaishnavi, and they discussed the appropriate next steps.

The next morning, Patterson-UTI's management team met by telephone conference with Piper Jaffray and with Vinson & Elkins LLP (Vinson & Elkins), Patterson-UTI's transaction counsel, to discuss a response to Mr. Vaishnavi. Following this conference call, Mr. Siegel telephoned Mr. Vaishnavi and advised him that, although Patterson-UTI was more comfortable with providing SSE stockholders with a 23-24% equity stake in the combined company, he believed that Patterson-UTI's board of directors would agree to something approaching 25% on the following conditions: (i) the number of shares of Patterson-UTI common stock to be issued to SSE stockholders and warrant holders would be fixed, (ii) the valuation assumed that an additional \$92.5 million in cash would be received by SSE as proceeds from the cash exercise of Series A warrants and would remain on the balance sheet, (iii) SSE would not make any dividend or other distribution prior to closing, (iv) satisfactory completion of due diligence, (v) any transaction remained subject to approval by the Patterson-UTI board of directors and (vi) a period of exclusivity to finalize due diligence and definitive documentation. Mr. Vaishnavi indicated that, subject to the approval of the SSE board of directors, each of the above conditions was satisfactory to the Significant SSE Stockholders. Mr. Siegel also agreed to take the proposal to the Patterson-UTI board of directors.

Over the next couple of days, representatives of Axar and BlueMountain contacted Jerry Winchester, SSE's Chief Executive Officer, and Cary Baetz, SSE's Chief Financial Officer, and representatives of BlueMountain contacted Mr. DiPaolo, to provide an update on the Significant SSE Stockholders' discussions with Patterson-UTI. Among other things, the representatives of Axar and BlueMountain described the terms of Patterson-UTI's revised offer, noting that it represented a significant increase in consideration over Patterson-UTI's initial offer, and stated that the Significant SSE Stockholders were willing to support a business combination transaction between SSE and Patterson-UTI on the revised terms. SSE's management and Mr. DiPaolo agreed that the SSE board of directors would meet to discuss Patterson-UTI's offer once SSE received a formal proposal.

The Patterson-UTI board of directors met on October 19, 2016 to update the board on the discussions with the Significant SSE Stockholders. Prior to the meeting, the Patterson-UTI directors received copies of presentation materials that had been presented to the Significant SSE Stockholders at the September 27, 2016 meeting, the Significant SSE Stockholder response presentation of October 4, 2016, and two updated presentations by Piper Jaffray, one dated October 14, 2016 and one dated October 17, 2016.

At the October 19, 2016 Patterson-UTI board of directors meeting, Piper Jaffray made a presentation to the Patterson-UTI board of directors regarding the assets and prospects for SSE, the strategic rationale for the transaction, relative valuation and advised the Patterson-UTI board of directors that a transaction in which the SSE stockholders and Series A warrant holders received 25% of the equity of the combined company was a reasonable offer. Following discussion, the Patterson-UTI board of directors voted unanimously to authorize Mr. Siegel to contact Mr. Vaishnavi and inform him that, subject to the conditions previously outlined, the Patterson-UTI board of directors was prepared to move forward on the basic terms Mr. Siegel and Mr. Vaishnavi had discussed. In addition, the Patterson-UTI board of directors discussed the appropriate documentation for this stage of the transaction and authorized Patterson-UTI management to execute and deliver to the SSE board of directors a non-binding offer letter and to negotiate with SSE and the Significant SSE Stockholders a mutual non-disclosure agreement that would include a period of exclusivity to negotiate a merger agreement and voting and support agreements with the Significant SSE Stockholders, and to conduct due diligence.

On October 20, 2016, Mr. Siegel sent to Mr. DiPaolo an offer letter and a proposed mutual non-disclosure agreement, and requested that Mr. DiPaolo distribute these documents to the SSE board of directors. The offer

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letter proposed a stock-for-stock transaction that would result in the total issuance of 48,647,907 shares of Patterson-UTI common stock (subject to certain downward adjustments), which the offer letter stated equated to a 25% ownership position of the combined company based on Patterson-UTI's fully diluted share count as set forth in its Form 10-Q for the quarter ended June 30, 2016 (which, based on the October 19, 2016 closing Patterson-UTI share price of \$24.59, equated to a value for the SSE equity and warrants of approximately \$1.20 billion). The offer letter also stated that Patterson-UTI's willingness to proceed on the terms proposed was conditioned on SSE's willingness to engage in exclusive discussions with Patterson-UTI during a 45-day negotiating period. Following receipt of the offer letter, SSE provided a copy of letter to its special counsel, Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton ") and to its financial advisor, Morgan Stanley & Co. LLC ("Morgan Stanley ").

On October 25, 2016, the SSE board of directors held a special meeting to discuss Patterson-UTI's proposal, including the potential benefits and risks to SSE stockholders. Representatives of SSE management, Morgan Stanley and Wachtell Lipton were also present. Wachtell Lipton discussed with the SSE board of directors the board's fiduciary obligations in context of the offer from Patterson-UTI. After extensive discussion, the SSE board of directors determined to authorize SSE's management to negotiate and enter into a mutual non-disclosure agreement, and to enter into exclusive negotiations with Patterson-UTI with respect to a definitive agreement pursuant to which SSE's stockholders and holders of restricted stock units would receive, in the aggregate, shares of Patterson-UTI representing 25% of the equity of the combined company, subject to further and final approval by the SSE board of directors if negotiations proved to be successful.

The mutual non-disclosure agreement was negotiated between Patterson-UTI and Vinson & Elkins and SSE and Wachtell Lipton, and was executed by SSE and Patterson-UTI on October 28, 2016. Similar non-disclosure agreements were executed between Patterson-UTI and each of the Significant SSE Stockholders. The mutual non-disclosure agreements provided for a 45-day exclusivity period during which the parties would not pursue certain alternative transactions and instead could: (i) negotiate a binding merger agreement and voting and support agreements between Patterson-UTI and the Significant SSE Stockholders and (ii) conduct mutual due diligence. The mutual non-disclosure agreements also provided that, during the exclusivity period, SSE would discontinue its efforts to file or confidentially submit a registration statement with respect to a public offering of SSE common stock.

Shortly after the signing of the mutual non-disclosure agreements, Patterson-UTI and SSE provided each other with their respective due diligence request lists. Both companies established electronic data rooms to facilitate the exchange of the requested information.

On October 26, 2016, Patterson-UTI held its regularly scheduled board of directors meeting to review results for the third quarter of 2016 and to consider additional business. At the meeting, management provided a full update respecting the status of the transaction, and Piper Jaffray presented additional detail regarding the history and operations of SSE.

On October 27, 2016, Patterson-UTI reported its results for the third quarter of 2016 and held its regularly scheduled earnings conference call with analysts.

On November 7, 2016, the SSE board of directors held a regularly scheduled board meeting. At the meeting, Morgan Stanley presented potential valuations of SSE, including in the context of a potential public offering of SSE common stock. The SSE board of directors discussed a public offering of SSE common stock as an alternative to a business combination transaction with Patterson-UTI and the potential benefits and disadvantages to pursuing a public offering, including the relative likelihood and timing of completing a public offering as opposed to completing a business combination transaction with Patterson-UTI. Following this discussion, the SSE board of directors directed SSE management to continue negotiations with Patterson-UTI as contemplated by the mutual non-disclosure agreement.

On November 8, 2016, Vinson & Elkins, on behalf of Patterson-UTI, distributed an initial draft of the proposed merger agreement to Wachtell Lipton, on behalf of SSE. Consistent with Patterson-UTI's offer letter,

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the draft agreement provided for aggregate merger consideration of 48,647,907 shares of Patterson-UTI common stock (subject to certain downward adjustments), which equated to a 25% ownership position of the combined company based on Patterson-UTI's fully diluted share count as set forth in its Form 10-Q for the quarter ended June 30, 2016. The draft agreement also provided for the payment by both SSE and Patterson-UTI in certain circumstances of a termination fee of \$45,000,000, as well as included a condition that SSE not experience material losses in excess of \$100 million prior to closing.

On November 11, 2016, after discussing the terms of the draft merger agreement with SSE and representatives of the Significant SSE Stockholders, Wachtell Lipton conveyed telephonically SSE's response on several key issues, including with respect to the calculation of the merger consideration, which SSE believed should be equal to a 25% ownership position of the combined company based on Patterson-UTI's fully diluted share count as of the date of the merger agreement, as opposed to based on such share count set forth in its Form 10-Q for the quarter ended June 30, 2016. Accordingly, SSE believed that the maximum merger consideration should consist of a number of shares of Patterson-UTI common stock that was greater than the 48,647,907 shares proposed by Patterson-UTI.

As part of the due diligence review, on November 14, 2016, Mr. Siegel, Mr. Hendricks, John E. Vollmer III, Patterson-UTI's Senior Vice President-Corporate Development, Chief Financial Officer and Treasurer, Kenneth N. Berns, Patterson-UTI's Senior Vice President and director, and Seth D. Wexler, Patterson-UTI's General Counsel, met in Oklahoma City with the management of SSE. Messrs. Winchester, Baetz, Karl Blanchard, SSE's Chief Operating Officer, Jay Minmier, President of SSE's Contract Drilling business, Bill Stanger, President of SSE's Pressure Pumping business, Jerome Loughridge, President of SSE's Oilfield Rentals business, and David Treadwell, SSE's Senior Vice President and General Counsel were all present at the meeting. Also in attendance were representatives of Morgan Stanley and Piper Jaffray. Each of the SSE officers made presentations regarding SSE, its assets and its prospects and answered questions raised by Patterson-UTI management and Piper Jaffray.

That evening, Wachtell Lipton, on behalf of SSE, delivered a revised draft of the proposed merger agreement to Vinson & Elkins. Issues raised by Wachtell Lipton's revised draft of the proposed merger agreement included the calculation of the merger consideration and the maximum number of shares of Patterson-UTI common stock to be issued in the merger, the appointment by SSE of two directors to the Patterson-UTI board of directors, the respective scope of each party's interim covenants, the scope of SSE's non-solicitation covenant, the insertion of a non-solicitation covenant applicable to Patterson-UTI, the scope of the respective boards' ability to change their recommendation to their respective stockholders in certain circumstances relating to a competing acquisition proposal or an intervening event. Additionally, Wachtell Lipton's revised draft provided for the payment by SSE to Patterson-UTI in certain circumstances of a termination fee of \$37,000,000, and the payment by Patterson-UTI to SSE in certain circumstances of a termination fee of \$114,100,000. The revised draft did not contain a condition on each party experiencing a material loss prior to closing.

On November 18, 2016, Mr. Blanchard and Mr. Baetz of SSE, along with Mr. Vaishnavi and Noah Rosenthal of BlueMountain, Phil Barkhorn of Axar and Victor Danh and Kent Kim of Mudrick, met with Messrs. Hendricks, Siegel, Vollmer, Berns, Wexler and Holcomb at Vinson & Elkins' office in Houston. Also in attendance were representatives of Morgan Stanley and Piper Jaffray. Mr. Hendricks made a detailed presentation regarding Patterson-UTI, and he and the other Patterson-UTI attendees answered various questions raised by SSE management, representatives of the Significant SSE Stockholders and Morgan Stanley.

That afternoon, Vinson & Elkins, on behalf of Patterson-UTI, delivered a further revised draft of the proposed merger agreement to Wachtell Lipton and an initial draft of the proposed voting and support agreements to Wachtell Lipton and each of the Significant SSE Stockholders. Issues raised by the Vinson & Elkins draft merger agreement included many of the same issues raised in Wachtell Lipton's initial revised draft of the proposed merger agreement and

included a condition that the net debt of each party not exceed a certain threshold. Between November 18, 2016 and December 12, 2016, the parties exchanged multiple drafts of the proposed merger agreement and voting and support agreements and held multiple conference calls to gradually resolve the open issues.

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On November 29, 2016, members of SSE's management team updated the SSE board of directors telephonically regarding discussions with Patterson-UTI.

On December 1, 2016, Patterson-UTI held an in-person meeting of its board of directors at its Houston office that was devoted exclusively to consideration of the transaction with SSE. Also in attendance were members of Patterson-UTI management, as well as representatives of Piper Jaffray and Vinson & Elkins. Representatives of Piper Jaffray made a detailed presentation to the Patterson-UTI board of directors concerning the due diligence review of SSE to date and the financial analysis related to the proposed transaction. A representative of Vinson & Elkins then provided to the Patterson-UTI board of directors a review of fiduciary duties of directors under Delaware law in the context of consideration of the potential transaction with SSE, including the duties of loyalty and care, the applicability of the business judgment rule and the consideration of the information related to the transaction. The representative of Vinson & Elkins then summarized for the directors the key terms of the proposed merger agreement and voting and support agreements and noted certain of the key issues that remained open between the parties, including certain closing conditions and the size of the termination fees and when they would be paid. Mr. Vollmer then reported to the directors about the discussions that he had held with several lender sources in an effort to secure committed financing for the transaction. Mr. Vollmer advised the Patterson-UTI board of directors that he believed that Patterson-UTI could finance the transaction with its existing revolving line of credit. The Patterson-UTI board of directors asked management to continue their efforts to secure additional financing.

On December 4, 2016, Mr. Siegel contacted Canyon Capital Advisors LLC (Canyon Capital) to gauge its interest in providing bridge financing to Patterson-UTI for the transaction. On December 7, 2016, Mr. Siegel provided Canyon Capital a proposed term sheet and information regarding Patterson-UTI, SSE and the proposed transaction with SSE. During the next week, Patterson-UTI, Canyon Capital and their respective financing counsel negotiated a financing commitment letter for a senior unsecured bridge facility in an aggregate principal amount not to exceed \$150 million for the purposes of repaying or redeeming certain of SSE and its subsidiaries' indebtedness and to pay related fees and expenses.

During negotiations with respect to the open issues in the merger agreement in November and early December, SSE continued to insist that the parties should use SSE's methodology for calculating the merger consideration, and that the aggregate maximum number of shares of Patterson-UTI common stock to be issued in the merger should be increased accordingly. During this time, Patterson-UTI continued to propose aggregate maximum consideration of 48,647,907 shares of Patterson-UTI common stock. During these negotiations, the parties agreed that, in certain circumstances, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, and Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. The parties further agreed to conditions on each party experiencing a material loss prior to closing.

On December 6, 2016, representatives of Wachtell Lipton provided Vinson & Elkins with additional detail regarding SSE's methodology for calculating the merger consideration and proposed that Patterson-UTI issue a maximum of 50,084,670 shares of common stock in the merger (which, based on the December 9, 2016 closing Patterson-UTI share price of \$28.17, equated to a value for the SSE equity and warrants of approximately \$1.41 billion). Later that day, a teleconference was held between management of Patterson-UTI, Vinson & Elkins and Piper Jaffray and management of SSE, Mr. Vaishnavi, Wachtell Lipton and Morgan Stanley to discuss the calculation of the aggregate maximum shares of Patterson-UTI common stock to be issued in the merger and other open issues related to the merger agreement and voting and support agreements, including certain closing conditions, the size of the termination fees and when paid, the length of the proposed lockup of shares of Patterson-UTI common stock issued to the Significant SSE Stockholders in the merger and the survival of voting limitations if the merger agreement is terminated. After lengthy discussion, the parties agreed, among other things, that, subject to approval by each party's board of directors, Patterson-UTI would issue a maximum of 49,599,000 shares of Patterson-UTI common stock in

the merger (which, based on the December 9, 2016 closing Patterson-UTI share price of \$28.17, equated to a value for the SSE equity and warrants of approximately \$1.40 billion), an increase of 951,093 shares to the number of shares specified in Patterson-UTI's offer letter; provided

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that the parties further agreed that such 49,559,000 shares of Patterson-UTI common stock would be reduced by a number equal to (i) the aggregate exercise price for the SSE Series A warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing of the merger.

The parties and their respective counsels engaged in discussions and negotiations over the next week to complete due diligence and finalize the merger agreement, voting and support agreements and related ancillary documents. These discussions and negotiations included numerous telephone conversations between the parties' executives and representatives, as well as conversations between Mr. Siegel and Mr. Vaishnavi.

On December 9, 2016, the SSE board of directors held a telephonic board meeting to discuss negotiations with Patterson-UTI. Members of SSE management, as well as representatives of the Significant SSE Stockholders, Morgan Stanley and Wachtell Lipton were also present. Representatives of Morgan Stanley reviewed in detail the terms of the proposed transaction from a financial point of view, which had been summarized in materials previously provided to the SSE board of directors. Representatives of Wachtell Lipton then reviewed in detail the key terms of the proposed merger agreement and the voting agreements, both of which had been summarized in materials previously provided to the SSE board of directors. Representatives of Wachtell Lipton also reviewed with the SSE board of directors its fiduciary duties in considering a merger of SSE with a third party. During the meeting, the SSE board of directors instructed management to finalize the remaining open points in the merger agreement, disclosure schedules and ancillary documents.

On Monday, December 12, 2016, the Patterson-UTI board of directors held a telephonic board meeting. Members of Patterson-UTI management, as well as representatives of Piper Jaffray and Vinson & Elkins were also in attendance. Mr. Siegel advised the Patterson-UTI board of directors that he was able to negotiate the standby financing commitment letter with Canyon Capital and summarized its terms. A representative of Vinson & Elkins reviewed in detail for the Patterson-UTI board of directors the key terms of the draft merger agreement and related voting and support agreements, both of which had been summarized in materials previously provided to the Patterson-UTI board of directors. After the Vinson & Elkins presentation, at the request of the Patterson-UTI board of directors, Piper Jaffray made a detailed presentation regarding financial analysis related to the transaction and rendered its oral opinion to the Patterson-UTI board of directors (which was subsequently confirmed in writing by delivery of Piper Jaffray's written opinion addressed to the Patterson-UTI board of directors dated as of the same date) as to the fairness, from a financial point of view, to Patterson-UTI of the merger consideration pursuant to the merger agreement. After receiving management's recommendation to approve the proposed transaction with SSE on the terms set forth in the proposed merger agreement, the Patterson-UTI board of directors unanimously resolved to authorize and approve the proposed merger agreement and the merger and to approve the bridge financing.

On December 12, 2016 the SSE board of directors also held a telephonic board meeting to consider the transaction. Members of SSE management, as well as representatives of the Significant SSE Stockholders, Morgan Stanley and Wachtell Lipton were also present. Members of SSE's management reviewed the negotiations that had occurred since the last update and reported that due diligence and negotiations had been completed and that all material outstanding issues had been resolved or addressed. Following this discussion, representatives of Wachtell Lipton reviewed with the SSE board of directors its fiduciary obligations. Representatives of Morgan Stanley then presented materials and rendered to the SSE board of directors an oral opinion, confirmed by delivery of a written opinion dated December 12, 2016, to the effect that, as of that date and based on and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as described in its written opinion, the consideration to be received by the holders of SSE common stock pursuant to the merger agreement was fair from a financial point of view to the holders of shares of SSE common stock. After receiving management's recommendation to approve the proposed transaction with Patterson-UTI on the terms set

forth in the proposed merger agreement, the SSE board of directors unanimously resolved to authorize and approve the proposed merger agreement.

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On the evening of December 12, 2016, the respective parties to the merger agreement and the voting and support agreements executed those agreements, and the respective parties to the financing commitment letter executed such letter.

Following the execution of the merger agreement, voting and support agreements and the financing commitment letter on December 12, 2016, Patterson-UTI and SSE issued a joint press release announcing the proposed merger and Patterson-UTI hosted a conference call for the investment community to explain the specific details of the proposed merger.

Patterson-UTI's Reasons for the Merger; Recommendation of the Patterson-UTI Board of Directors

In approving the merger agreement and recommending approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders as part of the merger, the Patterson-UTI board of directors consulted with members of Patterson-UTI's management, as well as with Patterson-UTI's outside legal and financial advisors. The Patterson-UTI board of directors also considered a number of factors that the Patterson-UTI board of directors viewed as bearing on its decisions.

The principal factors that the Patterson-UTI board of directors viewed as supporting its decisions were:

Strategic Considerations. The Patterson-UTI board of directors considered a number of factors pertaining to the strategic rationale for the merger, including the following:

SSE's assets and facilities;

SSE's product lines, which the Patterson-UTI board expects will complement and strengthen Patterson-UTI's product lines, particularly contract drilling services and pressure pumping services;

the expectation of the Patterson-UTI board of directors that the merger will be cash flow accretive to Patterson-UTI;

the estimated available cost synergies in excess of \$50 million upon full integration of the businesses through organizational, supply chain and corporate efficiencies, as well as through infrastructure optimization;

that the merger would enhance Patterson-UTI's geographical footprint for contract drilling services and expand Patterson-UTI's geographical footprint for pressure pumping services, in each case into the mid-continent region of the United States; and

that the merger would diversify Patterson-UTI's product offerings through the addition of SSE's oilfield rental business, which offers a diverse line of equipment and onsite services that complement contract drilling

services and pressure pumping services.

Impact of the Merger on Customers, Employees and Suppliers. The Patterson-UTI board of directors evaluated the expected impact of the merger on Patterson-UTI's customers, employees and suppliers and the benefits that are expected to be derived from the merger, including increased operating efficiencies and reduced costs, which could allow the combined company to be more efficient and provide lower cost services for both contract drilling services and pressure pumping services. The Patterson-UTI board of directors considered that the combined organization would be able to utilize the available talent of both companies' employees and will have additional scale and resources to offer greater opportunities to continuing employees.

Recommendation of Management. The Patterson-UTI board of directors took into account the recommendation of the merger by Patterson-UTI's management team.

Opinion of Financial Advisor. The Patterson-UTI board of directors considered the financial analyses of Piper Jaffray, as reviewed and discussed with the Patterson-UTI board of directors, as well as the opinion of Piper Jaffray to the effect that, as of December 12, 2016, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Piper Jaffray's written opinion, the

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up to 49,559,000 Patterson-UTI shares to be issued for all outstanding shares of SSE pursuant to the merger agreement was fair, from a financial point of view, to Patterson-UTI.

Strategic Alternatives. The Patterson-UTI board of directors considered industry trends and developments and the range of strategic alternatives available to Patterson-UTI.

Terms of the Merger Agreement. The Patterson-UTI board of directors reviewed and considered the terms of the merger agreement, including that the merger consideration consists of a maximum number of shares of Patterson-UTI common stock (subject to certain downward adjustments), the restrictions on each party's operations between the signing of the merger agreement and the closing of the merger, the representations and warranties of each party, the conditions to each party's obligation to complete the merger, the rights of each party to consider and engage in negotiations regarding potentially superior proposals, the rights of each party to withdraw or otherwise change its recommendation to its stockholders in favor of the proposals related to the merger agreement, the rights of each party to terminate the merger agreement and the obligations of each party to pay a termination fee or reimburse the other party for expenses. See *The Merger Agreement* beginning on page 125 for a detailed discussion of the terms and conditions of the merger agreement.

Voting Agreements. The Patterson-UTI board of directors considered that certain SSE stockholders holding, at the time of entry into the merger agreement, in the aggregate, approximately 61% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting had entered into voting and support agreements with Patterson-UTI obligating such stockholders to vote all of the SSE shares held by them in favor of the adoption of the merger, as more fully described in *Voting and Support Agreements* beginning on page 148.

Post-Merger Corporate Governance. The Patterson-UTI board of directors considered that the combined company would be led by Patterson-UTI's existing board of directors and executive management team.

Tax Considerations. The Patterson-UTI board of directors considered that the merger is expected to qualify as a reorganization within the meaning of Section 368(a) of the Code and, as a result, SSE stockholders are generally not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock.

Regulatory Approvals. The Patterson-UTI board of directors considered the likelihood that the merger will be completed on a timely basis, including the likelihood that the merger will receive all necessary regulatory approvals (and the conditions to which such approvals might be subject) and the likelihood that all conditions to consummation of the merger will be satisfied.

The Patterson-UTI board of directors weighed the foregoing against certain potentially negative factors, including:

Business Risks. The Patterson-UTI board of directors considered certain risks associated with SSE's business and operations, including the potential impact of changes in crude oil prices, as well as other risks of the type and nature described under *Risk Factors* beginning on page 35 and the matters described under *Special Note Regarding Forward-Looking Statements* beginning on page 33.

Merger Consideration. The Patterson-UTI board of directors considered that the aggregate merger consideration consists of a maximum number of shares of Patterson-UTI common stock (subject to certain downward adjustments), and the merger consideration will not adjust downwards to compensate Patterson-UTI for any decline in the price of SSE common stock or increase in the price of Patterson-UTI common stock prior to the closing of the merger. Please

read Risk Factors Risks Relating to the Merger . The Patterson-UTI board of directors determined that this structure was appropriate and the risk acceptable in view of the relative intrinsic values and financial performance of Patterson-UTI and SSE, of the relative ownership of the combined company

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by current Patterson-UTI stockholders and SSE stockholders and the inclusion of other structural protections in the merger agreement, such as Patterson-UTI's ability to terminate the merger agreement if (i) SSE experiences certain material adverse effects on its business, (ii) certain material losses of SSE and its subsidiaries, in the interim period between the date of execution of the merger agreement and the effective time, exceed, or would reasonably be expected to exceed, individually or in the aggregate, \$100 million, and (iii) an amount of net debt of SSE and its subsidiaries as of the closing date exceeds \$500 million, as further described in *The Merger Agreement Conditions to Completion of the Merger* beginning on page 142.

Termination Fees; Alternative Proposals; Expense Reimbursement. The Patterson-UTI board of directors considered the risk that, although Patterson-UTI has the right under certain limited circumstances to consider and participate in negotiations with respect to proposals for alternative transactions, Patterson-UTI cannot terminate the merger agreement to enter into an alternative transaction. Moreover, the Patterson-UTI board considered the fact that Patterson-UTI must pay SSE either an expense reimbursement of up to \$7,500,000 or a termination fee of \$40,000,000 or \$100,000,000 in cash if the merger agreement is terminated in certain circumstances. In addition, the Patterson-UTI board of directors considered that the merger agreement includes other customary restrictions on the ability of Patterson-UTI to solicit offers for alternative proposals or engage in discussions regarding such proposals, subject to exceptions, which could have the effect of discouraging such proposals from being made or pursued, even if potentially more favorable to the stockholders of Patterson-UTI than the merger.

Voting Agreements. The Patterson-UTI board of directors considered that, in the event that SSE's board of directors changes its recommendation that SSE stockholders adopt the merger agreement, all of the SSE stockholders party to the voting and support agreements, taken together, will only be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock in favor of the adoption of the merger agreement, with such SSE stockholders being able to vote the balance of their shares of SSE common stock on such matter in each such SSE stockholder's sole discretion.

Diversion of Management. The Patterson-UTI board of directors considered the possible diversion of management's time and attention from Patterson-UTI's ongoing business due to the substantial time and effort necessary to complete the merger and plan for and implement the integration of the operations of Patterson-UTI and SSE. Please read *Risk Factors Risks Relating to the Merger* beginning on page 35 for further information.

Transaction Costs and Integration. The Patterson-UTI board of directors took into account the significant transaction and integration costs to be incurred in connection with the merger and the possibility that the potential benefits of the merger, including the estimated cost synergies, will not be realized or will not be realized within the expected time period, and the risks and challenges associated with the integration of Patterson-UTI's and SSE's businesses, operations and workforces.

Debt Financing. The Patterson-UTI board of directors considered the financing alternatives to repay SSE's indebtedness, including the potential terms of a senior unsecured bridge facility to be entered into pursuant to the commitment letter entered with Canyon Capital Advisors LLC. The Patterson-UTI board of directors considered management's view that the terms of the proposed bridge facility were competitive in the then-current market for such facilities. The Patterson-UTI board of directors considered the expected level of the combined company's debt and its potential impact on the combined company's future business, financial results, financial condition and stock price.

Appraisal Rights. The Patterson-UTI board of directors considered the availability of statutory appraisal rights under Delaware law in connection with the merger for SSE stockholders.

This discussion of the information and factors considered by the Patterson-UTI board of directors in reaching its conclusions and recommendation includes the principal factors considered by the Patterson-UTI board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the

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Patterson-UTI board of directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the other transactions contemplated by the merger agreement, and the complexity of these matters, the Patterson-UTI board of directors did not find it useful and did not attempt to quantify, rank or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the merger and the other transactions contemplated by the merger agreement, and to make its recommendation to Patterson-UTI stockholders. Rather, the Patterson-UTI board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered, including its discussions with, and questioning of, members of Patterson-UTI's management and outside legal and financial advisors. In addition, individual members of the Patterson-UTI board of directors may have assigned different weights to different factors.

The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable and fair to and in the best interests of Patterson-UTI stockholders.

The Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger.

Opinion of Patterson-UTI's Financial Advisor

Patterson-UTI engaged Piper Jaffray to act as its financial advisor in connection with the transactions contemplated by the merger agreement. As part of that engagement, the Patterson-UTI board of directors requested that Piper Jaffray evaluate the fairness, from a financial point of view, to Patterson-UTI, of up to 49,559,000 shares of Patterson-UTI common stock (the Aggregate Consideration) to be issued by Patterson-UTI for the outstanding shares of common stock of SSE, other than shares of SSE common stock held in treasury or owned by Patterson-UTI or any of its subsidiaries; provided, the Aggregate Consideration is subject to reduction for Series A warrants to purchase SSE common stock that are forfeited or are exercised on a net settlement basis on or prior to closing of the merger, and as more fully outlined in the merger agreement. The type and amount of consideration payable in the merger was determined through negotiations between Patterson-UTI and SSE and Piper Jaffray did not determine the amount of consideration to be paid. On December 12, 2016, Piper Jaffray delivered to the Patterson-UTI board of directors its oral opinion, confirmed by its delivery of a written opinion dated December 12, 2016, that, as of the date thereof, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Piper Jaffray's written opinion, the Aggregate Consideration to be issued for all outstanding shares of SSE pursuant to the merger agreement was fair, from a financial point of view, to Patterson-UTI.

The full text of Piper Jaffray's written opinion dated December 12, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Piper Jaffray in delivering its opinion, is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference in its entirety.

Piper Jaffray's opinion was addressed to, and provided for the information and benefit of, the Patterson-UTI board of directors and was delivered to the Patterson-UTI board of directors in connection with its evaluation of the fairness of the Aggregate Consideration from a financial point of view, with respect to Patterson-UTI, and did not address any other aspects or implications of the transactions contemplated by the merger agreement. Piper Jaffray's opinion does not constitute a recommendation to the Patterson-UTI board of directors or to any other persons in respect of the transactions contemplated by the merger agreement,

including as to how any holder of Patterson-UTI common stock should vote or act with respect to the proposal to adopt any other matter. Piper Jaffray's opinion did not address the relative merits of the transactions contemplated by the merger agreement compared to other business or

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financial strategies that might be available to Patterson-UTI, nor did it address the underlying business decision of Patterson-UTI to enter into the merger agreement or to consummate the transactions contemplated by that agreement. Piper Jaffray has consented to the inclusion of a summary of its opinion in this joint proxy statement/prospectus and the attachment of the full text of its opinion as Annex C. Piper Jaffray has also consented to the use of this summary and the attached full text of its opinion in connection with soliciting any stockholder votes required to approve the transactions contemplated by the merger agreement.

Piper Jaffray's opinion necessarily was based upon information made available to Piper Jaffray as of December 12, 2016 and financial, economic, market and other conditions as they existed and could be evaluated on such date. Piper Jaffray has no obligation to update, revise or reaffirm its opinion based on subsequent developments. Piper Jaffray's opinion did not express any opinion as to the price at which the shares of Patterson-UTI or SSE will trade at any time.

The following is a summary of Piper Jaffray's opinion. We encourage you to read carefully, in its entirety, the text of Piper Jaffray's opinion, which is attached as Annex C to this joint proxy statement/prospectus.

In connection with rendering its opinion, Piper Jaffray has, among other things:

- (i) reviewed and analyzed the financial terms of a draft of the merger agreement dated December 8, 2016;
- (ii) reviewed and analyzed certain financial and other data with respect to Patterson-UTI and SSE which was publicly available;
- (iii) reviewed and analyzed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of Patterson-UTI and SSE, on a stand-alone basis, that were publicly available, as well as those that were furnished to Piper Jaffray by Patterson-UTI and SSE, respectively, including the analyses and forecasts of certain cost savings, operating efficiencies, revenue effects, strategic benefits and other synergies expected by management of Patterson-UTI to result from the merger (the "Synergies");
- (iv) conducted discussions with members of senior management and representatives of Patterson-UTI and SSE concerning the matters described in clauses (ii) and (iii) above, as well as their respective businesses and prospects before and after giving effect to the merger and the Synergies;
- (v) reviewed the current and historical reported prices and trading activity of Patterson-UTI common stock and SSE common stock and similar information for certain other companies deemed by Piper Jaffray to be comparable to Patterson-UTI and SSE;
- (vi) compared the financial performance of Patterson-UTI and SSE with that of certain other publicly traded companies that Piper Jaffray deemed relevant;

(vii) reviewed the financial terms, to the extent publicly available, of certain business combination transactions that Piper Jaffray deemed relevant; and

(viii) conducted such other analyses, examinations and inquiries and considered such other financial, economic and market criteria as Piper Jaffray deemed necessary in arriving at its opinion.

Piper Jaffray assumed that all Series A warrants to purchase SSE common stock are exercised on a full physical settlement basis prior to closing of the merger, generating approximately \$92.5 million in cash proceeds to SSE.

Piper Jaffray has relied upon and assumed, without assuming liability or responsibility for independent investigation or verification, the accuracy and completeness of all information that was publicly available or was furnished, or otherwise made available, to Piper Jaffray or discussed with or reviewed by Piper Jaffray. Piper Jaffray further relied upon the assurances of the management of Patterson-UTI that the financial information

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provided has been prepared on a reasonable basis in accordance with industry practice, and that they are not aware of any information or facts that would make any information provided to Piper Jaffray incomplete or misleading. Without limiting the generality of the foregoing, for the purpose of its opinion, Piper Jaffray assumed that with respect to financial forecasts, estimates and other forward-looking information (including the Synergies) reviewed by Piper Jaffray, that such information has been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments of the management of Patterson-UTI as to the expected future results of operations and financial condition of Patterson-UTI and SSE, respectively. Piper Jaffray expressed no opinion as to any such financial forecasts, estimates or forward-looking information (including the Synergies) or the assumptions on which they were based. Piper Jaffray expressed no opinion as to additional capital, if any, required to achieve the Synergies, financial forecasts or projections or to retire SSE's outstanding indebtedness. Piper Jaffray has further assumed that the merger will have the tax consequences described in this joint proxy statement/prospectus relating to the merger. Piper Jaffray relied, with Patterson-UTI's consent, on advice of the outside counsel of Patterson-UTI and SSE, and on the assumptions of the management of Patterson-UTI as to all accounting, legal, tax and financial reporting matters with respect to Patterson-UTI, SSE and the merger agreement.

In arriving at its opinion, Piper Jaffray assumed that the executed merger agreement was in all material respects identical to the last draft reviewed by Piper Jaffray. Piper Jaffray has relied upon and assumed, without independent verification, that (i) the representations and warranties of all parties to the merger agreement and all other related documents and instruments that are referred to therein are true and correct, (ii) each party to such agreements will fully and timely perform all of the covenants and agreements required to be performed by such party, (iii) the merger will be consummated pursuant to the terms of the merger agreement without amendments thereto and (iv) all conditions to the consummation of the merger will be satisfied without waiver by any party of any conditions or obligations thereunder. Additionally, Piper Jaffray assumed that all the necessary regulatory approvals and consents required for the merger will be obtained in a manner that will not adversely affect Patterson-UTI, SSE, the consummation of the merger or the contemplated benefits of the merger.

In arriving at its opinion, Piper Jaffray did not perform any appraisals or valuations of any specific assets or liabilities (fixed, contingent or other) of Patterson-UTI or SSE, and was not furnished or provided with any such appraisals or valuations, nor did Piper Jaffray evaluate the solvency of Patterson-UTI or SSE under any state or federal law relating to bankruptcy, insolvency or similar matters or the impact of the merger on the solvency or viability of Patterson-UTI or SSE or the ability of Patterson-UTI or SSE to pay their respective obligations when they come due. The analyses performed by Piper Jaffray in connection with its opinion were going concern analyses. Piper Jaffray expressed no opinion regarding the liquidation value of Patterson-UTI, SSE or any other entity. Without limiting the generality of the foregoing, Piper Jaffray undertook no independent analysis of any pending or threatened litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which Patterson-UTI, SSE or any of their affiliates is a party or may be subject, and at the direction of Patterson-UTI and with its consent, Piper Jaffray's opinion makes no assumption concerning, and therefore does not consider, the possible assertion of claims, outcomes or damages arising out of any such matters. Piper Jaffray also assumed that neither Patterson-UTI nor SSE is party to any material pending transaction, including without limitation any financing, recapitalization, acquisition or merger, divestiture or spin-off, other than the merger.

No company or transaction used in any analysis for purposes of comparison is identical to Patterson-UTI, SSE or the merger. Accordingly, an analysis of the results of the comparisons is not mathematical; rather, it involves complex considerations and judgments about differences in the companies and transactions to which Patterson-UTI, SSE and the merger were compared and other factors that could affect the public trading value or transaction value of the companies to which they are being compared.

Piper Jaffray's opinion is necessarily based upon the information available to it and facts and circumstances as they existed and were subject to evaluation on the date of its opinion; events occurring after the date of its opinion could materially affect the assumptions used in preparing its opinion. Piper Jaffray did not express any opinion in its opinion as to the price at which shares of SSE common stock or shares of Patterson-UTI may trade

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following announcement of the merger or at any future time. Piper Jaffray has not undertaken to reaffirm or revise its opinion or otherwise comment upon any events occurring after the date of its opinion and does not have any obligation to update, revise or reaffirm its opinion.

Piper Jaffray's opinion addressed solely the fairness, from a financial point of view, to Patterson-UTI of the Aggregate Consideration set forth in the merger agreement and does not address any other terms or agreement relating to the merger or any other terms of the merger agreement. Piper Jaffray was not requested to opine as to, and its opinion does not address: (i) the underlying business decision to proceed with or effect the merger; (ii) the merits of the merger relative to any alternative transaction or business strategy that may be available to Patterson-UTI; (iii) any other terms contemplated by the merger agreement or (iv) the solvency or financial viability of Patterson-UTI or SSE at the date of its opinion, upon consummation of the merger, or at any future time. Furthermore, Piper Jaffray expressed no opinion with respect to the amount or nature of compensation to any officer, director or employee of any party to the merger, or any class of such persons, relative to the Aggregate Consideration to be paid by Patterson-UTI in the merger or with respect to the fairness of any such compensation.

Piper Jaffray's opinion was only one of many factors considered by the Patterson-UTI board of directors in its evaluation of the transactions contemplated by the merger agreement and should not be viewed as determinative of the views of the Patterson-UTI board of directors with respect to the transactions contemplated by the merger agreement.

Summary of Material Financial Analyses

The following is a brief summary of the material financial and comparative analyses that Piper Jaffray deemed to be appropriate for this type of transaction and that Piper Jaffray presented to the Patterson-UTI board of directors on December 12, 2016 in connection with delivering its opinion:

Relative Asset Value Analyses;

Relative Discounted Cash Flow Analyses;

Market Growth Sensitivities to Relative Discounted Cash Flow Analyses;

Contribution Analyses;

Select Publicly Traded Companies Analyses; and

Select Comparable Transaction Analyses.

In addition to the analyses described above, Piper Jaffray also analyzed and reviewed (i) the trading profile of SSE's shares and implied valuation of SSE, (ii) premiums paid for publicly traded companies that Piper Jaffray deemed relevant to SSE, and (iii) comparison of the value assessment of SSE during its bankruptcy process to the implied values based on the merger agreement.

The following summary, however, does not purport to be a complete description of all of the analyses performed and reviewed by Piper Jaffray underlying the Piper Jaffray opinion and the presentation made by Piper Jaffray to the Patterson-UTI board of directors on December 12, 2016, but summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. A fairness opinion is thus not susceptible to partial analysis or summary descriptions. In arriving at its opinion, Piper Jaffray did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor.

The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand Piper Jaffray's analyses and reviews, the tables must be read together

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and with the full text of each summary. The tables alone do not constitute a complete description of Piper Jaffray's analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Piper Jaffray's analyses and reviews.

To the extent that any of the quantitative data used in Piper Jaffray's financial analyses or described in this summary thereof is based on market data, it is based on market data as it existed on or before December 9, 2016 and is not necessarily indicative of current market conditions.

Relative Asset Value Analysis

Patterson-UTI management made an assessment of the market values of the operating assets and facilities of Patterson-UTI and SSE based on their knowledge of the industry. This included estimated market values for each category of rig owned by each of Patterson-UTI and SSE, for the full pressure pumping fleets for each of Patterson-UTI and SSE, as well as all other service lines and facilities for each of the two companies. Market values reflected those that would be appropriate for healthy, non-distressed companies. Asset utilization and profitability were not considered in this analysis. Piper Jaffray augmented this data with the financial assets and liabilities of both companies to derive the implied enterprise values (EVs) for each company. A range of implied equity values for each company was then calculated by adjusting the range of implied EVs by each company's net debt (assuming reduction of SSE's net debt by \$92.5 million to reflect expected proceeds from warrant exercises). Based on the range of these implied equity values and the current outstanding number of shares of Patterson-UTI common stock, Piper Jaffray calculated the implied number of shares to be issued to SSE to be 53.3 million.

Relative Discounted Cash Flow Analyses

Piper Jaffray performed a discounted cash flow analysis of Patterson-UTI and SSE to calculate the estimated present value as of January 1, 2017 of the standalone, unlevered, after-tax free cash flows that Patterson-UTI and SSE were projected to generate from January 1, 2017 through December 31, 2020, in each case, based on the Patterson-UTI management projections for Patterson-UTI and the Patterson-UTI management projections for SSE. Per guidance from Patterson-UTI, no cash taxes were projected for either company during the forecast period. Piper Jaffray calculated a terminal value of each company based on a range of EBITDA exit multiples, using its professional judgment given the nature and business of each of Patterson-UTI and SSE and the industry in which both operate, from 5.50x to 7.50x, to the projected standalone EBITDA of both companies in the terminal year. The cash flows and the terminal value were then discounted to present value using a discount rate of 10.0% to 12.0%, based on an estimate of both companies' weighted average cost of capital calculated using the capital asset pricing model, to derive a range of implied EVs for Patterson-UTI and SSE. A range of implied equity values for each company was then calculated by adjusting the range of implied EVs by each company's net debt (assuming reduction of SSE's net debt by \$92.5 million to reflect expected proceeds from warrant exercises).

Based on these standalone relative equity values of Patterson-UTI and SSE, Piper Jaffray calculated the number of shares of Patterson-UTI common stock to be issued to SSE to be 44.5–47.1 million. Piper Jaffray also calculated the number of shares of Patterson-UTI common stock to be issued to SSE if 50% of the Synergies were attributed to SSE in the discounted cash flow analysis (and none were attributed to Patterson-UTI) which implied the number of shares of Patterson-UTI common stock to be issued to SSE to be 53.6–55.2 million. Finally, Piper Jaffray calculated the number of shares of Patterson-UTI common stock to be issued to SSE if 100% of the Synergies were attributed to SSE (and none were attributed to Patterson-UTI) which implied 62.8–63.4 million shares of Patterson-UTI common stock to be issued to SSE.

Market Growth Sensitivities to Relative Discounted Cash Flow Analyses

To illustrate the potential effects of a more robust or slower market recovery, Piper Jaffray estimated the effect of increasing projected revenue for both companies over the projected period by 20% and also lowering projected revenue by 20%. Gross profit margins and SG&A expense were held constant to calculate the impact

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of higher or lower revenue on cash flow. A relative discounted cash flow analysis was performed as outlined above but utilizing a constant 6.5x EBITDA exit multiple and an 11% discount rate. A range of equity values for each company was then calculated by adjusting the range of implied EVs by each company's net debt (assuming reduction of SSE's net debt by \$92.5 million to reflect expected proceeds from warrant exercises).

Based on these standalone equity values of Patterson-UTI and SSE, Piper Jaffray calculated the number of shares of Patterson-UTI common stock to be issued to SSE to be 39.7 - 49.4 million. Piper Jaffray also calculated the number of shares of Patterson-UTI common stock to be issued to SSE if 50% of the Synergies were attributed to SSE in the discounted cash flow analysis (and none were attributed to Patterson-UTI) which implied the number of shares of Patterson-UTI common stock to be issued to SSE to be 51.3 - 56.3 million. Finally, Piper Jaffray calculated the number of shares of Patterson-UTI common stock to be issued to SSE if 100% of the Synergies were attributed to SSE (and none were attributed to Patterson-UTI) which implied 63.0 - 63.2 million shares of Patterson-UTI common stock to be issued to SSE.

Contribution Analysis

Piper Jaffray analyzed the respective contributions of Patterson-UTI and SSE to the combined company using specific historical and estimated future financial metrics, including the relative contribution of revenue, gross profit, EBITDA, capital expenditures since 2011 and capital expenditures since 2013, based on the historical results of each company, the Patterson-UTI management projections for Patterson-UTI and the Patterson-UTI management projections for SSE. For gross profit and EBITDA, sensitivities were also shown with 50% to 100% of the Synergies attributed to SSE and none to Patterson-UTI. Piper Jaffray then analyzed such contributions on a levered basis (by taking into consideration each company's net debt as of September 30, 2016 as well as the anticipated \$92.5 million of warrant proceeds for SSE assuming the Series A warrants are exercised on a physical settlement basis). This analysis indicated the relative contributions of Patterson-UTI and SSE and the implied number of shares of Patterson-UTI common stock to be issued to SSE, as shown in the table below.

Implied Number of Shares of Patterson-UTI Common Stock to Be Issued to SSE

No Synergies	Low	High
	(shares in millions)	
Revenue (2012-2020P)	63.5	99.0
Gross Profit (2012-2020P)	53.1	82.1
EBITDA (2012-2020P)	36.2	72.4
Capital Expenditures Since 2011	58.5	58.5
Capital Expenditures Since 2013	53.9	53.9
<u>50% Synergies to SSE</u>		
Gross Profit (2012-2020P)	54.4	83.9
EBITDA (2012-2020P)	47.1	77.3
<u>100% Synergies to SSE</u>		
Gross Profit (2012-2020P)	55.8	85.6
EBITDA (2012-2020P)	57.2	99.6

Select Publicly Traded Companies Analyses

Piper Jaffray reviewed and compared certain financial information, ratios and public market multiples for Patterson-UTI and SSE to corresponding financial information, ratios and public market multiples for the following

publicly traded corporations that provide comparable services as Patterson-UTI and SSE and also have material operations in the oilfield services market in North America:

Ensign Energy Services Inc. (Ensign)

Helmerich & Payne, Inc. (H&P)

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Mammoth Energy Service, Inc. (Mammoth)

Nabors Industries Ltd. (Nabors)

Precision Drilling Corporation (Precision)

RPC, Inc. (RPC)

Superior Energy Services, Inc. (Superior)

Trican Well Service Ltd. (Trican)

Although none of the selected companies is directly comparable to Patterson-UTI or SSE, the companies included were chosen because they are publicly traded companies with greater than \$500 million in market capitalization and with operations that, in Piper Jaffray's experience and professional judgment for purposes of this analysis, may be considered similar to certain aspects of Patterson-UTI or SSE's operations, financial profile, size, service profile, geographic exposure and end market exposure.

Piper Jaffray also calculated and compared various financial multiples and ratios based on information from publicly available historical data and consensus analyst estimates. EVs were calculated for the purpose of these multiples as adjusted for net financial debt, minority interests, equity investments and other debt-like items as disclosed in public filings. The multiples and ratios were calculated using the applicable closing market prices as of December 9, 2016, except for SSE which reflects the implied value of SSE based on the terms of the merger agreement and the Patterson-UTI closing share price as of December 9, 2016, shown in the tables below as SSE (At Offer). For EBITDA multiples, sensitivities were included for 50% to 100% of the Synergies being attributable to SSE and none to Patterson-UTI. For multiples of tangible book value, multiples were shown for SSE as of June 30, 2016 and September 30, 2016 due to the differences in book values that arose related to the application of fresh start accounting upon SSE's exit from bankruptcy in August 2016, as the selected companies and Patterson-UTI have not adjusted their asset carrying values pursuant to fresh start accounting.

			EV /	EV / EBITDA ²			EV / TABV ³
	Equity Value	Enterprise Value	Revenue TTM ¹	2016E	2017P	2018P	9/30/2016
	(dollars in millions)	(dollars in millions)					
Ensign	\$ 1,103	\$ 1,613	2.3x	11.9x	9.9x	7.4x	0.7x
H&P	8,943	8,400	5.2x	24.2x	20.4x	13.6x	1.5x
Mammoth	644	714	3.2x	18.9x	11.3x	7.5x	2.9x
Nabors	4,733	8,014	3.3x	13.2x	11.3x	7.7x	1.2x
Precision Drilling	1,713	2,972	3.9x	17.3x	12.9x	8.1x	1.1x
RPC	4,607	4,468	5.8x	NM	29.1x	11.3x	5.8x

Superior	2,740	3,735	2.3x	NM	17.7x	7.6x	1.9x
Trican	640	693	1.0x	NM	23.6x	7.9x	1.7x
Peer Range			1.0x 5.8x 11.9x 24.2x 9.9x 29.1x 7.4x 13.6x	0.7x 5.8x			
Peer Median			3.3x	21.5x	15.3x	7.8x	1.6x
Patterson-UTI	\$ 4,199	\$ 4,776	4.7x	24.4x	19.8x	10.1x	1.4x
SSE (At Offer)	1,396	1,755	2.9x	23.3x	23.2x	12.8x	1.1x ⁴ / 2.0x ⁵
SSE (At Offer) With 50% Synergies	1,396	1,755	2.9x	17.1x	16.9x	10.5x	1.1x ⁴ / 2.0x ⁵
SSE (At Offer) With 100% Synergies	1,396	1,755	2.9x	13.5x	13.3x	8.9x	1.1x ⁴ / 2.0x ⁵

1. Trailing twelve months through September 30, 2016.
2. Capital IQ consensus EBITDA estimates for all except SSE and Patterson-UTI.
3. Defined as net property, plant and equipment plus net working capital.
4. Reflects tangible adjusted book value before application of fresh start accounting (June 30, 2016).
5. Reflects tangible adjusted book value after application of fresh start accounting (September 30, 2016).

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Using publicly available information, Piper Jaffray evaluated the following fifteen transactions in the oil service industry:

Date Announced	Acquiror	Target	Transaction Value (dollars in millions)	Ratio Of Transaction Value To:		Baker Hughes U.S. Land Rig Count
				TTM EBITDA	TABV	
06/15	Trinidad Drilling	CanElson Drilling	\$ 431	6.1x	1.0x	841
06/14	C&J Energy Services	Nabors C&P Division	2,666	8.8x	1.8x	1,799
02/12	URS	Flint Energy Services	1,485	12.1x	1.9x	1,953
10/11	Superior Energy Services	Complete Production Services	3,100	5.6x	2.2x	1,978
02/11	Seawell	Allis-Chalmers	840	10.0x	1.0x	1,688
08/11	Archer	Great White	630	9.4x	3.7x	1,871
08/10	Nabors Industries	Superior Well Services	898	20.4x	1.9x	1,588
02/10	Schlumberger	Smith International	13,657	14.2x	2.9x	1,300
02/10	Toromont	Enerflex	669	9.0x	2.1x	1,327
08/09	Baker Hughes	BJ Services	5,530	6.7x	1.8x	967
06/08	Precision Drilling Trust	Grey Wolf	1,576	4.9x	1.9x	1,820
06/08	Smith International	W-H Energy Services	3,192	9.8x	4.2x	1,810
05/08	First Reserve and others	Saxon Energy Services	683	10.8x	1.9x	1,770
02/08	First Reserve	CHC Helicopter	2,310	12.0x	1.8x	1,717
06/07	Goldman Sachs Capital and Others	CCS Income Trust	3,298	13.0x	3.5x	1,697
Peer Range			\$ 431 \$13,657	4.9x 20.4x	1.0x 4.2x	841 1,978
Median				1,576 9.8x	1.9x	1,717
SSE (At Offer)			\$ 1,755	15.7x	1.1x ¹ / 2.0x ²	602 ³

1. Reflects tangible adjusted book value before application of fresh start accounting (June 30, 2016).
2. Reflects tangible adjusted book value after application of fresh start accounting (September 30, 2016).
3. Source: Baker Hughes. As of December 9, 2016.

No transaction utilized as a comparison in the precedent transaction analysis is identical to the merger. In evaluating the merger, Piper Jaffray made numerous judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Mathematical analysis, such as determining the median and range, is not in itself a meaningful method of using comparable transaction data. Also, the transaction

multiples for precedent transactions reflect the cyclical nature of the oil service industry. As demonstrated by the Baker Hughes Rig Count data at the time of each precedent transaction, the current industry activity levels are materially depressed relative to the activity levels of all of the precedent transactions which limit the relevance of the metrics from comparable transactions to the merger, particularly for multiples of trailing 12-month EBITDA.

Other Analysis

Since SSE emerged from bankruptcy in August 2016, its shares have traded on the OTC Grey. Piper Jaffray reviewed the trading volume and price history of SSE during this period of trading on the OTC Grey noting the very low volumes of trading relative to comparable public companies. Piper Jaffray also considered the nature of the shareholder base for SSE given the debt for equity conversion that was the outcome of SSE's bankruptcy as well as the limited float that would be available given that shareholders accounting for approximately 60% of SSE's shares were aware of the SSE's negotiations with Patterson-UTI and thus would not have been active in the trading of SSE during the majority of the time it was traded on the OTC Grey. Piper Jaffray also noted that

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SSE is not actively covered by any recognized industry analysts and that SSE has not participated in industry conferences or held earnings conference calls with investors since it emerged from bankruptcy. Based on these factors, Piper Jaffray believes limited inferences can be gained by the trading of SSE's shares on the OTC Grey. The closing price of SSE's shares on December 9, 2016 was \$26.50 which implies an equity market value of \$641 million for SSE.

Using publicly available information, Piper Jaffray analyzed the premiums paid in 18 acquisitions of publicly traded oilfield services companies since 2006. Although none of the selected targets is directly comparable to SSE, the companies included were chosen because they are publicly traded companies that participate in the oilfield services industry and, in Piper Jaffray's experience and professional judgment for purposes of this analysis, may be considered similar to SSE. For each of these transactions, Piper Jaffray calculated the premium represented by the offer price over the target company's share price for the one day period prior to the transaction's announcement and the target company's average share price for the 30 trading days prior to the transaction's announcement. This analysis indicated the following:

	Implied Enterprise Value (dollars in millions)	Share Price Premium 1-Day	30-Day
18 Peer Transactions			
Range	\$ 411 \$34,906	5% 79%	13% 69%
Median	2,521	26%	26%
SSE (At Offer)	\$ 1,755	103%	122%

Given the limited trading and other factors that affect the valuation of SSE as it trades on the OTC Grey, Piper Jaffray did not draw any conclusions from analyses of premiums paid in comparable transactions.

During the bankruptcy process of SSE in the summer of 2016, SSE's financial advisors assessed the enterprise value of SSE to be \$700 to \$900 million (the Bankruptcy Valuation). The date of the Bankruptcy Valuation was May 9, 2016. In the application of fresh start accounting upon emerging from bankruptcy, SSE elected to use \$900 million as the basis of its valuation. To compare the Bankruptcy Valuation to values implied by the merger, Piper Jaffray calculated the change in enterprise values for the comparable companies used in the Select Publicly Traded Companies Analyses from May 9, 2016 to December 9, 2016. These percentage changes in enterprise values for the Selected Publicly Traded Companies were then applied to the Bankruptcy Valuation to imply an updated Bankruptcy Valuation which was then compared to the valuation of SSE implied by the merger. This analysis indicated the following:

Valuation Date	May 9, 2016			
Enterprise Valuation Range (millions)	\$	700	\$	900
Range Of Change In Enterprise Value Of Companies	13% 92%		13% 92%	
Implied Current Enterprise Value Range (millions)	\$ 789	\$1,341	\$ 1,015	\$1,724

SSE Enterprise Value (At Offer) (millions) **\$ 1,755**

Piper Jaffray did not participate in the bankruptcy process of SSE nor does it have any insight into factors or influences that affected the Bankruptcy Valuation. As such, Piper Jaffray did not draw any inferences or conclusions

from the Bankruptcy Valuation of SSE.

Miscellaneous

Piper Jaffray is a nationally recognized investment banking firm and is regularly engaged as a financial advisor in connection with mergers and acquisitions, underwritings and secondary distributions of securities, private placements, and valuations for corporate and other purposes. Patterson-UTI selected Piper Jaffray to act as its financial advisor based on Piper Jaffray's qualifications, expertise and knowledge of the oil service industry.

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Piper Jaffray was engaged by Patterson-UTI to act as its financial advisor in connection with the merger by entering into an engagement letter dated December 5, 2016. Pursuant to the engagement letter, Patterson-UTI agreed to pay Piper Jaffray (i) an opinion fee of \$1,000,000 upon delivery of the opinion to Patterson-UTI, which will be credited against the transaction fee and (ii) contingent upon closing of the merger, a transaction fee of \$8,000,000. Piper Jaffray's opinion fee is not contingent upon the closing of the merger or the conclusions reached in its opinion. Pursuant to the engagement letter, Patterson-UTI also agreed to reimburse Piper Jaffray for reasonable out-of-pocket expenses incurred in connection with its services up to \$100,000 and to indemnify Piper Jaffray against certain liabilities arising out of its engagement.

Piper Jaffray has, in the past, provided financial advisory services to Patterson-UTI and/or its affiliates and may continue to do so and have received, and may receive, fees for the rendering of such services. Specifically, within the last three years, Piper Jaffray has provided financial advisory services to Patterson-UTI and with respect to several transactions that were not entered into, and with respect to one engagement, Piper Jaffray received an upfront retainer fee of \$100,000. A member of Piper Jaffray's deal team has a long position in Patterson-UTI common stock. In addition, in the ordinary course of Piper Jaffray's business, it and its affiliates may actively trade securities of Patterson-UTI and SSE for its own account or the account of its customers and, accordingly, may at any time hold a long or short position in such securities. Piper Jaffray may also, in the future, provide investment banking and financial advisory services to Patterson-UTI, SSE or entities that are affiliated with Patterson-UTI or SSE, for which Piper Jaffray would expect to receive compensation. Consistent with applicable legal and regulatory requirements, Piper Jaffray has adopted policies and procedures to establish and maintain the independence of Piper Jaffray's Research Department and personnel. As a result, Piper Jaffray's research analysts may hold opinions, make statements or recommendations, and/or publish research reports with respect to Patterson-UTI and the merger and other participants in the merger that differ from the views of Piper Jaffray's investment banking personnel.

SSE's Reasons for the Merger; Recommendation of the SSE Board of Directors

On December 12, 2016, the SSE board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, and fair to and in the best interests of SSE and its stockholders. Accordingly, the SSE board of directors unanimously recommends that the SSE stockholders vote **FOR** each of the merger proposal and the SSE adjournment proposal.

In the course of reaching its decision to approve the merger and the merger agreement, the SSE board of directors consulted with outside legal and financial advisors and SSE's management team and considered the following positive factors relating to the merger agreement and the merger, each of which the board of directors believed supported its decision:

Attractive Value. The SSE board of directors considered the current and historical market prices of SSE and Patterson-UTI common stock, including the market price and performance of SSE common stock relative to those of other participants in SSE's industry and general market indices, including the fact that the aggregate merger consideration of 49,559,000 shares of Patterson-UTI common stock represented an implied value, based on the trading price of Patterson-UTI common stock on December 8, 2016, of \$51.19 per SSE share, representing a premium of \$25.19 over SSE's share price of \$26.00 as of December 8, 2016.

Opportunity to Participate in Potential Synergies and Value Appreciation of the Combined Company. The SSE board of directors considered the structure of the transaction as a stock-for-stock merger following which SSE's existing stockholders will continue as stockholders of the combined company and will participate in the future success of the combined company and participate in the benefits of synergies and any future transactions that might be pursued by the combined company.

Best Alternative for Maximizing Stockholder Value. The SSE board of directors considered that the merger consideration was more favorable to SSE stockholders than the potential value that would reasonably be expected

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to result from other alternatives reasonably available to SSE, including the continued operation of SSE on a standalone basis and other potential actionable strategic transactions, in light of a number of factors, including:

the board of directors' assessment of SSE's business, assets and prospects, its competitive position and historical and projected financial performance, including SSE's recent emergence from bankruptcy, and the nature of the industries in which SSE operates;

the strategic and financial alternatives reasonably available to SSE, including pursuing an initial public offering, and the risks and uncertainties associated with those alternatives;

the board of directors' belief, following consultation with its financial advisors, that in light of SSE's industry position, complementary businesses and assets, together with Patterson-UTI's geographic footprint, that Patterson-UTI could offer the best combination of value and closing certainty to SSE stockholders; and

the course and history of the negotiations between SSE and Patterson-UTI since September 2016, which resulted in an increase in the aggregate consideration from Patterson-UTI's initial proposal of approximately 26.4 million shares of Patterson-UTI common stock to 49.559 million shares of Patterson-UTI common stock (in each case subject to certain downward adjustments).

Receipt of Fairness Opinion from Morgan Stanley. The SSE board of directors considered the opinion of Morgan Stanley that, as of December 12, 2016, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as described in its opinion, the consideration to be received by holders of SSE common stock pursuant to the merger agreement was fair from a financial point of view to the holders of shares of SSE common stock, as more fully described in the section entitled "Opinion of SSE's Financial Advisor," beginning on page 98.

Tax Considerations. The SSE board of directors considered that the merger is expected to qualify as a reorganization within the meaning of Section 368(a) of the Code and, as a result, SSE stockholders are generally not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock.

Recommendation of Management. The SSE board of directors took into account the recommendation of the merger by SSE's management team.

Terms of the Merger Agreement. The SSE board of directors reviewed and considered the terms of the merger agreement, including that the merger consideration consists of a maximum number of shares of Patterson-UTI common stock (subject to certain downward adjustments), the restrictions on each party's operations between the signing of the merger agreement and the closing of the merger, the representations and warranties of each party, the conditions to each party's obligation to complete the merger, the rights of each party to consider and engage in negotiations regarding potentially superior proposals, the rights of each party to withdraw or otherwise change its recommendation to its stockholders in favor of the proposals related to the merger agreement, the rights of each party to terminate the merger agreement and the obligations of each party to pay a termination fee or reimburse the other party for expenses. See "The Merger Agreement" beginning on page 125 for a detailed discussion of the terms and

conditions of the merger agreement.

Appraisal Rights. The SSE board of directors considered the availability of statutory appraisal rights under Delaware law in connection with the merger for SSE stockholders.

In the course of reaching its recommendation, the SSE board of directors also considered the risks and potentially negative factors relating to the merger agreement and the merger, including:

Non-Solicitation Covenant. The SSE board of directors considered that the merger agreement imposes restrictions on soliciting competing acquisition proposals from third parties.

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Termination Fees; Alternative Proposals; Expense Reimbursement. The SSE board of directors considered the risk that, although SSE has the right under certain limited circumstances to consider and participate in negotiations with respect to proposals for alternative transactions, SSE cannot terminate the merger agreement to enter into an alternative transaction. Moreover, the SSE board of directors considered the fact that SSE must pay Patterson-UTI either an expense reimbursement of up to \$7,500,000 or a termination fee of \$40,000,000 in cash if the merger agreement is terminated in certain circumstances. In addition, the SSE board of directors considered that the merger agreement includes other customary restrictions on the ability of SSE to solicit offers for alternative proposals or engage in discussions regarding such proposals, subject to exceptions, which could have the effect of discouraging such proposals from being made or pursued, even if potentially more favorable to the stockholders of SSE than the merger.

Interim Operating Covenants. The SSE board of directors considered that the merger agreement imposes restrictions on the conduct of SSE's business prior to the consummation of the merger (see Merger Agreement Other Covenants and Agreements).

Risk That the Merger May Not Be Completed. The SSE board of directors considered the risk that the conditions to completing the merger may not be satisfied, in which case Patterson-UTI would not be required to consummate the merger.

Ability to Respond to Unsolicited Acquisition Proposals; Change of Recommendation. The SSE board of directors considered that the merger agreement permits the Patterson-UTI board of directors, in furtherance of the exercise of its fiduciary duties under Delaware law, to engage in negotiations or discussions with third parties regarding alternative transactions under certain circumstances and that under certain circumstances the Patterson-UTI board of directors has the right to change its recommendation to Patterson-UTI stockholders.

Interests of Directors and Executive Officers. The SSE board of directors considered the potential conflict of interest created by the fact that SSE's executive officers and directors have financial interests in the transactions contemplated by the merger agreement, including the merger, as more fully described in Interests of SSE Directors and Executive Officers in the Merger.

After considering these factors, the SSE board of directors concluded that the positive factors relating to the merger agreement and the transactions contemplated by the merger agreement, including the merger, substantially outweighed the potential negative factors.

The foregoing discussion of the information and factors considered by the SSE board of directors includes the material factors considered by the SSE board of directors but does not necessarily include all of the factors considered by the SSE board of directors. In view of the complexity and variety of factors considered in connection with its evaluation of the merger agreement and the merger, the SSE board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The SSE board of directors unanimously resolved to recommend that the stockholders of SSE approve the merger and adopt the merger agreement based upon the totality of information it considered.

The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the merger) to be advisable and fair to and in the best interests of SSE stockholders.

The SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement.

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Opinion of SSE's Financial Advisor

Morgan Stanley was retained by SSE to act as its financial advisor in connection with the merger. SSE selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation, as well as its knowledge of and involvement in recent transactions in the oilfield services industry and its knowledge of the business and affairs of SSE. On December 12, 2016, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the SSE board of directors to the effect that, as of that date and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its written opinion, the consideration to be received by the holders of shares of common stock of SSE pursuant to the merger agreement, which will not, in the aggregate, exceed 49,559,000 shares of Patterson-UTI common stock, was fair from a financial point of view to the holders of such shares.

The full text of Morgan Stanley's written opinion to the SSE board of directors, dated December 12, 2016, is attached as Annex D to this joint proxy statement/prospectus and is hereby incorporated into this joint proxy statement/prospectus by reference in its entirety. Holders of shares of SSE common stock should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Morgan Stanley in rendering its opinion. This summary is qualified in its entirety by reference to the full text of such opinion. Morgan Stanley's opinion was directed to the SSE board of directors and addressed only the fairness from a financial point of view, as of the date of the opinion, to the holders of shares of common stock of SSE of the consideration to be received by such holders pursuant to the merger agreement. Morgan Stanley's opinion did not address any other aspects of the merger and did not and does not constitute a recommendation as to how holders of SSE common stock should vote at the SSE stockholders' meeting to be held in connection with the merger.

In arriving at its opinion, Morgan Stanley:

reviewed certain publicly available financial statements and other business and financial information of SSE and Patterson-UTI;

reviewed certain internal financial statements and other financial and operating data concerning SSE and Patterson-UTI;

reviewed certain financial projections prepared by management of each of SSE and Patterson-UTI;

reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger, prepared by the management of SSE;

discussed the past and current operations and financial conditions and prospects of SSE, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of SSE;

discussed the past and current operations and financial conditions and prospects of Patterson-UTI, with senior executives of Patterson-UTI;

reviewed the pro forma impact of the merger on Patterson-UTI's cash flow, consolidated capitalization and certain financial ratios;

reviewed the reported prices and trading activity for SSE's common stock and Patterson-UTI's common stock;

compared the financial performance of SSE and Patterson-UTI and the prices and trading activity of the Patterson-UTI common stock with that of certain other publicly traded companies comparable with SSE and Patterson-UTI, and their securities;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

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participated in certain discussions and negotiations among representatives of SSE and Patterson-UTI and certain other parties and their respective financial and legal advisors;

reviewed the merger agreement and certain related documents; and

performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by SSE and Patterson-UTI, and which information formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of each of SSE and Patterson-UTI of the future financial performance of SSE and Patterson-UTI. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any material terms or conditions, including, among other things, that the merger will be treated as a tax-free reorganization, pursuant to the Code, and that the merger agreement would not differ in any material respect from the draft thereof furnished to Morgan Stanley. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the merger. Morgan Stanley noted that it is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of SSE and Patterson-UTI and their legal, tax, and regulatory advisors with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of SSE's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of SSE common stock in the merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of SSE or Patterson-UTI, and was not furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of December 12, 2016. Events occurring after such date may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

Morgan Stanley was not involved in negotiating the consideration to be received by the holders of shares of SSE common stock pursuant to the merger agreement. In arriving at its opinion, Morgan Stanley was not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction, involving SSE, nor did Morgan Stanley negotiate with any party, other than Patterson-UTI, with respect to the possible acquisition of SSE or certain of its constituent businesses.

Summary of Financial Analyses

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion to the SSE board of directors. The following summary is not a complete description of Morgan Stanley's opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. Unless stated otherwise, the following quantitative information, to the extent that it is based on market data, is based on market data as of December 8, 2016, and is not necessarily

indicative of current market conditions. In performing its financial analyses summarized below and in arriving at its opinion, with the consent of the SSE board of directors, Morgan Stanley used and relied upon the following financial projections: (i) the SSE Management Case A, (ii) the SSE Management Case B, (iii) the Patterson-UTI management case and (iv) certain publicly available Wall Street

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projections for Patterson-UTI. The SSE Management Case A, SSE Management Case B and the Patterson-UTI management case are more fully described below in the section entitled The Merger Certain Unaudited Prospective Financial Information of Patterson-UTI and SSE. **Some of the financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole. Assessing any portion of such analyses and of the factors reviewed, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's opinion.**

Comparable Company Analysis

Morgan Stanley performed a comparable company analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley reviewed and compared, using publicly available information, certain current and historical financial information for SSE and Patterson-UTI with corresponding current and historical financial information, ratios and public market multiples for publicly traded companies in the oilfield services space that shared certain similar business and operating characteristics to SSE and Patterson-UTI, which comparable companies were categorized by Morgan Stanley as diversified oilfield services companies, pressure pumping companies and land drilling companies.

These companies were chosen based on Morgan Stanley's knowledge of the industry and because they have businesses that may be considered similar to that of SSE and Patterson-UTI. Although none of such companies are identical or directly comparable to SSE or Patterson-UTI, these companies are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of its analysis, Morgan Stanley considered similar to SSE and Patterson-UTI.

The companies included in the comparable companies analysis were:

Diversified:

Halliburton Company

Superior Energy Services, Inc.

Pioneer Energy Services Corp.

Pressure Pumps:

RPC, Inc.

Calfrac Well Services Ltd.

Mammoth Energy Services, Inc.

Land Drillers:

Nabors Industries Ltd.

Helmerich & Payne, Inc.

Trinidad Drilling Ltd.

Precision Drilling Corporation

Independence Contract Drilling, Inc.

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For purposes of this analysis, Morgan Stanley analyzed the ratio of (i) aggregate value, which Morgan Stanley defined as a fully-diluted market capitalization, plus total debt, plus non-controlling interest, less cash and cash equivalents, less short-term investments, to (ii) (a) estimated Adjusted EBITDA, which, for purposes of this analysis, Morgan Stanley defined as earnings before interest, taxes, depreciation, amortization and certain other non-recurring items, for the calendar years 2017 and 2018, and (b) Through-the-Cycle Adjusted EBITDA, which Morgan Stanley defined as the average annual Adjusted EBITDA for calendar years 2014 through 2020, of SSE and Patterson-UTI, based on the financial projections prepared by management of each of SSE and Patterson-UTI, and each of these comparable companies based on publicly available financial information through consensus equity analyst research estimates as of December 8, 2016.

Comparable Company Multiples

Comparables	Aggregate Value to Estimated 2017 Adjusted EBITDA	Aggregate Value to Estimated 2018 Adjusted EBITDA
<i>Diversified</i>		
Halliburton Company	16.8x	10.2x
Superior Energy Services, Inc.	20.2x	8.0x
Pioneer Energy Services Corp.	16.5x	7.7x
<i>Pressure Pumpers</i>		
RPC, Inc.	33.3x	11.7x
Calfrac Well Services Ltd.	25.1x	7.1x
Mammoth Energy Services, Inc.	10.7x	7.4x
<i>Land Drillers</i>		
Nabors Industries Ltd.	11.4x	8.1x
Helmerich & Payne, Inc.	21.4x	13.3x
Trinidad Drilling Ltd.	10.5x	7.2x
Precision Drilling Corporation	12.6x	7.8x
Independence Contract Drilling, Inc.	16.0x	8.1x

Based on its analysis of the relevant metrics for each of the comparable companies and upon the application of its professional judgment and experience, Morgan Stanley selected representative ranges of Adjusted EBITDA multiples and applied these ranges of multiples to the estimated relevant metric for SSE and Patterson-UTI based on the SSE Management Case A, the SSE Management Case B and the Patterson-UTI management case, as applicable. In assessing the valuation of SSE and Patterson-UTI, Morgan Stanley applied lower Adjusted EBITDA multiples to SSE than to Patterson-UTI to reflect a combination of factors, including SSE's relatively smaller size and scale, relatively higher leverage and significant customer concentration.

Morgan Stanley calculated the estimated implied equity values of SSE and values per share of SSE common stock as of December 8, 2016 as follows:

Financial Statistic

	Selected Comparable Company Multiple Ranges		Implied Equity Value of SSE (\$MM)		Implied Value Per Share of SSE Common Stock (\$)	
Aggregate Value to Estimated 2017 Adjusted EBITDA	15.5x	17.5x	1,259	1,468	45.12	52.61
Aggregate Value to Estimated 2018 Adjusted EBITDA	8.0x	9.5x	1,486	1,832	53.25	65.65
Aggregate Value to Through the Cycle Adjusted EBITDA (Management Case A)	4.5x	5.5x	1,009	1,314	36.18	47.07
Aggregate Value to Through the Cycle Adjusted EBITDA (Management Case B)	4.5x	5.5x	842	1,109	30.18	39.75

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Morgan Stanley calculated the estimated implied equity values of Patterson-UTI and values per share of Patterson-UTI common stock as of December 8, 2016 as follows:

Financial Statistic	Selected Comparable Company Multiple Ranges	Implied Equity Value of Patterson-UTI (\$MM)	Implied Value Per Share of Patterson-UTI Common Stock (\$)
Aggregate Value to Estimated 2017 Adjusted EBITDA	17.0x 20.0x	3,532 4,258	23.54 28.37
Aggregate Value to Estimated 2018 Adjusted EBITDA	9.0x 11.0x	3,687 4,635	24.57 30.88
Aggregate Value to Through the Cycle Adjusted EBITDA	5.0x 7.0x	2,387 3,573	15.91 23.81

Based on the foregoing calculations of the equity values of SSE and Patterson-UTI, Morgan Stanley calculated the implied percentage ownership of SSE stockholders in the combined company as follows:

Financial Statistic	Implied Percentage Ownership of SSE Stockholders (%)
Aggregate Value to Estimated 2017 Adjusted EBITDA	23 29
Aggregate Value to Estimated 2018 Adjusted EBITDA	24 33
Aggregate Value to Through the Cycle Adjusted EBITDA (Management Case A)	22 35
Aggregate Value to Through the Cycle Adjusted EBITDA (Management Case B)	19 32

Morgan Stanley then compared these implied ownership percentages to the approximately 25% aggregate ownership of SSE stockholders in the combined company implied by the consideration to be received by such stockholders.

No company utilized in the comparable company analysis is identical to SSE or Patterson-UTI. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of SSE and Patterson-UTI. These include, among other things, comparable company growth, the impact of competition on the respective businesses of SSE and Patterson-UTI and the industry generally, industry growth, and the absence of any adverse material change in the respective financial condition and prospects of SSE and Patterson-UTI or the industry, or in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using comparable company data.

Sum of the Parts Analysis

Morgan Stanley performed a sum-of-the-parts analysis with respect to SSE and Patterson-UTI. This valuation methodology is designed to provide an implied public trading value of a company by comparing segments of a company's business to trading levels of other companies engaged in a similar business, and aggregating the implied valuations of each segment.

Morgan Stanley compared certain financial information of SSE with publicly available information for peers that operate in and are exposed to similar lines of business as the following primary lines of SSE's business: (i) drilling,

(ii) pressure pumping and (iii) oilfield rentals.

Morgan Stanley compared certain financial information of Patterson-UTI with publicly available information for peers that operate in and are exposed to similar lines of business as the following primary lines of Patterson-UTI's business: (i) drilling, (ii) pressure pumping and (iii) exploration and production.

With respect to each line of business, Morgan Stanley analyzed, as of December 8, 2016, the ratio of aggregate value to estimated calendar year 2018 Adjusted EBITDA based on publicly available consensus equity analyst research estimates and trading data for peer companies.

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With respect to Patterson-UTI, because segment Adjusted EBITDA was not included in the Patterson-UTI management case, Morgan Stanley calculated Adjusted EBITDA for each line of business based on gross profit provided for each segment and, with selling, general and administrative expenses allocated to each line of business according to the estimated calendar year 2018 revenue.

Based on its professional judgment and experience, Morgan Stanley selected a representative range of 2018 Adjusted EBITDA multiples as described above and applied this range to the estimated calendar year 2018 Adjusted EBITDA for each of SSE's and Patterson-UTI's lines of business derived from, in the case of SSE, the SSE Management Case A and SSE Management Case B and, in the case of Patterson-UTI, the Patterson-UTI management case, to determine an indicative value range by business line. In assessing the valuation of SSE's and Patterson-UTI's lines of business, Morgan Stanley applied lower Adjusted EBITDA multiples to SSE than to Patterson-UTI to reflect a combination of factors, including SSE's relatively smaller size and scale, relatively higher leverage and significant customer concentration. Morgan Stanley then summed the indicative value ranges for each business line to arrive at indicative value ranges for the respective aggregate values of SSE and Patterson-UTI.

A summary of Morgan Stanley's analysis is below:

SSE

Segment	2018E Adjusted EBITDA (\$)	Indicative Adjusted EBITDA Multiple Range	Implied Aggregate Value Range (\$)
Drilling	109	9.5x 10.5x	1,031 1,140
Pressure Pumping	104	8.0x 9.0x	831 935
Oilfield Rentals	18	6.0x 7.0x	110 128
Total	231		1,971 2,202

Patterson-UTI

Segment	2018E Adjusted EBITDA (\$)	Indicative Adjusted EBITDA Multiple Range	Implied Aggregate Value Range (\$)
Drilling	348	10.0x 12.0x	3,477 4,172
Pressure Pumping	110	8.0x 10.0x	883 1,103
Exploration and Production	16	5.0x 7.0x	79 111
Total	474		4,439 5,386

Morgan Stanley then adjusted the total implied aggregate value range for SSE by SSE's net debt and anticipated proceeds from the exercise of Series A warrants to acquire SSE common stock as of September 30, 2016, and divided the resulting implied total equity value ranges by SSE's fully diluted shares outstanding as provided by SSE's management, and adjusted the total implied aggregate value range for Patterson-UTI by Patterson-UTI's estimated net debt as of September 30, 2016 and divided the resulting implied total equity value ranges by Patterson-UTI's fully diluted shares outstanding as provided by Patterson-UTI's management.

	Implied Aggregate Value Range (\$)		Implied Total Equity Value Range (\$)		Implied Value Per Share Range (\$)	
SSE	1,971	2,202	1,612	1,843	57.78	66.04
Patterson-UTI	4,439	5,386	3,861	4,808	25.72	32.04

Based on the foregoing calculations of the equity values of SSE and Patterson-UTI, Morgan Stanley calculated the range of implied percentage ownership of SSE stockholders in the combined company to be 25% to 32%, which Morgan Stanley then compared to the approximately 25% aggregate ownership of SSE stockholders in the combined company implied by the consideration to be received by such stockholders.

Table of Contents***Discounted Cash Flow Analysis***

Morgan Stanley performed a discounted cash flow analysis, which is designed to provide an implied value of a company by calculating the present value of the estimated future cash flows and terminal value of that company.

Morgan Stanley calculated a range of implied total equity values of SSE and values per share of SSE common stock based on estimates of future cash flows for fiscal years 2017 through 2020. Morgan Stanley performed this analysis on the estimated future cash flows contained in the SSE Management Case A and SSE Management Case B. Morgan Stanley first calculated the estimated unlevered free cash flows (calculated as tax-affected earnings before interest and taxes, plus depreciation and amortization, less capital expenditures and adjusted for changes in working capital). Morgan Stanley then calculated a range of terminal values for SSE as of January 1, 2021, using two different methods: (i) by applying a range of terminal growth rates of 2.0% to 4.0%, selected based on Morgan Stanley's experience and professional judgment, and (ii) by applying a range of Adjusted EBITDA exit multiples of 5.0x to 6.0x, selected based on Morgan Stanley's experience and professional judgment and the Adjusted EBITDA multiples of comparable companies over the last 10 years to account for various industry cycles. The unlevered free cash flows from fiscal years 2017 through 2020 and the terminal values were then discounted to present values using a discount rate of 11.1% (which Morgan Stanley derived based on SSE's assumed weighted average cost of capital using its experience and professional judgment), to calculate an implied aggregate value for SSE. Morgan Stanley then adjusted the total implied aggregate value ranges by SSE's estimated net debt and anticipated proceeds from the exercise of Series A warrants to acquire SSE common stock as of September 30, 2016 and divided the resulting implied total equity value ranges by SSE's fully diluted shares outstanding as provided by SSE's management.

Based on the above-described analysis, Morgan Stanley derived the following range of implied total equity values of SSE and values per share for SSE common stock as of January 1, 2017:

Forecast Scenario	Implied Aggregate Value Range for SSE (\$)	Implied Total Equity Value Range for SSE (\$)	Implied Value Per Share Range for SSE (\$)
<i>Management Case A</i>			
Case A, Exit Multiple Sensitivity	1,492 1,672	1,133 1,313	40.61 47.05
Case A, Terminal Growth Sensitivity	1,316 1,538	957 1,179	34.30 42.24
<i>Management Case B</i>			
Case B, Exit Multiple Sensitivity	1,195 1,353	836 994	29.95 35.51
Case B, Terminal Growth Sensitivity	960 1,130	601 771	21.53 27.62

Morgan Stanley calculated a range of implied total equity values of Patterson-UTI and values per share of Patterson-UTI common stock based on estimates of future cash flows for fiscal years 2017 through 2020. Morgan Stanley performed this analysis on the estimated future cash flows contained in the Patterson-UTI management case. Morgan Stanley first calculated the estimated unlevered free cash flows in the same manner as described above. Morgan Stanley then calculated a range of terminal values for Patterson-UTI as of January 1, 2021, (i) by applying a range of terminal growth rates of 2.0% to 4.0%, selected based on Morgan Stanley's experience and professional judgment, and (ii) by applying a range of Adjusted EBITDA exit multiples of 6.0x to 7.0x, selected based on Morgan Stanley's experience and professional judgment and the Adjusted EBITDA multiples of comparable companies over

the last 10 years to account for various industry cycles. Morgan Stanley applied higher EBTIDA exit multiples to Patterson-UTI than to SSE to reflect a combination of factors, including SSE's relatively smaller size and scale, relatively higher leverage and significant customer concentration. The unlevered free cash flows from fiscal years 2017 through 2020 and the terminal values were then discounted to present values using a discount rate of 11.9% (which Morgan Stanley derived based on Patterson-UTI's assumed weighted average cost of capital using its experience and professional judgment), to calculate an implied aggregate value for Patterson-UTI. Morgan Stanley then adjusted the total implied aggregate value ranges by

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Patterson-UTI's estimated net debt as of September 30, 2016 and divided the resulting implied total equity value ranges by Patterson-UTI's fully diluted shares outstanding as provided by Patterson-UTI's management.

Based on the above-described analysis, Morgan Stanley derived the following range of implied total equity values of Patterson-UTI and values per share for Patterson-UTI common stock as of January 1, 2017:

Forecast Scenario	Implied Aggregate Value Range for Patterson-UTI (\$)	Implied Total Equity Value Range for Patterson-UTI (\$)	Implied Value Per Share Range for Patterson-UTI (\$)
Exit Multiple Sensitivity	2,908 3,246	2,330 2,668	15.52 17.78
Terminal Growth Sensitivity	2,626 3,111	2,048 2,533	13.64 16.88

Based on the foregoing calculations of the equity values of SSE and Patterson-UTI, Morgan Stanley calculated the implied percentage ownership of SSE stockholders in the combined company as follows:

Financial Statistic	Implied Percentage Ownership of SSE Stockholders (%)
<i>SSE Management Case A</i>	
Exit Multiple Sensitivity	30 36
Terminal Growth Sensitivity	27 37
<i>SSE Management Case B</i>	
Exit Multiple Sensitivity	24 30
Terminal Growth Sensitivity	19 27

Morgan Stanley then compared these implied ownership percentages to the approximately 25% aggregate ownership of SSE stockholders in the combined company implied by the consideration to be received by such stockholders.

Precedent Transactions Analysis

Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial terms of selected transactions that share some characteristics with the merger.

In connection with its analysis, Morgan Stanley compared publicly available statistics for six transactions with land drilling targets and five transactions with pressure pumping targets with a transaction value of above \$100 million since 2006. Morgan Stanley deemed these transactions to be comparable based on transaction size, assets acquired and transaction structure.

For the purposes of the analysis, Morgan Stanley analyzed, among other things, the following statistics: (i) with respect to the land drilling transactions, the ratio of aggregate value to the number of drilling rigs, and (ii) with respect to the pressure pumping transactions, the ratio of aggregate value to hydraulic horsepower.

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The following is a list of the transactions reviewed by Morgan Stanley:

Land Drilling

Year	Acquiror	Target	Deal Level	Transaction Value (\$MM)	LTM Adjusted EBITDA Multiple	\$MM/ Rig
2011	Ensign Energy Services	Rowan Companies	Asset	540.0	7.2x	18.0
2011	Chesapeake Energy Corporation	Bronco Drilling Company	Corporate	287.9	16.9x	13.1
2008	Precision Drilling Corporation	Grey Wolf Incorporated	Corporate	1,561.9	4.4x	12.9
2008	First Reserve / Schlumberger / Sword Canada	Saxon Energy Services	Corporate	637.2	8.7x	14.8*
2006	Savanna Energy Services	Western Lakota Energy Services	Corporate	611.6	10.1x	15.3
2006	Chesapeake Energy Corporation	Martex Drilling Company	Asset	150.0	N/A	11.5

* Excludes value of workover rigs (assumes \$2.0 million per workover rig)

Pressure Pumping

Acquiror	Target	Deal Level	Transaction Value (\$MM)	LTM Adjusted EBITDA Multiple	\$MM / HHP
Liberty Pressure Pumping	Sanjel Corporation	Asset	150.0	N/A	0.4
Keane Group Holdings	Trican Well Service	Asset	247.0	4.0x	0.4
Patterson-UTI	Platinum Energy Solutions	Asset	143.0*	N/A	1.0*
Calfrac Well Services	Mission Well Services	Corporate	147.0	N/A	0.9
Trican Well Service	Liberty Pressure Pumping	Corporate	255.7	4.0x	2.0

* Industry estimates

Based on the analysis of the relevant metrics for each of the precedent transactions, Morgan Stanley selected a representative range of \$12 million to \$15 million per drilling rig and \$0.8 million to \$1.2 million per thousand hydraulic horsepower. With respect to SSE, Morgan Stanley calculated an aggregate value for the oilfield rental segment by applying a 2018 Adjusted EBITDA multiple of 6.0x, which Morgan Stanley selected based on its judgment and experience. Morgan Stanley applied these ranges to SSE's and Patterson-UTI's respective fleets to calculate an implied aggregate value range for each of SSE and Patterson-UTI. Morgan Stanley then adjusted the

resulting implied aggregate value ranges for net debt and, in the case of SSE, anticipated proceeds from the exercise of Series A warrants to acquire SSE common stock, as of September 30, 2016, and divided the resulting total equity ranges by SSE's and Patterson-UTI's fully diluted shares outstanding as provided by the managements of SSE and Patterson-UTI, respectively.

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Based on the above-described analysis, Morgan Stanley derived the following range of implied total equity values of SSE and Patterson-UTI and values per share for SSE common stock and Patterson-UTI common stock as of December 8, 2016:

	Implied Total Equity Value Range (\$)		Implied Value Per Share Range (\$)	
SSE	1,340	1,839	48.01	65.89
Patterson-UTI	3,053	4,159	20.35	27.71

Based on the foregoing calculations of the equity values of SSE and Patterson-UTI, Morgan Stanley calculated the range of implied percentage ownership of SSE stockholders in the combined company to be 24% to 38%, which Morgan Stanley then compared to the approximately 25% aggregate ownership of SSE stockholders in the combined company implied by the consideration to be received by such stockholders.

No company or transaction utilized in the precedent transactions analysis is identical to SSE or Patterson-UTI or the merger. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, market and financial conditions and other matters, many of which are beyond the control of SSE or Patterson-UTI, such as the impact of competition on the business of SSE or Patterson-UTI or the industry generally, industry growth and the absence of any adverse material change in the financial condition of SSE or Patterson-UTI or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value and equity value of the transactions to which they are being compared.

Reference Data

In addition to conducting the analyses described above, Morgan Stanley reviewed the following data, which was used for reference purposes only and was not used in Morgan Stanley's determination of the fairness, from a financial point of view, of the consideration to be received by the holders of SSE common stock pursuant to the merger agreement.

Table of Contents***Relative Contribution Analysis***

Morgan Stanley compared the relative percentage ownership of SSE stockholders and Patterson-UTI stockholders in the combined company to SSE's and Patterson-UTI's respective percentage contribution (and the implied ownership based on such contribution) to the combined company's revenue, Adjusted EBITDA and cash from operations, based on estimates provided by SSE management, in the case of SSE's contribution, and estimates prepared by Patterson-UTI's management, in the case of Patterson-UTI's contribution, as more fully described under the section entitled "The Merger Certain Unaudited Prospective Financial Information of Patterson-UTI and SSE." The following table summarizes Morgan Stanley's analysis:

Financial Statistic	Contribution Based on Management Projections					Implied Equity Contribution	
	SSE (\$MM)	SSE (%)	Patterson-UTI (\$MM)	Patterson-UTI (%)	Combined (\$MM)	SSE (%)	Patterson-UTI (%)
Revenue							<i>Leverage Adjusted*</i>
2015A	1,131	37.4	1,891	62.6	3,023	37	63
2016E	548	37.9	898	62.1	1,446	38	62
2017E	729	35.6	1,321	64.4	2,050	35	65
2018E	1,099	36.6	1,905	63.4	3,005	36	64
Adjusted EBITDA							<i>Leverage Adjusted*</i>
2015A	235	28.8	582	71.2	817	27	73
2016E	64	24.7	196	75.3	260	23	77
2017E	104	30.2	242	69.8	346	29	71
2018E	231	32.7	474	67.3	705	32	68
Cash from Operations							
2015A	275	21.6	999	78.4	1,274	22	78
2016E	20	6.7	284	93.3	304	7	93
2017E	58	27.0	158	73.0	216	27	73
2018E	142	27.8	369	72.2	511	28	72

* Adjusted to neutralize the impact of SSE's and Patterson-UTI's respective financial leverage.

Historical Trading Range Analysis

Morgan Stanley reviewed the historical trading range of shares of SSE common stock for the period beginning on August 17, 2016, the day on which shares of SSE common stock began trading following SSE's emergence from bankruptcy, and ending on December 8, 2016 and noted that, during such period, the maximum intraday trading price for shares of SSE common stock was \$26.25 and the minimum intraday trading price for shares of SSE common stock was \$15.00. Morgan Stanley also noted that the closing trading price for shares of SSE common stock on December 8, 2016, the last day of trading prior to the public announcement of the merger, was \$26.00.

Morgan Stanley reviewed the historical trading range of shares of Patterson-UTI common stock for the 52-week period ending December 8, 2016 and noted that, during such period, the maximum intraday trading price for shares of Patterson-UTI common stock was \$28.83 and the minimum intraday trading price for shares of Patterson-UTI common stock was \$11.49. Morgan Stanley also noted that the closing trading price for shares of Patterson-UTI

common stock on December 8, 2016, the last day of trading prior to the public announcement of the merger, was \$28.83, and that the closing trading price for shares of Patterson-UTI common stock on November 29, 2016, the last trading day prior to OPEC's announcement that its members had agreed to a production cut, was \$22.96.

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Bankruptcy Valuation

Morgan Stanley reviewed the valuation range ascribed to SSE by the Bankruptcy Court upon emergence from bankruptcy of \$700 million to \$900 million, and calculated a range of implied values per share of SSE common stock of \$12.22 to \$19.39, based on SSE's capitalization upon emergence from bankruptcy and its fully diluted share count as of September 30, 2016.

Equity Research Analyst Targets

Morgan Stanley reviewed and analyzed one-year public market trading price targets for Patterson-UTI common stock prepared and published by selected equity research analysts during the 45 days prior to December 8, 2016. These forward targets reflected each analyst's estimate of the future public market trading price of Patterson-UTI common stock, and these estimates are subject to uncertainties, including the future financial performance of Patterson-UTI and future financial market conditions.

The range of undiscounted analyst one-year price targets for Patterson-UTI common stock was \$14.00 to \$34.00 per share as of December 8, 2016. Morgan Stanley then discounted the range of the analysts' future share price targets for Patterson-UTI common stock for one year at a rate of 13.0%, which was selected based on Morgan Stanley's estimate of Patterson-UTI's cost of equity. This analysis indicated an implied range of values per share of Patterson-UTI common stock of \$12.39 to \$30.09.

General

In connection with the review of the merger agreement and the transactions contemplated thereby by the SSE board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of SSE or Patterson-UTI. In performing its analyses, Morgan Stanley made numerous assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of SSE or Patterson-UTI. These include, among other things, the impact of competition on SSE's and Patterson-UTI's businesses and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of SSE or Patterson-UTI, or the industry, or in the financial markets in general. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness from a financial point of view of the consideration to be received by the holders of shares of SSE common stock pursuant to the merger agreement and in connection with the delivery of its opinion, dated December 12, 2016, to the SSE board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of SSE's common stock or Patterson-UTI's common stock might actually trade.

The consideration to be received by the holders of shares of SSE common stock pursuant to the merger agreement was determined through arm's-length negotiations between SSE and Patterson-UTI and was approved by the SSE board of directors. Morgan Stanley did not provide advice to the SSE board of directors during these negotiations of the consideration, recommend any specific consideration to SSE or the SSE board of directors or that any specific consideration constituted the only appropriate consideration for the merger.

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Morgan Stanley's opinion and its presentation to the SSE board of directors was one of many factors taken into consideration by the SSE board of directors in deciding to approve, adopt and authorize the merger agreement and the transactions contemplated thereby. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the SSE board of directors with respect to the consideration pursuant to the merger agreement or of whether the SSE board of directors would have been willing to agree to a different merger consideration. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley's customary practice.

The SSE board of directors retained Morgan Stanley based upon Morgan Stanley's qualifications, experience and expertise. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or for the accounts of their customers, in debt or equity securities or loans of SSE, Patterson-UTI, or any other company, or any currency or commodity, that may be involved in the merger, or any related derivative instrument.

Under the terms of its engagement letter, Morgan Stanley provided the SSE board of directors with financial advisory services and a financial opinion, described in this section and attached to this joint proxy statement/prospectus as Annex D, in connection with the merger, and SSE has agreed to pay Morgan Stanley an aggregate fee of up to \$7 million for its services, \$5 million of which is payable upon closing of the merger, and up to \$2 million of which is payable upon closing of the merger based on Morgan Stanley's performance at SSE's sole discretion. SSE has also agreed to reimburse Morgan Stanley for its reasonable out-of-pocket expenses, including reasonable fees of outside counsel and other professional advisors, incurred in connection with its engagement. In addition, SSE has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain losses, claims, damages, liabilities and expenses, including liabilities under the federal securities laws, relating to or arising out of Morgan Stanley's engagement.

In the two years prior to the date of Morgan Stanley's opinion, Morgan Stanley or its affiliates have provided financial advisory and financing services to SSE, for which Morgan Stanley or its affiliates has received compensation of less than \$1 million. Morgan Stanley and its affiliates may also seek to provide financial advisory and financing services to SSE and Patterson-UTI in the future and would expect to receive fees for the rendering of these services.

Certain Unaudited Prospective Financial Information of Patterson-UTI and SSE

Neither Patterson-UTI nor SSE as a matter of course makes public long-term projections as to its future earnings or other results because of, among other reasons, the uncertainty of the underlying assumptions and estimates. However, Patterson-UTI and SSE are including the following summary of certain internal, unaudited prospective financial information from Patterson-UTI management's projections for Patterson-UTI and SSE (described below under

Unaudited Prospective Financial Information Prepared by Patterson-UTI) solely because that information was made available to the Patterson-UTI board of directors, Piper Jaffray and, with respect to unaudited prospective financial information for Patterson-UTI, SSE and Morgan Stanley. Similarly, the following summary of the unaudited prospective financial information from SSE management's projections for SSE (described below under Unaudited Prospective Financial Information Prepared by SSE) are included in this joint proxy statement/prospectus solely because that information was made available to the SSE board of directors and Morgan Stanley. Piper Jaffray was authorized by Patterson-UTI to rely upon the Patterson-UTI management projections for Patterson-UTI and SSE

described below for purposes of its analysis and opinion.

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In addition, Patterson-UTI prepared estimates of annual cost synergies expected to be realized following the closing, which are referred to as the Patterson-UTI Estimated Synergies. The Patterson-UTI Estimated Synergies are not reflected in the unaudited prospective financial information. Piper Jaffray was authorized by Patterson-UTI to rely upon the Patterson-UTI Estimated Synergies for purposes of its analysis and opinion.

Morgan Stanley was authorized by SSE to rely upon the Patterson-UTI management projections for Patterson-UTI and the SSE management projections for SSE described below for purposes of its analyses and opinion. The inclusion of the below information should not be regarded as an indication that any of Patterson-UTI, SSE, Piper Jaffray, Morgan Stanley or any other recipient of this information considered or now considers it to be necessarily predictive of actual future results.

The unaudited prospective financial information prepared by the respective managements of Patterson-UTI and SSE was, in general, prepared solely for Patterson-UTI's and SSE's internal use and is subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited prospective financial information covers multiple years, that information by its nature becomes less predictive with each successive year.

While presented in this joint proxy statement/prospectus with numeric specificity, the information set forth in the summary of Patterson-UTI's and SSE's prospective financial information contained in this joint proxy statement/prospectus was based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Patterson-UTI's and SSE's management, including, among others, Patterson-UTI's and SSE's future results, oil and gas industry activity, commodity prices, demand for natural gas and oil, North America rig counts, capacity utilization, general economic and regulatory conditions and other matters described in the sections entitled "Special Note Regarding Forward-Looking Statements" beginning on page 33 of this joint proxy statement/prospectus and "Risk Factors" beginning on page 35 of this joint proxy statement/prospectus. Both Patterson-UTI and SSE believe the assumptions in the prospective financial information were reasonable at the time the financial information was prepared, given the information both Patterson-UTI and SSE had at the time. However, important factors that may affect actual results and cause the results reflected in Patterson-UTI's and SSE's prospective financial information not to be achieved include, but are not limited to, risks and uncertainties relating to their respective businesses, industry performance, the regulatory environment, general business and economic conditions and other matters described under the section of this joint proxy statement/prospectus titled "Risk Factors." See also "Special Note Regarding Forward-Looking Statements" and "Where You Can Find More Information." The prospective financial information also reflects assumptions as to certain business decisions that are subject to change.

The Patterson-UTI and SSE unaudited prospective financial information was prepared by, and is the responsibility of, the management of Patterson-UTI and SSE and was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with the published guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants for the preparation and presentation of financial forecasts. PricewaterhouseCoopers LLP is the independent registered public accounting firm for both Patterson-UTI and SSE and is referred to in this joint proxy statement/prospectus as "PwC." PwC, or any other independent accountants, has not compiled, examined or performed any procedures with respect to Patterson-UTI's and SSE's prospective financial information contained in this joint proxy statement/prospectus. Furthermore, PwC, or any other independent accountants, has not expressed any opinion or any other form of assurance on that information or its achievability. The PwC report incorporated by reference into this joint proxy statement/prospectus relates solely to historical financial information for Patterson-UTI, and the PwC reports included in this joint proxy statement/prospectus on pages F-2 and F-3 relate to the historical financial information of SSE. Those reports do not extend to Patterson-UTI's and SSE's prospective financial information and should not be read to do so.

Except as required by applicable securities laws, Patterson-UTI and SSE do not intend to make publicly available any update or other revision to the prospective financial information. The prospective financial

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information for Patterson-UTI and SSE does not take into account any circumstances or events occurring after the date that information was prepared. In particular, the unaudited prospective financial information for the fiscal year ended December 31, 2016 are historical estimates and do not represent actual results of operations. Readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information set forth below. None of Patterson-UTI's or SSE's nor any of their respective affiliates, officers, directors, advisors or other representatives has made or makes any representation to any Patterson-UTI stockholder, SSE stockholder or any other person regarding either Patterson-UTI's or SSE's ultimate performance compared to the information contained in the prospective financial information or that financial and operating results will be achieved. SSE has made no representation to Patterson-UTI, in the merger agreement or otherwise, concerning the SSE prospective financial information. Similarly, Patterson-UTI has made no representation to SSE, in the merger agreement or otherwise, concerning the Patterson-UTI prospective financial information.

Unaudited Prospective Financial Information Prepared by Patterson-UTI

Patterson-UTI Management Projections for Patterson-UTI. The following tables set forth certain summarized prospective financial information regarding Patterson-UTI for 2016 through 2020, which was prepared by Patterson-UTI management.

	2016E	2017E	2018E	2019E	2020E
			(\$ in millions)		
Revenue	\$ 898	\$ 1,321	\$ 1,905	\$ 2,520	\$ 2,907
Adjusted EBITDA(1)	196	242	474	759	897

- (1) Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation, depletion, amortization and impairment, non-cash compensation, goodwill impairments, gains and losses on sales of assets and transaction expenses. Adjusted EBITDA is a non-GAAP financial measure, as it excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in financial statements. Adjusted EBITDA was used by management to provide additional information in order to provide them with an alternative method for assessing Patterson-UTI's financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. These measures may also be different from or inconsistent with the definition of Adjusted EBITDA as described in Patterson-UTI's documents previously filed with the SEC.

Patterson-UTI Management Projections for SSE. The following tables set forth certain summarized prospective financial information regarding SSE for 2016 through 2020 prepared by Patterson-UTI management.

	2016E	2017E	2018E	2019E	2020E
			(\$ in millions)		
Revenue	\$ 544	\$ 594	\$ 874	\$ 1,146	\$ 1,362
Adjusted EBITDA(1)	75	76	137	248	321

(1)

Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, impairments and other, restructuring charges, reorganization items, gains and losses on sale of a business and exit costs, and gains and losses on sales of assets. Adjusted EBITDA is a non-GAAP financial measure, as it excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in financial statements. Adjusted EBITDA was used by management to provide additional information in order to provide them with an alternative method for assessing SSE's financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. These measures may also be different from or inconsistent with the definition of Adjusted EBITDA as described in SSE's documents previously filed with the SEC.

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In addition, Patterson-UTI provided Piper Jaffray with estimates of cost synergies on a historical and project basis, all of which were in excess of \$50 million annually upon full integration. Patterson-UTI's estimates did not reflect any revenue effects as a result of the proposed merger.

The unaudited prospective financial information for Patterson-UTI was prepared on the assumption, among others, that (i) forecasted industry rig counts through 2018 would be in accordance with consensus estimates published by independent research analysts, with management assumptions for additional modest rig count growth through 2020, (ii) pressure pumping activity for Patterson-UTI and SSE in 2020 would be at a level or beyond what was observed in 2014 and (iii) growth in revenue and changes in operating margins for 2017-2020 would be in accordance with internally prepared assumed rates.

Unaudited Prospective Financial Information Prepared by SSE

SSE Management Projections for SSE. The following tables set forth certain summarized prospective production and financial information regarding SSE for 2016 through 2020 which information was prepared by SSE management. SSE management prepared two alternative forecasts for Adjusted EBITDA, referred to as Management Case A and Management Case B. Management Case B reflects a return to SSE's Adjusted EBITDA margin for 2014 in fiscal years 2019 and 2020, whereas Management Case A reflects the same revenue growth as Management Case B but increased Adjusted EBITDA margins in 2019 and 2020.

In preparing the unaudited prospective financial information described herein, SSE management made the following material assumptions with respect to its business in both Management Case A and Management Case B: (i) continued recovery in the oilfield services sector over the next five fiscal years, with a slower rate of growth assumed in Management Case B, (ii) steady increases in demand for drilling with total rig count held constant at 97 rigs across all five fiscal years, (iii) steady increases in demand for hydraulic fracturing with total horsepower held constant at 520,000 HHP across all five fiscal years, (iv) capital expenditures held relatively constant at \$87-101 million per year, and (v) revenue growth averaging an annual compound growth rate of 40.9%, primarily driven by increased revenue from pressure pumping.

	2016E	2017E	2018E	2019E	2020E
			(\$ in millions)		
Revenue	\$ 548	\$ 729	\$ 1,099	\$ 1,700	\$ 2,161
Adjusted EBITDA(1)					
Management Case A	64	104	231	453	610
Management Case B	64	104	231	353	449

- (1) Adjusted EBITDA is defined as adjusted earnings before interest, income taxes, depreciation and amortization, non-cash compensation, impairments, gains and losses on sales of assets and transaction expenses. Adjusted EBITDA is a non-GAAP financial measure, as it excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in financial statements. Adjusted EBITDA was used by management to provide additional information in order to provide them with an alternative method for assessing SSE's financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. These measures may also be different from or inconsistent with the definition of Adjusted EBITDA as described in SSE's documents previously filed with the

SEC.

Interests of SSE Directors and Executive Officers in the Merger

In considering the recommendation of the SSE board of directors that the SSE stockholders vote to adopt the merger agreement, SSE's stockholders should be aware that aside from their interests as stockholders of SSE, SSE's directors and executive officers have interests in the merger that may be different from, or in addition to, those of other stockholders of SSE generally. The members of the SSE board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the

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merger, and in recommending to the stockholders of SSE that the merger agreement be approved. See Background of the Merger and SSE's Reasons for the Merger; Recommendation of the SSE Board of Directors. SSE's stockholders should take these interests into account in deciding whether to vote FOR the approval of the merger agreement. These interests are described in more detail below, and certain of them are quantified in the narrative and the tables below. For the purposes of the plans and agreements described below, to the extent applicable, the completion of the merger will constitute a change of control, change in control or term of similar meaning.

Treatment of SSE Incentive Plan Restricted Stock Unit Awards

Each SSE restricted stock unit award granted prior to December 12, 2016 (the Incentive Awards) that is outstanding as of immediately prior to the effective time will immediately vest and any forfeiture restrictions applicable to such award will immediately lapse. Each Incentive Award will be deemed settled and each share of SSE common stock subject to such Incentive Award will be treated as a share of SSE common stock and receive the merger consideration. None of SSE's directors or executive officers hold SSE restricted stock unit awards granted on or following December 12, 2016.

Quantification of Payments for Incentive Awards.

The following table sets forth, as of February 22, 2017, for each of SSE's directors and executive officers who hold Incentive Awards, the aggregate number of shares of SSE common stock covered by the Incentive Awards held by such individuals and the estimated value of shares of Patterson-UTI common stock that each holder may receive in connection with the merger with respect to such SSE awards. Two of SSE's directors, Victor Dahn and Andrew Axelrod, do not hold any unvested Incentive Awards as of the date hereof.

Name	Position	Number of Incentive Award Shares(1)	Value (\$)(2)
Jerry Winchester	President and Chief Executive Officer	302,500	14,326,400
Cary Baetz	Chief Financial Officer and Treasurer	181,500	8,595,840
Karl Blanchard	Chief Operating Officer	181,500	8,595,840
James Minmier	President-Nomac Drilling	151,250	7,163,200
William Stanger	President-Performance Technologies	121,000	5,730,560
Edward J. DiPaolo	Director	12,998	615,585
Steven Hinchman	Director	12,998	615,585
David King	Director	12,998	615,585
Douglas J. Wall	Director	12,998	615,585

- (1) The number of shares covered by the Incentive Awards held by each individual within the table above is subject to change based upon any vesting or forfeiture event that could occur after February 22, 2017 but prior to the closing of the merger. Under the terms of the merger agreement, SSE is not permitted to make any additional equity awards to SSE's officers after the signing of the merger agreement without Patterson-UTI's prior written consent. Accordingly, SSE does not expect that any additional awards will be granted pursuant to the SSE Incentive Plan prior to the close of the merger.
- (2) For purposes of this table, the per share value of the merger consideration was estimated to be equal to \$47.36, determined by multiplying an estimated exchange ratio of 1.7731 (calculated assuming that all outstanding Series

A warrants of SSE are exercised for cash, no other warrants are exercised, no other shares of SSE are issued prior to closing and certain other assumptions set forth in Example 1 of Annex B of this joint proxy statement/prospectus) by \$26.71, the average closing price of Patterson-UTI common stock over the first five business days following the first public announcement of the merger. The actual value of the Patterson-UTI common stock received at the time of the merger will depend upon the price of the Patterson-UTI common stock on the closing date. The value that each current SSE director or executive officer could receive upon a sale or other disposition of any Patterson-UTI common stock to be received in the merger cannot be determined until such a sale or disposition occurs.

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Employment Agreements

SSE has entered into employment agreements with each of its executive officers. Although it has not yet been determined whether the SSE named executive officers will continue employment with Patterson-UTI or if they will incur a termination of employment in connection with the merger, for purposes of quantifying the severance benefits that may become payable to each executive officer, the employment of each of the SSE named executive officers will be assumed to be terminated without cause in connection with the merger, triggering certain compensation and benefits to each of those executive officers pursuant to their employment agreements, described below.

Under the terms of each employment agreement, if an executive officer's employment is terminated without cause or the executive officer terminates employment for good reason (including if the executive officer's employment is terminated due to SSE's non-renewal of the employment agreement), then subject to such executive officer's signing and not revoking a separation agreement and release of claims in a form satisfactory to SSE, such executive officer will be entitled to:

Receive an amount, generally paid in substantially equal monthly installments over 12 months, equal to a multiple of such executive officer's (i) annual base salary and (ii) the greater of the actual bonus paid to the executive officer for the year prior to the termination or the target bonus for the year of the termination, with the multiple for all executive officers being 2.0x, but 2.99x for Mr. Winchester if a termination without cause or resignation with good reason occurs within the 6 months prior to or 24 months following a change in control (in which case, the difference between the amounts derived from the 2.99 multiple and the 2.0 multiple shall be paid to Mr. Winchester in a lump sum within 30 days following the change in control);

Subject to a timely election of Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation coverage, reimbursement for the amount of COBRA continuation premiums until the earliest of (i) 18 months following the date of termination, (ii) such time as such executive officer is no longer eligible for COBRA continuation coverage, or (iii) the date on which the executive officer becomes eligible to receive substantially similar coverage from another employer;

The vesting of any supplemental matching contributions pursuant to SSE's deferred compensation plan; and

Outplacement counseling services for 12 months following the qualifying termination, subject to a maximum value of \$25,000, except for Mr. Winchester, whose employment agreement does not provide for such benefit if his qualifying termination occurs within the 6 months prior to or 24 months following a change in control.

In the event that the SSE board of directors determines that payments to be made to an executive officer would constitute excess parachute payments subject to excise taxes under Section 4999 of the Code, then the amount of those payments must either (i) be reduced so that the total compensation received by the executive officer in connection with the transaction is \$1.00 less than the amount that would cause the officer to incur such excise tax or (ii) paid in full, whichever results in the better net after tax position for the executive officer. In no event is SSE required to provide tax gross-up payments to any executive officer.

Each executive officer is subject to restrictions on competition and soliciting SSE employees and customers for 24 months following the executive officer's termination of employment.

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The amounts set forth below reflect the estimate of the compensation and benefits that the current SSE executive officers would be entitled to receive pursuant to their employment agreements in connection with a termination without cause or resignation for good reason in connection with the merger.

Name	Potential Cash Severance (\$)(1)	Estimated COBRA costs (\$)(2)	Maximum Outplacement Services (\$)(3)	Total (\$)
Jerry Winchester	7,071,504	25,877		7,097,381
Cary Baetz	2,524,493	25,042	25,000	2,574,535
Karl Blanchard	3,188,833	21,606	25,000	3,235,439
James Minmier	2,391,626	22,721	25,000	2,439,347
William Stanger	2,125,889	22,081	25,000	2,172,970

- (1) Potential cash severance amounts are based on each executive officer's base salary as of February 22, 2017 and the annual bonus each executive officer received for services performed in 2016.
- (2) Estimated COBRA costs are based upon the costs of SSE's benefit plans as of February 22, 2017.
- (3) Amounts shown in this table are the maximum amounts that could become payable under the employment agreements, but amounts actually paid to each executive officer could be less.

Deferred Compensation Plan

At the effective time, pursuant to the terms of SSE's deferred compensation plan, all unvested SSE contributions to individual accounts will vest. The estimated value of the unvested SSE contributions in each executive officer's deferred compensation account as of February 7, 2017 is set forth in the table below. In addition, if a participant in SSE's deferred compensation plan terminates employment for any reason during the 24 months following the merger, the participant will receive a single lump sum payment equal to the unpaid balance of his or her account under SSE's deferred compensation plan.

Name	Unvested SSE Contributions to the Deferred Compensation Plan (\$)
Jerry Winchester	352,657
Cary Baetz	44,718
Karl Blanchard	32,859
James Minmier	56,356
William Stanger	101,936

Indemnification and Insurance

The merger agreement provides that, for a period of six years from the effective time, Patterson-UTI shall cause SSE, as the surviving corporation, to indemnify and hold harmless, to the fullest extent permitted by applicable legal requirements, each present and former director, officer and employee of SSE or any of its subsidiaries and each person who served as a director, officer, member, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise if such service was at the request of SSE or any of its subsidiaries against any costs or expenses, including attorneys' fees (including the advancement of such costs and expenses),

judgments, fines, losses, claims, damages, liabilities or settlements incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or related to such person's service as a director, officer or employee of SSE or its subsidiaries or services performed by such person at the request of SSE or its subsidiaries at or prior to the effective time. For additional information see The Merger Agreement Indemnification and Insurance beginning on page 142.

Quantification of Payments and Benefits to SSE's Named Executive Officers

Item 402(t) of Regulation S-K requires disclosure of compensation arrangements or understandings with SSE's named executive officers that are based on or otherwise relate to the merger, whether present, deferred or

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contingent. The individuals disclosed within this section are SSE's current principal executive officer, current principal financial officer, and three most highly compensated executive officers other than the principal executive officer and principal financial officer for SSE's most recently completed fiscal year.

The table set forth below details the amount of payments and benefits that each of SSE's named executive officers could potentially receive in connection with the merger under the SSE Incentive Plan and applicable employment agreements. These payments consist of the payments described above and are not in addition to those described in previous sections. These payments are specifically identified in this fashion to allow for a non-binding advisory vote of SSE's stockholders regarding these payments and benefits. The amounts in the table below were calculated using the following assumptions: (i) the consummation of the merger occurs on February 22, 2017, (ii) the per share value of the merger consideration is estimated to be equal to \$47.36, determined by multiplying an estimated exchange ratio of 1.7731 (calculated assuming that all outstanding Series A warrants of SSE are exercised for cash, no other warrants are exercised, no other shares of SSE are issued prior to closing and certain other assumptions set forth in Example 1 of Annex B of this joint proxy statement/prospectus) by \$26.71, the average closing price of the Patterson-UTI common stock over the first five trading days following the first public announcement of the transaction, (iii) although it has not yet been determined whether the named executive officers will continue employment with Patterson-UTI or if they will incur a termination of employment in connection with the merger, the employment of each of the named executive officers will be assumed to be terminated without cause immediately following the completion of the merger, (iv) each named executive officer utilizes perquisites to the fullest extent available, and (v) with respect to any agreements that require the executive officer to execute a release agreement or to comply with restrictive covenants, the executive officer has properly executed that document or complied with all requirements necessary in order to receive the benefits noted below. Some of the assumptions used in the table below are based upon information not currently available and, as a result, the actual amounts to be received by any of the individuals below may differ from the amounts set forth below.

Name	Cash \$(1)	Equity \$(2)	Pension/ NQDC(3)	Perquisites/ Benefits \$(4)	Total
Jerry Winchester	7,071,504	14,326,400	352,657	25,877	21,776,438
Cary Baetz	2,524,493	8,595,840	44,718	50,042	11,215,093
Karl Blanchard	3,188,833	8,595,840	32,859	46,606	11,864,138
James Minmier	2,391,626	7,163,200	56,356	47,721	9,658,903
William Stanger	2,125,889	5,730,560	101,936	47,081	8,005,446

- (1) Amounts are based on each executive officer's base salary as of February 22, 2017 and the annual bonus each executive officer received for services performed in 2016, and are calculated in accordance with each executive officer's employment agreement as described above. These amounts are considered double-trigger payments, meaning that they would become payable only in connection with a termination in connection with the merger. Subject to SSE's receipt of an executed separation agreement and release of claims, the monthly payments would begin on the sixtieth day following the executive officer's termination unless, at the time of the termination, the executive officer is considered to be a specified employee under Section 409A of the Code and would be subject to a required six-month delay for any payments that are considered to be deferred compensation payments pursuant to Section 409A of the Code. For additional information regarding these payments, please see Interests of SSE Directors and Executive Officers in the Merger Employment Agreements beginning on page 115.
- (2) The estimated equity values included in this column would be considered single-trigger pursuant to the terms of the Incentive Awards, which will become accelerated and settled upon the occurrence of the merger, without

regard to whether the executive officer also incurs a termination of employment. The number of shares covered by the Incentive Awards held by each individual used to calculate the estimates in the table above is subject to change based upon any vesting or forfeiture event that could occur after February 22, 2017 but prior to the closing of the merger. For additional information regarding this benefit, please see Interests of SSE Directors and Executive Officers in the Merger Treatment of SSE Incentive Plan Restricted Stock Unit Awards beginning on page 114.

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- (3) The estimated values included in this column reflect the unvested SSE contributions in each executive officer's deferred compensation account as of February 22, 2017. The estimated value of vesting of unvested deferred compensation contributions set forth in the table above is subject to change based upon any vesting or forfeiture event that could occur after February 22, 2017 but prior to the closing of the merger. The estimated values in this column would be considered single-trigger and would vest upon the occurrence of the merger without regard to whether the executive officer also incurs a termination of employment.
- (4) The estimated costs in this column reflect a combination of the maximum outplacement services (\$25,000 per executive officer) and the estimated maximum continued COBRA costs that could be provided pursuant to employment agreements in the event that the executive officer is terminated without cause or terminates for good reason. As noted above, the cost of outplacement services will in no event exceed \$25,000 per executive officer, but could be lower and the COBRA amounts could continue for a maximum period of 18 months, although the duration of the COBRA payments could be shorter, in which case the amounts actually paid could also be lower than costs shown in the table above. The estimated payments reflected in this column would be considered double-trigger payments, meaning that they would become payable only in connection with a termination in connection with the merger. For additional information regarding these benefits, please see Interests of SSE Directors and Executive Officers in the Merger Employment Agreements beginning on page 115.

Board of Directors and Executive Management Following the Merger

Following the completion of the merger, it is anticipated that the Patterson-UTI board of directors will have seven members, consisting of the seven individuals currently serving on the Patterson-UTI board of directors as of the date of this joint proxy statement/prospectus.

Following the completion of the merger, it is anticipated that each of the Patterson-UTI executive officers will continue to serve in their current positions and under the same compensation plans and arrangements that were in place prior to the merger:

Mark S. Siegel	Executive Chairman
William Andrew Hendricks, Jr.	President and Chief Executive Officer
John E. Vollmer III	Senior Vice President Corporate Development, Chief Financial Officer and Treasurer
Kenneth N. Berns	Senior Vice President
Seth D. Wexler	Senior Vice President, General Counsel and Secretary
James M. Holcomb	President Patterson-UTI Drilling Company LLC

Regulatory Clearances Required for the Merger

Consummation of the merger is subject to the expiration or termination of any applicable waiting period under the HSR Act). On January 3, 2017, Patterson-UTI and SSE filed Notification and Report Forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission, which is referred to as the FTC. On January 13, 2017, Patterson-UTI and SSE were notified by the FTC that the early termination of the waiting period under the HSR Act had been granted.

At any time before or after the effective time, the U.S. antitrust authorities could take action under the antitrust laws, including seeking to prevent the merger, to rescind the merger or to conditionally approve the merger upon the divestiture of assets of Patterson-UTI or SSE or subject to other remedies. In addition, U.S. state attorneys general could take action under the antitrust laws as they deem necessary or desirable in the public interest including without

limitation seeking to enjoin the completion of the merger or permitting completion subject to regulatory concessions or conditions. Private parties may also seek to take legal action under the antitrust laws under some circumstances. There can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

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Pursuant to the terms of the merger agreement, Patterson-UTI and SSE have agreed to cooperate fully with one another, and use reasonable best efforts to take, or cause to be taken, all actions necessary to consummate the merger and the other transactions contemplated by the merger agreement, including:

making all filings (if any) and giving all notices (if any) required to be made and given by such party in connection with the merger or the other transactions contemplated by the merger agreement;

using reasonable best efforts to obtain each approval, consent, authorization or waiver (if any) required to be obtained by such party in connection with the merger or any other transactions contemplated by the merger agreement; and

using reasonable best efforts to oppose or to lift, as the case may be, any restraint, injunction or other legal bar to the merger.

However, notwithstanding the foregoing, unless immaterial relative to SSE and its subsidiaries taken as a whole, Patterson-UTI does not have any obligation under the merger agreement to (and SSE shall not, unless requested to do so by Patterson-UTI): (i) dispose of, transfer, or hold separate, or cause any of its subsidiaries to dispose of, transfer, or hold separate any assets or operations, or commit or cause SSE or any of its subsidiaries to dispose of, transfer, or hold separate any assets; (ii) discontinue or cause any of its subsidiaries to discontinue offering any product or service, or commit to cause SSE or any of its subsidiaries to discontinue offering any product or service or (iii) make or cause any of its subsidiaries to make any commitment (to any governmental body or otherwise) regarding its future operations or the future operations of SSE or any of its subsidiaries.

Treatment of SSE Incentive Plan Restricted Stock Unit Awards

Each SSE restricted stock unit award granted prior to December 12, 2016 that is outstanding as of the effective time will fully vest immediately prior to the closing of the merger and be treated as shares of SSE common stock and receive the merger consideration in respect of each share of SSE common stock subject to the award. In addition, at the effective time, each SSE restricted stock unit award granted on or following December 12, 2016 will be assumed by Patterson-UTI and converted into a restricted stock unit award, with the same terms and conditions as in effect immediately prior to the effective time, covering a number of shares of Patterson-UTI common stock equal to (i) the number of shares of SSE common stock subject to the award immediately prior to the effective time, multiplied by (ii) the exchange ratio, rounded to the nearest whole share.

Treatment of Patterson-UTI and SSE Credit Agreements

Patterson-UTI currently maintains a senior unsecured credit facility, as amended, with Wells Fargo Bank, N.A., as administrative agent, and the other lenders and financial institutions party thereto (the Patterson-UTI revolving credit facility), which has a maturity date of September 27, 2017. The Patterson-UTI revolving credit facility permits aggregate borrowings of up to \$500 million outstanding at any time, subject to a borrowing base calculated by reference to Patterson-UTI's and certain of its subsidiaries' eligible equipment, inventory, account receivable and unencumbered cash. The Patterson-UTI revolving credit facility contains a letter of credit facility that is limited to \$50 million and a swing line facility that is limited to \$20 million, in each case outstanding at any time. Subject to customary conditions, Patterson-UTI may request that the lenders' aggregate commitments with respect to the Patterson-UTI revolving credit facility be increased by up to \$100 million, not to exceed total commitments of

\$600 million. The maturity date under the Patterson-UTI revolving credit facility is September 27, 2017; however, an amendment entered into on July 8, 2016 extended the maturity date of \$357.9 million in revolving credit commitments of certain lenders to March 27, 2019. As of January 20, 2017, Patterson-UTI had \$10 million outstanding under its revolving credit facility, with available borrowing capacity of \$490 million.

Loans under the Patterson-UTI revolving credit facility bear interest by reference, at Patterson-UTI's election, to the LIBOR rate or base rate, provided, that swing line loans bear interest by reference only to the base

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rate. Until September 27, 2017, the applicable margin on LIBOR rate loans varies from 2.75% to 3.25% and the applicable margin on base rate loans varies from 1.75% to 2.25%, in each case determined based upon Patterson-UTI's debt to capitalization ratio. Beginning September 27, 2017, the applicable margin on LIBOR rate loans varies from 3.25% to 3.75% and the applicable margin on base rate loans varies from 2.25% to 2.75%, in each case determined based on Patterson-UTI's excess availability under the Patterson-UTI revolving credit facility. As of December 31, 2016, the applicable margin on LIBOR rate loans was 2.75% and the applicable margin on base rate loans was 1.75%. Based on Patterson-UTI's debt to capitalization ratio at September 30, 2016, the applicable margin on LIBOR loans is 2.75% and the applicable margin on base rate loans is 1.75% as of January 1, 2017. Based on Patterson-UTI's debt to capitalization ratio at December 31, 2016, the applicable margin on LIBOR loans will be 2.75% and the applicable margin on base rate loans will be 1.75% as of April 1, 2017. A letter of credit fee is payable by Patterson-UTI equal to the applicable margin for LIBOR rate loans times the daily amount available to be drawn under outstanding letters of credit. The commitment fee rate payable to the lenders for the unused portion of the Patterson-UTI revolving credit facility is 0.50%.

SSE currently maintains a senior secured credit facility with Wells Fargo Bank, N.A., as administrative agent, and the other lenders and financial institutions party thereto (the "SSE credit facility") with total commitments of \$100.0 million. In June 2014, SSE entered into a \$400.0 million seven-year term loan credit agreement (the "term loan") and on May 13, 2015, SSE entered into a \$100 million incremental term supplement to the term loan (the "incremental term loan"). Patterson-UTI anticipates that, at or immediately following the effective time, the SSE credit facility, the term loan and the incremental term loan will each be terminated and any indebtedness outstanding thereunder will be repaid. As of January 20, 2017, SSE had outstanding borrowings under the term loan in a principal amount of \$390 million and outstanding borrowings under the incremental term loan in a principal amount of \$83.25 million and no outstanding borrowings under the SSE credit facility.

The prepayment of indebtedness under the SSE credit facility and term loan may be made without premium or penalty, subject to customary breakage costs. Voluntary prepayments of the incremental term loan made on or prior to the 42-month anniversary of the incremental term loan are ordinarily subject to a prepayment premium equal to (i) a make-whole premium determined pursuant to a formula set forth in the incremental term loan if made on or prior to the 18-month anniversary of the incremental term loan, (ii) 5.00% of such principal amount if made after the 18-month anniversary and on or prior to the 30-month anniversary of the incremental term loan, or (iii) 3.00% of such principal amount if made after the 30-month anniversary and on or prior to the 42-month anniversary of the incremental term loan. However, on August 1, 2016, SSE entered into a waiver in respect of the incremental term loan whereby the incremental term lenders agreed to waive their right to any prepayment premium that may be payable in respect of the incremental term loan (other than in connection with a pre-maturity acceleration of the incremental term loan) for a period of eighteen months following August 1, 2016. Patterson-UTI currently plans to fund the repayment of the indebtedness under the SSE credit facility, term loan and incremental term loan with proceeds obtained through the issuance of Patterson-UTI common stock and, if required, borrowings under the Patterson-UTI revolving credit facility.

Dividend Policies

Patterson-UTI currently issues a quarterly dividend. Any future decisions to pay dividends on Patterson-UTI common stock will be at the discretion of the Patterson-UTI board of directors and will depend on the business conditions, results of operations, financial condition, terms of its debt agreements and other factors that the Patterson-UTI board of directors may deem relevant. The merger agreement prohibits Patterson-UTI (unless consented to in advance by SSE, which consent may not be unreasonably withheld, delayed or conditioned) from paying dividends to holders of Patterson-UTI common stock in excess of \$0.02 per share per quarter until the earlier of the effective time and the termination of the merger agreement in accordance with its terms.

Since its spin-off, SSE has not declared any dividends and does not anticipate declaring or providing any cash dividends to holders of SSE common stock in the foreseeable future. The merger agreement prohibits SSE (unless consented to in advance by Patterson-UTI, which consent may not be unreasonably withheld, delayed or

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conditioned) from paying dividends to holders of SSE common stock until the earlier of the effective time and the termination of the merger agreement in accordance with its terms.

Listing of Patterson-UTI Common Stock

It is a condition to the completion of the merger that the shares of Patterson-UTI common stock to be issued to SSE stockholders pursuant to the merger and such other shares of Patterson-UTI common stock to be reserved for issuance in connection with the merger be authorized for listing to be traded on the NASDAQ, subject to official notice of issuance.

Halting of Trading of SSE Common Stock

Upon completion of the merger, the SSE common stock currently traded on the OTC Grey will cease to be traded on the OTC Grey.

Appraisal Rights

Patterson-UTI

The holders of Patterson-UTI common stock are not entitled to appraisal rights in connection with the merger under Delaware law.

SSE

Under Delaware law, SSE stockholders have the right to dissent from the merger and to receive payment in cash for the fair value of their shares of SSE common stock as determined by the Delaware Court of Chancery, together with interest, if any, as determined by the court, in lieu of the consideration SSE stockholders would otherwise be entitled to pursuant to the merger agreement. These rights are known as appraisal rights. SSE stockholders electing to exercise appraisal rights must comply with the provisions of Section 262 of the DGCL in order to perfect their rights. Strict compliance with the statutory procedures is required to perfect appraisal rights under Delaware law.

The following is intended as a brief summary of the material provisions of the Delaware statutory procedures required to be followed by a SSE stockholder in order to dissent from the merger and perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements and is qualified in its entirety by reference to Section 262 of the DGCL, the full text of which appears in Annex E to this joint proxy statement/prospectus. Failure to precisely follow any of the statutory procedures set forth in Section 262 of the DGCL may result in a termination or waiver of appraisal rights. All references in this summary to a stockholder are to the record holder of shares of SSE common stock unless otherwise indicated.

Section 262 requires that stockholders for whom appraisal rights are available be notified not less than 20 days before the stockholders' meeting to vote on the merger that appraisal rights will be available. A copy of Section 262 must be included with such notice. This joint proxy statement/prospectus constitutes notice to SSE stockholders of the availability of appraisal rights in connection with the merger in compliance with the requirements of Section 262. If a SSE stockholder wishes to consider exercising appraisal rights, such stockholder should carefully review the text of Section 262 contained in Annex E to this joint proxy statement/prospectus because failure to timely and properly comply with the requirements of Section 262 will result in the loss of appraisal rights under Delaware law.

If you are a record holder of shares of SSE common stock and wish to elect to demand appraisal of your shares, you must satisfy each of the following conditions:

You must deliver to SSE a written demand for appraisal of your shares before the vote with respect to the merger is taken. This written demand for appraisal must be in addition to and separate from any

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proxy or vote abstaining from or voting against the adoption and approval of the merger agreement and the merger. Voting against or failing to vote for the adoption and approval of the merger agreement and the merger by itself does not constitute a demand for appraisal within the meaning of Section 262.

You must not vote in favor of, or consent in writing to, the adoption and approval of the merger agreement and the merger. A vote in favor of the adoption and approval of the merger agreement and merger, by proxy or in person, will constitute a waiver of your appraisal rights in respect of the shares so voted and will nullify any previously filed written demands for appraisal. A proxy which does not contain voting instructions will, unless revoked, be voted in favor of the adoption and approval of the merger agreement and the merger. Therefore, a SSE stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the merger agreement and the merger or abstain from voting on the merger agreement and the merger.

You must continue to hold your shares of SSE common stock through the effective date of the merger. Therefore, a stockholder who is the record holder of shares of SSE common stock on the date the written demand for appraisal is made but who thereafter transfers the shares prior to the effective date of the merger will lose any right to appraisal with respect to such shares.

If you fail to comply with any of these conditions and the merger is completed, you will be entitled to receive the merger consideration, but you will have no appraisal rights with respect to your shares of SSE common stock.

All demands for appraisal should be addressed to Seventy Seven Energy Inc., 777 N.W. 63rd Street Oklahoma City, Oklahoma 73116, Attention: Corporate Secretary, and must be delivered before the vote on the merger agreement is taken at the special meeting of SSE stockholders and should be executed by, or on behalf of, the record holder of the shares of SSE common stock. The demand must reasonably inform SSE of the identity of the stockholder and the intention of the stockholder to demand appraisal of his, her or its shares.

To be effective, a demand for appraisal by a holder of common stock must be made by, or in the name of, such registered stockholder, fully and correctly, as the stockholder's name appears on his, her or its stock certificate(s). Beneficial owners who do not also hold the shares of record may not directly make appraisal demands to SSE. The beneficial holder must, in such cases, have the registered owner, such as a broker, bank or other nominee, submit the required demand in respect of those shares. If shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made by or for the fiduciary; and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a broker, who holds shares as a nominee for others, may exercise his or her right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares as to which appraisal is sought. Where no number of shares is expressly mentioned, the demand will be presumed to cover all shares held in the name of the record owner.

If a SSE stockholder holds shares of common stock in a brokerage account or in other nominee form and wishes to exercise appraisal rights, such stockholder should consult with his, her or its broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

Within ten days after the effective time, SSE, as the surviving corporation, must give written notice that the merger has become effective to each former SSE stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the merger agreement and the merger. Within 120 days after the effective date of the merger, any stockholder who has complied with Section 262 will, upon written request to SSE as the surviving corporation, be entitled to receive a written statement setting forth the aggregate number of

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shares not voted in favor of the merger agreement and the merger and with respect to which demands for appraisal rights have been received and the aggregate number of holders of such shares. A person who is the beneficial owner of shares of common stock held in a voting trust or by a nominee on behalf of such person may, in such person's own name, request from the surviving corporation the statement described in the previous sentence. Such written statement will be mailed to the requesting SSE stockholder within ten days after such written request is received by the surviving corporation or within ten days after expiration of the period for delivery of demands for appraisal, whichever is later. Within 120 days after the effective date of the merger, either the surviving corporation or any SSE stockholder who has complied with the requirements of Section 262 and who is otherwise entitled to appraisal rights may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares held by all SSE stockholders entitled to appraisal. A person who is the beneficial owner of shares of SSE common stock held in a voting trust or by a nominee on behalf of such person may, in such person's own name, file the petition described in the previous sentence. Upon the filing of the petition by a SSE stockholder, service of a copy of such petition shall be made upon SSE, as the surviving corporation. The surviving corporation has no obligation to file such a petition in the event there are dissenting SSE stockholders. Accordingly, the failure of a SSE stockholder to file such a petition within the period specified could nullify the SSE stockholder's previously written demand for appraisal. There is no present intent on the part of SSE to file an appraisal petition, and SSE stockholders seeking to exercise appraisal rights should not assume that SSE will file such a petition or that SSE will initiate any negotiations with respect to the fair value of such shares. Accordingly, SSE stockholders who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262. There is no present intent on the part of SSE to file an appraisal petition, and SSE stockholders seeking to exercise appraisal rights should not assume that SSE will file such a petition or that it will initiate any negotiations with respect to the fair value of such shares. Accordingly, SSE stockholders who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL.

If a petition for appraisal is duly filed by a SSE stockholder and a copy of the petition is delivered to the surviving corporation, the surviving corporation will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Delaware Court of Chancery with a duly verified list containing the names and addresses of all SSE stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached by the surviving corporation. After notice to dissenting stockholders who demanded appraisal of their shares, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition, and to determine those SSE stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided thereby. The Delaware Court of Chancery may require the SSE stockholders who have demanded appraisal for their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any SSE stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

After determination of the SSE stockholders entitled to appraisal of their shares of common stock, the Delaware Court of Chancery will appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Notwithstanding the foregoing, at any time before the entry of judgment in the proceedings, SSE may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (i) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery, and (ii) interest theretofore accrued, unless paid at that time. When the value is determined, the Delaware Court of Chancery will direct the

payment of such value, with interest thereon accrued during the pendency of the proceeding, if the Delaware Court of Chancery so

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determines, to the SSE stockholders entitled to receive the same, upon surrender by such holders of the certificates representing those shares.

In determining fair value, and, if applicable, interest, the Delaware Court of Chancery is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that fair price obviously requires consideration of all relevant factors involving the value of a company.

Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 to mean that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.

SSE stockholders should be aware that the fair value of shares of SSE common stock as determined under Section 262 could be more than, the same as, or less than the value that such SSE stockholder is entitled to receive under the terms of the merger agreement.

Costs of the appraisal proceeding may be imposed upon the surviving corporation and the SSE stockholders participating in the appraisal proceeding by the Delaware Court of Chancery as the Court deems equitable in the circumstances. Upon the application of a SSE stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any SSE stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal. Any SSE stockholder who had demanded appraisal rights will not, after the effective time, be entitled to vote shares subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares, other than with respect to payment as of a record date prior to the effective time; *however*, if no petition for appraisal is filed within 120 days after the effective time, or if the SSE stockholder delivers a written withdrawal of such stockholder's demand for appraisal and an acceptance of the terms of the merger within 60 days after the effective time, then the right of that SSE stockholder to appraisal will cease and that SSE stockholder will be entitled to receive an amount of shares of Patterson-UTI common stock equal to the exchange ratio for his, her or its shares of SSE common stock pursuant to the merger agreement. No appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any SSE stockholder without the prior approval of the Court, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; provided, however, that any SSE stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party will maintain the right to withdraw its demand for appraisal and to accept the merger consideration that such holder would have received pursuant to the merger agreement within 60 days after the effective date of the merger.

In view of the complexity of Section 262 of the DGCL, SSE stockholders who may wish to dissent from the merger and pursue appraisal rights should consult their legal advisors.

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THE MERGER AGREEMENT

The following section summarizes material provisions of the merger agreement, which is included in this joint proxy statement/prospectus as Annex A and is incorporated herein by reference in its entirety. The rights and obligations of Patterson-UTI and SSE are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. Patterson-UTI and SSE stockholders are urged to read the merger agreement carefully and in its entirety as well as this joint proxy statement/prospectus before making any decisions regarding the merger, including the approval and adoption of the merger agreement and the transactions contemplated by the merger agreement by the SSE stockholders and the approval by the Patterson-UTI stockholders of the issuance of shares of Patterson-UTI common stock to SSE stockholders pursuant to the merger.

The merger agreement is included in this joint proxy statement/prospectus to provide you with information regarding its terms and is not intended to provide any factual information about Patterson-UTI or SSE. The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

are not necessarily intended as statements of fact, but rather as a way of allocating the risk between the parties in the event that the statements therein prove to be inaccurate;

have been qualified by certain disclosures that were made between the parties in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement; and

may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 233.

This summary is qualified in its entirety by reference to the merger agreement.

Terms of the Merger; Merger Consideration

The merger agreement provides that, upon the terms and subject to the conditions set forth in the merger agreement and in accordance with the DGCL, at the effective time, Merger Sub will merge with and into SSE. SSE will be the surviving corporation in the merger and will become a wholly owned subsidiary of Patterson-UTI. At the effective time, each outstanding share of SSE common stock, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected in compliance with Section 262 of the DGCL, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio.

The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time (which

includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying tax

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withholding obligations upon the vesting of SSE restricted stock unit awards); *provided* that, in the event that any Series A warrants to acquire shares of SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B of this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio. The exchange ratio will be appropriately adjusted prior to the effective time to account for any stock split, stock dividend, reverse stock split, reclassification, recapitalization, or other similar transaction or event, that occurs with respect to the shares of either Patterson-UTI common stock or SSE common stock outstanding after the date of the merger agreement and prior to the effective time.

Effective immediately prior to the effective time, each SSE restricted stock unit award granted prior to December 12, 2016 that is outstanding as of the effective time will immediately vest and any forfeiture restrictions applicable to all such awards will immediately lapse. Such SSE restricted stock unit awards will be deemed settled and shares of SSE common stock subject to such SSE restricted stock unit awards will be treated as shares of SSE common stock, including with respect to the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio in the merger. At the effective time, each SSE restricted stock unit award granted on or following December 12, 2016 will be assumed by Patterson-UTI and converted into a restricted stock unit award, with the same terms and conditions as in effect immediately prior to the effective time, covering a number of shares of Patterson-UTI common stock equal to (i) the number of shares of SSE common stock subject to the award immediately prior to the effective time, multiplied by (ii) the exchange ratio (discussed above), rounded to the nearest whole share.

Patterson-UTI will not issue fractional shares of SSE common stock pursuant to the merger agreement. Instead, each SSE stockholder who otherwise would have been entitled to receive a fraction of a share of Patterson-UTI common stock will receive cash (without interest) in lieu thereof, upon surrender of his or her shares of SSE common stock. The exchange agent will aggregate and sell all fractional shares issuable as part of the merger consideration at the prevailing price on the NASDAQ. An SSE stockholder who would otherwise have received a fraction of a share of Patterson-UTI common stock will receive an amount of cash generated from such sales attributable to the stockholder's proportionate interest in the net proceeds of such sales, less expenses and without interest.

Completion of the Merger

The closing of the merger will take place on the third business day following the date on which the last condition to the completion of the merger has been satisfied or waived, or such other date as Patterson-UTI and SSE may agree in writing. The merger will become effective at the date and time the parties file the certificate of merger with the Delaware Secretary of State, or at such subsequent time as agreed to in writing by Patterson-UTI and SSE and specified in the certificate of merger.

Patterson-UTI and SSE currently expect the closing of the merger to occur late in the first quarter or early in the second quarter of 2017. However, as the merger is subject to the satisfaction or waiver of other conditions described in the merger agreement, it is possible that factors outside the control of Patterson-UTI and SSE could result in the merger being completed at an earlier time, a later time or not at all.

Exchange of Shares in the Merger

On or prior to the effective time, Patterson-UTI will enter into an agreement with a bank or trust company reasonably acceptable to SSE to act as exchange agent for the holders of SSE common stock in connection with the merger and to receive the merger consideration and cash sufficient to pay cash (without interest) in lieu of fractional shares to which holders of fractional shares may become entitled. At the effective time, each share of

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SSE common stock, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio.

Promptly after the effective time, but in no event later than three business days after the closing date, the surviving company in the merger will cause the exchange agent to mail to each holder of one or more SSE stock certificates or shares of SSE common stock represented by book entry, a letter of transmittal specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates will pass, only upon proper delivery of such certificates to the exchange agent, or in the case of book entry shares, upon adherence to the procedures set forth in the letter of transmittal and instructions explaining the procedure for surrendering SSE stock certificates or, in the case of book entry shares, the surrender of such shares for payment of the merger consideration and any cash in lieu of fractional shares of Patterson-UTI common stock.

After the effective time, shares of SSE common stock, including shares for which appraisal rights held by SSE stockholders have been perfected, will no longer be outstanding. At the effective time, all such shares will be automatically canceled and will cease to exist, and each certificate or book entry share, if any, that previously represented shares of SSE common stock (other than shares for which appraisal rights have been perfected) will represent only the right to receive the merger consideration as described above, any cash (without interest) in lieu of fractional shares of Patterson-UTI common stock and any dividends or other distributions to which the holders of the certificates become entitled upon surrender of such certificates or book entry shares. Any shares of SSE common stock for which appraisal rights have been perfected will represent the right to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL. With respect to those shares of Patterson-UTI common stock deliverable upon the surrender of SSE stock certificates or book entry shares, until holders of such SSE stock certificates or book entry shares have surrendered those stock certificates or book entry shares to the exchange agent, those holders will not receive dividends or distributions declared or made with respect to such shares of Patterson-UTI common stock with a record date after the effective time.

Representations and Warranties

The merger agreement contains representations and warranties made by each party to the merger agreement regarding aspects of such party's business, financial condition, structure and other facts pertinent to the merger. Each of Patterson-UTI and SSE has made representations and warranties regarding, among other things:

organization, good standing and power;

corporate authority with respect to the execution, delivery and performance of the merger agreement, and the due and valid execution and delivery and enforceability of the merger agreement;

absence of conflicts with, or violations of, organizational documents, other contracts, permits and applicable laws;

required regulatory filings and consents and approvals of governmental entities;

capital structure;

SEC documents and financial statements;

absence of untrue statements of a material fact or omissions of any material fact in SEC filings since January 1, 2014;

absence of undisclosed liabilities;

absence of certain changes and events since August 1, 2016 for SSE, and December 31, 2015 for Patterson-UTI;

tax matters;

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compliance with laws;

environmental matters;

absence of certain litigation;

opinions from financial advisors; and

brokers' fees payable in connection with the merger.

SSE has also made additional representations and warranties relating to:

ownership of subsidiaries;

collective bargaining agreements and other labor matters;

compensation and benefits matters;

intellectual property matters;

title to and leasehold interests in real properties;

material contracts;

insurance;

certain interests of officers and directors;

regulatory matters and permits;

inapplicability of state takeover statutes; and

customers and suppliers.

Patterson-UTI and Merger Sub have also made an additional representation and warranty relating to their lack of ownership of SSE common stock that would cause either of them to be an interested stockholder as such term is defined in Section 203 of the DGCL.

The merger agreement also contains certain representations and warranties of Patterson-UTI relating to the availability of at least \$450 million in cash on hand or other sources of immediately available funds and availability under the Patterson-UTI revolving credit facility, as of the signing and closing date, and with respect to its wholly owned subsidiary, Merger Sub, including, without limitation, representations about Merger Sub's organization, good standing and power, corporate authority with respect to the execution, delivery and performance of the merger agreement, absence of conflicts and violations, required consents and approvals, and absence of business conduct.

Many of the representations and warranties in the merger agreement are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material or have a material adverse effect). For purposes of the merger agreement, a material adverse effect means, with respect to any person, any material adverse effect on the business or results of operations of such person and its subsidiaries taken as a whole, but excluding:

changes in the economy or financial, debt, credit or securities markets generally in the United States or elsewhere, including changes in interest or exchange rates;

changes generally affecting the industries (or segments thereof) in which such person or any of its subsidiaries operate or industry margins;

changes in the prices of natural gas, crude oil, refined petroleum products, other hydrocarbon products, natural gas liquids and products produced from the fractionation of natural gas liquids and other commodities;