

## TETRA Technologies, Inc. Announces Third Quarter 2017 Results And Provides Updated Total Year 2017 Guidance

THE WOODLANDS, Texas, Nov. 9, 2017 /PRNewswire/ -- TETRA Technologies, Inc. ("TETRA" or the "Company") (NYSE:TTI) announced consolidated third quarter 2017 earnings per share attributable to TETRA stockholders of \$0.03, which compares to consolidated losses of \$0.10 per share attributable to TETRA stockholders in the second quarter of 2017 and \$0.16 per share in the third quarter of 2016.

TETRA's adjusted per share results attributable to TETRA stockholders for the third quarter of 2017, excluding Maritech and special items, were earnings per share of \$0.04, which compares to adjusted losses per share of \$0.04 in the second quarter of 2017 and \$0.05 in the third quarter of 2016, also excluding Maritech and special items. Third quarter 2017 revenue of \$216 million increased 4% from the second quarter of 2017 and 23% from the third quarter of last year. The sequential improvement in revenue was driven by stronger offshore and onshore Fluids Division and Production Testing Division activity.

(Adjusted earnings/loss per share is a non-GAAP financial measure that is reconciled to the nearest GAAP measure in the accompanying schedules.)

|  | Three Months Ended                       |                  |                       |
|--|--|------------------|-----------------------|
|  | September 30,<br>2017                    | June 30,<br>2017 | September 30,<br>2016 |
|  | (In Thousands, Except per Share Amounts) |                  |                       |
| Revenue  | \$ 216,364                               | \$ 208,369       | \$ 176,553            |
| Net income (loss) attributable to TETRA stockholders           | 3,145                                    | (10,991)         | (15,009)              |
| Adjusted EBITDA <sup>(1)</sup>                                 | 45,079                                   | 28,537           | 36,927                |
| GAAP EPS attributable to TETRA stockholders                    | 0.03                                     | (0.10)           | (0.16)                |
| Adjusted EPS attributable to TETRA stockholders <sup>(1)</sup> | 0.04                                     | (0.04)           | (0.05)                |
| Consolidated net cash provided (used) by operating activities  | 37,395                                   | 19,977           | (7,830)               |
| TETRA only adjusted free cash flow <sup>(1)</sup>              | \$ 17,818                                | \$ 6,090         | \$ (13,821)           |

(1) Non-GAAP financial measures are reconciled to GAAP in the schedules below.

### Highlights include:

- Fluids Division revenue increased 5% sequentially and 49% compared to the third quarter of 2016 reflecting the completion of a significant Gulf of Mexico CS Neptune<sup>®</sup> completion fluids project that started late in the second quarter of 2017. Additionally, stronger US onshore fracking activity resulted in a 46% sequential increase in water management revenue, which was double compared to the same quarter a year ago.
- Compression Division revenues decreased 5% over the second quarter reflecting the timing in the shipment of new equipment sales. Overall service fleet utilization improved sequentially by 250 basis points to 81.4%; new equipment orders were \$37 million (compared to \$12 million in the second quarter of 2017); and the backlog for new equipment sales increased to \$53.6 million, the highest since the start of the downturn.
- Consolidated net cash provided by operating activities was \$37.4 million in the third quarter compared to \$20 million in the second quarter of 2017. TETRA only adjusted free cash flow was \$17.8 million, an improvement of \$11.7 million over the second quarter. (See Schedule G for the reconciliation of TETRA only adjusted free cash flow to GAAP.)

Stuart M. Brightman, TETRA's President and Chief Executive Officer, stated, "We saw strong positive momentum across all divisions in the third quarter, especially with offshore completion fluids, onshore water management services, production testing and contract compressions services. All our divisions reported improved adjusted EBITDA compared to the second quarter of 2017. GAAP EPS attributable to TETRA stockholders for the quarter was \$0.03, a significant improvement sequentially and compared to a year ago.

"Fluids Division revenue for the third quarter of 2017 exceeded \$90 million for the first time since the fourth quarter of 2015. Revenue of \$93.4 million increased 5% sequentially and 49% compared to the same quarter of 2016. We completed our latest Gulf of Mexico CS Neptune<sup>®</sup> completion fluid project during the third quarter, and immediately mobilized to the next project, also in the Gulf of Mexico. This project is expected to be completed during November. We also saw a step change increase in water management revenue led by stronger activity in the Permian and the Delaware and MidCon markets. As a result of this significant increase in activity, as well as improved pricing, we have accelerated investments of additional lay flat hose to take advantage of the strong market. International offshore completion fluids sales were also very strong, led by higher activity in the Middle East, and led to the highest revenue for this business since the first quarter of 2014. Fluids Division income before taxes was \$24.9 million (26.6% of revenue), while Adjusted EBITDA was \$30.8 million (33.0% of revenue).

"Third quarter 2017 Compression Division revenue declined sequentially 5% to \$71.6 million, reflecting the timing on the shipment of new equipment. During the quarter, utilization of our service fleet improved sequentially by 250 basis points to 81.4%. Utilization of our larger horsepower equipment (greater than 800 HP, which are typically deployed on gathering systems) was 90.1%, up from 89.6% at the end of the second quarter of 2017. New equipment orders were \$37 million, resulting in a book to bill ratio of 4.9 times and a backlog of \$53.6 million. All these indicators reflect the growing demand from our customers to build out gathering systems in the Delaware Basin and to add capacity to existing systems, particularly in the Permian Basin. We are also seeing an improving pricing environment. As a result, we have initiated orders for additional large horsepower compressors targeted for gathering systems. Compression Division loss before taxes was \$7.0 million (including a favorable \$1.3 million non-cash adjustment to the fair market value of the CCLP Series A Preferred units and a \$3.0 million favorable insurance settlement for equipment previously damaged), compared to a loss of \$6.2 million in the second quarter of 2017. Adjusted EBITDA was \$20.9 million (compared to \$17.5 million in the second quarter of 2017). On October 19, 2017, CSI Compressco LP declared a cash distribution attributable to the third quarter of 2017 of \$0.1875 per outstanding common unit. The distribution coverage ratio was 1.56X for the third quarter of 2017.

"Third quarter 2017 revenue for the Production Testing Division increased sequentially by 19%, to \$18.9 million, and by 26% compared to the same quarter of 2016, led by stronger activity for both domestic and international. Production Testing loss before taxes was \$1.4 million, while Adjusted EBITDA was positive at \$1.1 million (5.6% of revenue). The improvement of third quarter Adjusted EBITDA represented 56% of the incremental revenue over the second quarter, and 39% of the incremental revenue over the same quarter of 2016.

"Our Offshore Services segment revenue improved 12% to \$32.7 million compared to the prior year quarter on stronger activity levels and by 16% sequentially, reflecting the seasonality of the business. Profit before taxes was \$0.5 million, while Adjusted EBITDA was \$3.3 million. Adjusted EBITDA was negatively impacted by approximately \$2 million as a result of Hurricane Harvey in the third quarter."

### Free Cash Flow and Balance Sheet

Consolidated net cash provided by operating activities for the third quarter of 2017 was \$37.4 million, compared to \$20 million in the second quarter of 2017. TETRA only adjusted free cash flow in the third quarter of 2017 was \$17.8 million, an improvement of \$11.7 million from the second quarter of 2017. Consolidated debt was \$624 million and TETRA only debt was \$117 million, an improvement in TETRA only debt of \$20.2 million compared to the end of the second quarter of 2017. As a result of the improved earnings and free cash flow, no amounts were outstanding on TETRA's revolving credit facility at the end of September. Cash on hand for TETRA only was \$13.5 million.

With no amounts outstanding on TETRA's revolving credit facility and \$13.5 million of cash on hand, TETRA is positioned to invest opportunistically into the recovering market.

#### Special items and Maritech

Consolidated third quarter GAAP pre-tax earnings included a favorable impact from non-cash items of \$1.2 million (primarily the fair value adjustment of the CSI Compressco Series A Convertible Preferred Units) and \$3.0 million insurance recovery for CSI Compressco during the quarter.

Special items, including Maritech, that were excluded to arrive at Adjusted EBITDA for the third quarter, as detailed on Schedule E, include the following:

- Maritech pre-tax loss of \$0.9 million
- \$1.1 million non-cash income for a fair value adjustment of the CSI Compressco Series A Convertible Preferred units
- \$0.6 million of software implementation training expense for CSI Compressco
- \$0.1 million of other special charges

Additionally, a normalized tax rate of 30% is reflected in Adjusted Net Income, as shown on Schedule E.

#### Financial Guidance

We expect total year TETRA only adjusted free cash flow to be between \$15 million and \$30 million in 2017 as we are accelerating investments in lay flat hose to take advantage of strong demand for water transfer services.

No reconciliation of the forecasted range of TETRA only adjusted free cash flow for the full year 2017 to the nearest GAAP measure is included in this release because the reconciliation would require presenting forecasted information for CSI Compressco that is not publicly disclosed.

#### Conference Call

TETRA will host a conference call to discuss these results today, November 9, 2017, at 10:30 a.m. ET. The phone number for the call is 888-347-5303. The conference will also be available by live audio webcast and may be accessed through TETRA's website at [www.tetratec.com](http://www.tetratec.com). A replay of the conference call will be available at 1-877-344-7529, conference number 10101596, for one week following the conference call and the archived web call will be available through the Company's website for thirty days following the conference call.

#### Investor Contact

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#### Financial Statements, Schedules and Non-GAAP Reconciliation Schedules (Unaudited)

Schedule A: Consolidated Income Statement  
 Schedule B: Financial Results By Segment  
 Schedule C: Consolidated Balance Sheet  
 Schedule D: Long-Term Debt  
 Schedule E: Special Items  
 Schedule F: Non-GAAP Reconciliation to GAAP Financials  
 Schedule G: Non-GAAP Reconciliation to TETRA Only Adjusted Free Cash Flow  
 Schedule H: Non-GAAP Reconciliation of TETRA Net Debt

#### Company Overview and Forward-Looking Statements

TETRA is a geographically diversified oil and gas services company, focused on completion fluids and associated products and services, water management, frac flowback, production well testing, offshore rig cooling, compression services and equipment, and selected offshore services, including well plugging and abandonment, decommissioning, and diving. TETRA owns an equity interest, including all of the general partner interest, in CSI Compressco LP (NASDAQ:CCLP), a master limited partnership.

This news release includes certain statements that are deemed to be forward-looking statements. Generally, the use of words such as "may," "expect," "intend," "estimate," "projects," "anticipate," "believe," "assume," "could," "should," "plans," "targets" or similar expressions that convey the uncertainty of future events, activities, expectations or outcomes identify forward-looking statements that the Company intends to be included within the safe harbor protections provided by the federal securities laws. These forward-looking statements include statements concerning the anticipated recovery of the oil and gas industry, expected results of operational business segments for 2017, anticipated benefits from CSI Compressco following the acquisition of Compressor Systems, Inc. (CSI) in 2014, including levels of cash distributions per unit, projections concerning the Company's business activities, financial guidance, estimated earnings, earnings per share, and statements regarding the Company's beliefs, expectations, plans, goals, future events and performance, and other statements that are not purely historical. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of risks and uncertainties, many of which are beyond the control of the Company, including the ability of CSI Compressco to successfully integrate the operations of CSI and recognize the anticipated benefits of the acquisition. Investors are cautioned that any such statements are not guarantees of future performances or results and that actual results or developments may differ materially from those projected in the forward-looking statements. Some of the factors that could affect actual results are described in the section titled "Risk Factors" contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as well as other risks identified from time to time in its reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.

#### **Schedule A: Consolidated Income Statement (Unaudited)**

|   | <b>Three Months Ended</b>                |                | <b>Nine Months Ended</b> |                |
|---|--|----------------|--------------------------|----------------|
|   | <b>September 30,</b>                     |                | <b>September 30,</b>     |                |
|   | <b>2017</b>                              | <b>2016</b>    | <b>2017</b>              | <b>2016</b>    |
|   | (In Thousands, Except per Share Amounts) |                |                          |                |
| Revenue                                   | \$ 216,364                               | \$ 176,553     | \$ 592,734               | \$ 521,542     |
| Cost of sales, services, and rentals      | 146,009                                  | 115,948        | 423,128                  | 361,982        |
| Depreciation, amortization, and accretion | 29,200                                   | 31,852         | 87,298                   | 98,997         |
| Impairments of long-lived assets          | —  | —              | —                        | 10,927         |
| Insurance Recoveries                      | (2,352)                                  | —              | (2,352)                  | —              |
| <b>Total cost of revenues</b>             | <b>172,857</b>                           | <b>147,800</b> | <b>508,074</b>           | <b>471,906</b> |

|   |          |             |             |              |
|---|----------|-------------|-------------|--------------|
| Gross profit  | 43,507   | 28,753      | 84,660      | 49,636       |
| General and administrative expense                    | 31,208   | 28,589      | 90,896      | 89,381       |
| Goodwill impairment                                   | —        | —           | —           | 106,205      |
| Interest expense, net                                 | 14,654   | 14,325      | 42,749      | 43,299       |
| Warrants fair value adjustment income                 | (47)     | —           | (11,568)    | —            |
| CCLP Series A Preferred fair value adjustment         | (1,137)  | 6,294       | (4,340)     | 6,294        |
| Litigation arbitration award expense (income), net    | 38       | —           | (10,064)    | —            |
| Other (income) expense, net                           | (668)    | 2,130       | (94)        | 3,636        |
| Income (loss) before taxes                            | (541)    | (22,585)    | (22,919)    | (199,179)    |
| Provision (benefit) for income taxes                  | 797      | 1,443       | 4,290       | 1,804        |
| Net income (loss)                                     | (1,338)  | (24,028)    | (27,209)    | (200,983)    |
| (Income) loss attributable to noncontrolling interest | 4,483    | 9,019       | 16,900      | 71,075       |
| Net income (loss) attributable to TETRA stockholders  | \$ 3,145 | \$ (15,009) | \$ (10,309) | \$ (129,908) |

**Basic per share information:**

|  |         |           |           |           |
|--|---------|-----------|-----------|-----------|
| Net income (loss) attributable to TETRA stockholders | \$ 0.03 | \$ (0.16) | \$ (0.09) | \$ (1.53) |
| Weighted average shares outstanding                  | 114,563 | 91,746    | 114,435   | 85,093    |

**Diluted per share information:**

|  |         |           |           |           |
|--|---------|-----------|-----------|-----------|
| Net income (loss) attributable to TETRA stockholders | \$ 0.03 | \$ (0.16) | \$ (0.09) | \$ (1.53) |
| Weighted average shares outstanding                  | 114,569 | 91,746    | 114,435   | 85,093    |

**Schedule B: Financial Results By Segment (Unaudited)**

|   | Three Months Ended<br>September 30, |             | Nine Months Ended<br>September 30, |              |
|---|-------------------------------------|-------------|------------------------------------|--------------|
|   | 2017                                | 2016        | 2017                               | 2016         |
|   | (In Thousands)                      |             |                                    |              |
| <b>Revenue by segment:</b>                    |                                     |             |                                    |              |
| Fluids Division                               | \$ 93,442                           | \$ 62,610   | \$ 255,483                         | \$ 182,556   |
| Production Testing Division                   | 18,927                              | 15,065      | 56,376                             | 48,320       |
| Compression Division                          | 71,611                              | 70,718      | 212,482                            | 228,504      |
| Offshore Division                             |                                     |             |                                    |              |
| Offshore Services                             | 32,668                              | 29,239      | 69,290                             | 65,604       |
| Maritech                                      | 21                                  | 238         | 427                                | 575          |
| Intersegment eliminations                     | —                                   | (297)       | —                                  | (813)        |
| Offshore Division total                       | 32,689                              | 29,180      | 69,717                             | 65,366       |
| Eliminations and other                        | (305)                               | (1,020)     | (1,324)                            | (3,204)      |
| Total revenues                                | \$ 216,364                          | \$ 176,553  | \$ 592,734                         | \$ 521,542   |
| <b>Gross profit (loss) by segment:</b>        |                                     |             |                                    |              |
| Fluids Division                               | \$ 31,359                           | \$ 15,369   | \$ 67,828                          | \$ 29,445    |
| Production Testing Division                   | 404                                 | (2,032)     | (374)                              | (8,054)      |
| Compression Division                          | 11,015                              | 12,353      | 24,711                             | 33,035       |
| Offshore Division                             |                                     |             |                                    |              |
| Offshore Services                             | 1,592                               | 3,459       | (5,504)                            | (763)        |
| Maritech                                      | (737)                               | (297)       | (1,675)                            | (3,709)      |
| Intersegment eliminations                     | —                                   | —           | —                                  | —            |
| Offshore Division total                       | 855                                 | 3,162       | (7,179)                            | (4,472)      |
| Corporate overhead and eliminations           | (126)                               | (99)        | (326)                              | (318)        |
| Total gross profit                            | \$ 43,507                           | \$ 28,753   | \$ 84,660                          | \$ 49,636    |
| <b>Income (loss) before taxes by segment:</b> |                                     |             |                                    |              |
| Fluids Division                               | \$ 24,891                           | \$ 8,835    | \$ 60,953                          | \$ 8,931     |
| Production Testing Division                   | (1,405)                             | (4,222)     | (6,565)                            | (27,924)     |
| Compression Division                          | (7,014)                             | (14,862)    | (27,527)                           | (123,602)    |
| Offshore Division                             |                                     |             |                                    |              |
| Offshore Services                             | 452                                 | 1,879       | (12,328)                           | (5,792)      |
| Maritech                                      | (914)                               | (643)       | (1,698)                            | (4,664)      |
| Intersegment eliminations                     | —                                   | —           | —                                  | —            |
| Offshore Division total                       | (462)                               | 1,236       | (14,026)                           | (10,456)     |
| Corporate overhead and eliminations           | (16,551)                            | (13,572)    | (35,754)                           | (46,128)     |
| Total income (loss) before taxes              | \$ (541)                            | \$ (22,585) | \$ (22,919)                        | \$ (199,179) |

Please note that the above results by Segment include special charges and expenses. Please see Schedule E for details of those special items.

**Schedule C: Consolidated Balance Sheet (Unaudited)**

|                                  | September 30, 2017 | December 31, 2016 |
|----------------------------------|--------------------|-------------------|
|                                  | (In Thousands)     |                   |
| <b>Balance Sheet:</b>            |                    |                   |
| Cash (excluding restricted cash) | \$ 20,850          | \$ 29,840         |
| Accounts receivable, net         | 152,872            | 114,284           |

|  |                     |                     |
|--|---------------------|---------------------|
| Inventories                                      | 122,045             | 106,546             |
| Other current assets                             | 19,664              | 25,121              |
| PP&E, net  | 895,870             | 945,451             |
| Other assets                                     | 90,109              | 94,298              |
| Total assets                                     | <u>\$ 1,301,410</u> | <u>\$ 1,315,540</u> |
| Current portion of decommissioning liabilities   | \$ 492              | \$ 1,451            |
| Other current liabilities                        | 140,106             | 115,434             |
| Long-term debt <sup>(1)</sup>                    | 624,126             | 623,730             |
| Long-term portion of decommissioning liabilities | 56,025              | 54,027              |
| CCLP Series A Preferred                          | 68,309              | 77,062              |
| Warrant liability                                | 6,936               | 18,503              |
| Other long-term liabilities                      | 22,906              | 24,867              |
| Equity   | 382,510             | 400,466             |
| Total liabilities and equity                     | <u>\$ 1,301,410</u> | <u>\$ 1,315,540</u> |

(1) Please see Schedule D for the separate debt obligations of TETRA and CSI Compressco LP.

#### Schedule D: Long-Term Debt

TETRA Technologies Inc. and its subsidiaries, other than CSI Compressco LP and its subsidiaries, are obligated under a bank credit agreement and senior note, neither of which are obligations of CSI Compressco LP and its subsidiaries. CSI Compressco LP and its subsidiaries are obligated under a separate bank credit agreement and senior notes, neither of which are obligations of TETRA and its other subsidiaries. Amounts presented are net of deferred financing costs.

|  | <u>September 30, 2017</u> | <u>December 31, 2016</u> |
|--|---------------------------|--------------------------|
|  | (In Thousands)            |                          |
| <b>TETRA</b>                             |                           |                          |
| Bank revolving line of credit facility   | \$ —                      | \$ 3,229                 |
| TETRA 11% Senior Note                    | 117,355                   | 116,411                  |
| TETRA total debt                         | 117,355                   | 119,640                  |
| Less current portion                     | —                         | —                        |
| <b>TETRA total long-term debt</b>        | <b>\$ 117,355</b>         | <b>\$ 119,640</b>        |
| <b>CSI Compressco LP</b>                 |                           |                          |
| Bank Credit Facility                     | \$ 218,977                | \$ 217,467               |
| 7.25% Senior Notes                       | 287,794                   | 286,623                  |
| Total debt                               | 506,771                   | 504,090                  |
| Less current portion                     | —                         | —                        |
| <b>CCLP total long-term debt</b>         | <b>\$ 506,771</b>         | <b>\$ 504,090</b>        |
| <b>Consolidated total long-term debt</b> | <b>\$ 624,126</b>         | <b>\$ 623,730</b>        |

#### Non-GAAP Financial Measures

In addition to financial results determined in accordance with GAAP, this news release includes the following non-GAAP financial measures for the Company: net debt, adjusted consolidated and segment income (loss) before taxes, excluding the Maritech segment and special charges; consolidated and segment adjusted EBITDA; and TETRA only adjusted free cash flow. The following schedules provide reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures. The non-GAAP financial measures should be considered in addition to, not as a substitute for, financial measures prepared in accordance with GAAP, as more fully discussed in the Company's financial statements and filings with the Securities and Exchange Commission.

Management believes that following the sale of essentially all of Maritech's oil and gas properties, it is helpful to show the Company's results, excluding the impact of the costs and charges relating to the decommissioning of Maritech's remaining properties, since these results will show the Company's historical results of operations on a basis consistent with expected future operations. Management also believes that the exclusion of the special charges from the historical results of operations enables management to evaluate more effectively the Company's operations over the prior periods and to identify operating trends that could be obscured by the excluded items.

Adjusted income (loss) before taxes (and adjusted income (loss) before taxes as a percent of revenue) is defined as the Company's (or the segment's) income (loss) before taxes, excluding certain special or other charges (or credits). Adjusted income (loss) before taxes (and adjusted income (loss) before taxes as a percent of revenue) is used by management as a supplemental financial measure to assess financial performance, without regard to charges or credits that are considered by management to be outside of its normal operations.

Adjusted diluted earnings (loss) per share is defined as the Company's diluted earnings (loss) per share excluding certain special or other charges (or credits) and using a normalized effective income tax rate. Adjusted diluted earnings (loss) per share is used by management as a supplemental financial measure to assess financial performance, without regard to charges or credits that are considered by management to be outside of its normal operations.

Adjusted EBITDA (and Adjusted EBITDA as a percent of revenue) is defined as earnings before interest, taxes, depreciation, amortization, impairments and special charges or credits, equity compensation, and allocated corporate overhead charges to our CSI Compressco LP subsidiary, pursuant to our Omnibus Agreement, which were reimbursed with CSI Compressco LP common units. Adjusted EBITDA (and Adjusted EBITDA as a percent of revenue) is used by management as a supplemental financial measure to assess the financial performance of the Company's assets, without regard to financing methods, capital structure or historical cost basis and to assess the Company's ability to incur and service debt and fund capital expenditures.

TETRA only adjusted free cash flow is defined as cash from TETRA's operations, excluding cash settlements of Maritech AROs, less capital expenditures net of sales proceeds and cost of equipment sold, and including cash distributions to TETRA from CSI Compressco LP and debt restructuring costs. Management uses this supplemental financial measure to:

- assess the Company's ability to retire debt;
- evaluate the capacity of the Company to further invest and grow; and
- to measure the performance of the Company as compared to its peer group of companies.

TETRA only adjusted free cash flow does not necessarily imply residual cash flow available for discretionary expenditures, as it excludes cash requirements for debt service or

other non-discretionary expenditures that are not deducted.

TETRA net debt is defined as the sum of the carrying value of long-term and short-term debt on its consolidated balance sheet, less cash, excluding restricted cash on the consolidated balance sheet and excluding the debt and cash of CSI Compressco LP. Management views TETRA net debt as a measure of TETRA's ability to reduce debt, add to cash balances, pay dividends, repurchase stock, and fund investing and financing activities.

#### Schedule E: Special Items, including Maritech

|  | Three Months Ended                       |                                   |                      |  |             |
|--|--|-----------------------------------|----------------------|--|-------------|
|  | September 30, 2017                       |                                   |                      |  |             |
|  | Income<br>(Loss) Before<br>Tax           | Provision<br>(Benefit) for<br>Tax | Noncont.<br>Interest | Net Income<br>Attributable<br>to TETRA<br>Stockholders | Diluted EPS |
|  | (In Thousands, Except per Share Amounts) |                                   |                      |  |             |
| Income (loss) attributable to TETRA stockholders, excluding unusual charges and Maritech | \$ (204)                                 | \$ (60)                           | \$ (4,934)           | \$ 4,790   | \$ 0.04     |
| Severance expense  | (24)                                     | (7)                               | (5)                  | (12)   | 0.00        |
| Stock warrant fair value adjustment  | 47                                       | 14                                | —                    | 33   | 0.00        |
| CCLP Series A Preferred fair value adjustment  | 1,137                                    | 341                               | 827                  | (31)   | 0.00        |
| Software Implementation  | (583)                                    | (175)                             | (371)                | (37)   | 0.00        |
| Effect of deferred tax valuation allowance and other related tax adj.                    | —  | 684                               | —                    | (684)  | (0.01)      |
| Maritech profit (loss)   | (914)                                    | —                                 | —                    | (914)  | (0.01)      |
| Net Income (loss) attributable to TETRA stockholders, as reported                        | \$ (541)                                 | \$ 797                            | \$ (4,483)           | \$ 3,145   | \$ 0.03     |

|  | Three Months Ended                       |                                   |                      |  |             |
|--|--|-----------------------------------|----------------------|--|-------------|
|  | June 30, 2017                            |                                   |                      |  |             |
|  | Income<br>(Loss) Before<br>Tax           | Provision<br>(Benefit) for<br>Tax | Noncont.<br>Interest | Net Income<br>(Loss)<br>Attributable<br>to TETRA<br>Stockholders | Diluted EPS |
|  | (In Thousands, Except per Share Amounts) |                                   |                      |  |             |
| Income (loss) attributable to TETRA stockholders, excluding unusual charges and Maritech | \$ (17,036)                              | \$ (5,110)                        | \$ (6,983)           | \$ (4,943)   | \$ (0.04)   |
| Severance expense  | (589)                                    | (176)                             | —                    | (413)  | 0.00        |
| Stock warrant fair value adjustment  | 5,545                                    | 1,663                             | —                    | 3,882  | 0.03        |
| Allowance for bad debt   | (198)                                    | (59)                              | —                    | (139)  | 0.00        |
| CCLP Series A Preferred fair value adjustment  | 4,834                                    | 1,450                             | 3,478                | (94)   | 0.00        |
| Legal award  | (3,255)                                  | (977)                             | —                    | (2,278)  | (0.02)      |
| Insurance deductible   | (200)                                    | (60)                              | —                    | (140)  | 0.00        |
| Software Implementation  | (196)                                    | (59)                              | (123)                | (14)   | 0.00        |
| Effect of deferred tax valuation allowance and other related tax adj.                    | —  | 6,731                             | —                    | (6,731)  | (0.06)      |
| Maritech profit (loss)   | (121)                                    | —                                 | —                    | (121)  | —           |
| Net Income (loss) attributable to TETRA stockholders, as reported                        | \$ (11,216)                              | \$ 3,403                          | \$ (3,628)           | \$ (10,991)  | \$ (0.10)   |

|  | Three Months Ended                       |                                   |                      |  |             |
|--|--|-----------------------------------|----------------------|--|-------------|
|  | September 30, 2016                       |                                   |                      |  |             |
|  | Income<br>(Loss) Before<br>Tax           | Provision<br>(Benefit) for<br>Tax | Noncont.<br>Interest | Net Income<br>(Loss)<br>Attributable<br>to TETRA<br>Stockholders | Diluted EPS |
|  | (In Thousands, Except per Share Amounts) |                                   |                      |  |             |
| Income (loss) attributable to TETRA stockholders, excluding unusual charges and Maritech | \$ (11,428)                              | \$ (3,428)                        | \$ (3,019)           | \$ (4,981)   | \$ (0.05)   |
| Severance expense  | (210)                                    | (63)                              | (33)                 | (114)  | —           |
| Debt refinancing gain on early retirement  | 397                                      | 119                               | 309                  | (31)   | —           |
| Allowance for doubtful accounts  | (1,361)                                  | (408)                             | (416)                | (537)  | (0.01)      |
| Equity related expenses  | (9,340)                                  | (2,802)                           | (5,860)              | (678)  | (0.01)      |
| Maritech profit (loss)   | (643)                                    | —                                 | —                    | (643)  | (0.01)      |
| Net Income (loss) attributable to TETRA stockholders, as reported                        | \$ (22,585)                              | \$ 1,443                          | \$ (9,019)           | (15,009)   | \$ (0.16)   |

#### Schedule F: Non-GAAP Reconciliation to GAAP Financials

| Net<br>Income<br>(Loss),<br>as<br>reported | Tax<br>Provision | Income<br>(Loss)<br>Before<br>Tax, as<br>Reported | Impairments<br>& Special<br>Items | Three Months Ended                            |                     |   |                            |                   |                    |  |
|--|------------------|---|-----------------------------------|---|---------------------|---|----------------------------|-------------------|--------------------|--|
|  |                  |   |                                   | September 30, 2017                            |                     |   |                            |                   |                    |  |
|  |                  |   |                                   | Adjusted<br>Income<br>(Loss)<br>Before<br>Tax | Interest<br>Expense | Adjusted<br>Depreciation<br>&<br>Amortization | Equity<br>Comp.<br>Expense | Omnibus<br>Equity | Adjusted<br>EBITDA |  |
| (In Thousands)                             |                  |   |                                   |   |                     |   |                            |                   |                    |  |

|                                 |            |        |           |          |            |           |           |           |      |           |
|---------------------------------|------------|--------|-----------|----------|------------|-----------|-----------|-----------|------|-----------|
| Production Testing Division     | \$ 24,891  | \$ 12  | \$ 24,903 | \$ (8)   | \$ 5,937   | \$ —      | \$ —      | \$ 30,832 |      |           |
| Compression Division            | (1,405)    | —      | (1,405)   | (47)     | 2,518      | —         | —         | 1,066     |      |           |
| Offshore Services Segment       | (7,014)    | (545)  | (7,559)   | 10,811   | 17,361     | 261       | —         | 20,874    |      |           |
| Eliminations and other          | 452        | 4      | 456       | —        | 2,886      | —         | —         | 3,342     |      |           |
| Subtotal Corporate and other    | —          | 2      | 2         | (1)      | (4)        | —         | —         | (3)       |      |           |
| <b>TETRA excluding Maritech</b> | 16,924     | (527)  | 16,397    | 10,755   | 28,698     | 261       | —         | 56,111    |      |           |
| <b>Total TETRA</b>              | (16,551)   | (46)   | (16,597)  | 3,899    | 129        | 1,537     | —         | (11,032)  |      |           |
| <b>Maritech</b>                 | 373        | (573)  | (200)     | 14,654   | 28,827     | 1,798     | —         | 45,079    |      |           |
| <b>Total TETRA</b>              | (914)      | —      | (914)     | —        | 373        | —         | —         | (541)     |      |           |
| <b>Total TETRA</b>              | \$ (1,338) | \$ 797 | \$ (541)  | \$ (573) | \$ (1,114) | \$ 14,654 | \$ 29,200 | \$ 1,798  | \$ — | \$ 44,538 |

**June 30, 2017**

|                                    | Net Income (Loss), as reported | Tax Provision | Income (Loss) Before Tax, as Reported | Impairments & Special Items | Adjusted Income (Loss) Before Tax | Adjusted Interest Expense, Net | Adjusted Depreciation & Amortization | Equity Comp. Expense | Omnibus Equity | Adjusted EBITDA |
|------------------------------------|--------------------------------|---------------|---------------------------------------|-----------------------------|-----------------------------------|--------------------------------|--------------------------------------|----------------------|----------------|-----------------|
|                                    | (In Thousands)                 |               |                                       |                             |                                   |                                |                                      |                      |                |                 |
| Fluids Production Testing Division | \$ 15,786                      | \$ —          | \$ 15,786                             | \$ —                        | \$ 15,786                         | \$ 27                          | \$ 5,870                             | \$ —                 | \$ —           | \$ 21,683       |
| Compression Division               | (3,091)                        |               | (3,086)                               | 5                           | (3,086)                           | (125)                          | 2,599                                | —                    | —              | (612)           |
| Offshore Services Segment          | (6,180)                        |               | (10,818)                              | (4,638)                     | (10,818)                          | 10,184                         | 17,204                               | 935                  | —              | 17,505          |
| Eliminations and other             | (6,445)                        |               | (2,787)                               | 3,658                       | (2,787)                           | —                              | 2,463                                | —                    | —              | (324)           |
| Subtotal Corporate and other       | 4                              |               | 4                                     | —                           | 4                                 | 2                              | (7)                                  | —                    | —              | (1)             |
| <b>TETRA excluding Maritech</b>    | 74                             |               | (901)                                 | (975)                       | (901)                             | 10,088                         | 28,129                               | 935                  | —              | 38,251          |
| <b>Total TETRA</b>                 | (11,169)                       |               | (16,135)                              | (4,966)                     | (16,135)                          | 4,240                          | 118                                  | 2,063                | —              | (9,714)         |
| <b>Maritech</b>                    |                                |               | (17,036)                              | (5,941)                     | (17,036)                          | 14,328                         | 28,247                               | 2,998                | —              | 28,537          |
| <b>Total TETRA</b>                 | (121)                          |               | (121)                                 | —                           | (121)                             | —                              | 373                                  | —                    | —              | 252             |
| <b>Total TETRA</b>                 | \$ (14,619)                    | \$ 3,403      | \$ (11,216)                           | \$ (5,941)                  | \$ (17,157)                       | \$ 14,328                      | \$ 28,620                            | \$ 2,998             | \$ —           | \$ 28,789       |

**Three Months Ended**

**September 30, 2016**

|                                    | Net Income (Loss), as reported | Tax Provision | Income (Loss) Before Tax, as Reported | Impairments & Special Items | Adjusted Income (Loss) Before Tax | Adjusted Interest Expense, Net | Depreciation & Amortization | Equity Comp. Expense | Omnibus Equity | Adjusted EBITDA |
|------------------------------------|--------------------------------|---------------|---------------------------------------|-----------------------------|-----------------------------------|--------------------------------|-----------------------------|----------------------|----------------|-----------------|
|                                    | (In Thousands)                 |               |                                       |                             |                                   |                                |                             |                      |                |                 |
| Fluids Production Testing Division | \$ 8,835                       | \$ 701        | \$ 9,536                              | \$ 701                      | \$ 9,536                          | \$ 8                           | \$ 6,873                    | \$ —                 | \$ —           | \$ 16,417       |
| Compression Division               | (4,222)                        |               | (4,196)                               | 26                          | (4,196)                           | (147)                          | 3,891                       | —                    | —              | (452)           |
| Offshore Services Segment          | (14,862)                       |               | (4,365)                               | 10,497                      | (4,365)                           | 9,763                          | 17,830                      | 774                  | —              | 24,002          |
| Eliminations and other             | 1,879                          |               | 1,890                                 | 11                          | 1,890                             | —                              | 2,793                       | —                    | —              | 4,683           |
| Subtotal Corporate and other       | (2)                            |               | (2)                                   | —                           | (2)                               | —                              | (4)                         | —                    | —              | (6)             |
| <b>TETRA excluding Maritech</b>    | (8,372)                        |               | 2,863                                 | 11,235                      | 2,863                             | 9,624                          | 31,383                      | 774                  | —              | 44,644          |
| <b>Total TETRA</b>                 | (13,570)                       |               | (14,291)                              | (721)                       | (14,291)                          | 4,699                          | 101                         | 1,774                | —              | (7,717)         |
| <b>Maritech</b>                    |                                |               | (11,428)                              | 10,514                      | (11,428)                          | 14,323                         | 31,484                      | 2,548                | —              | 36,927          |
| <b>Total TETRA</b>                 | (643)                          |               | (643)                                 | —                           | (643)                             | 2                              | 368                         | —                    | —              | (273)           |
| <b>Total TETRA</b>                 | \$ (24,028)                    | \$ 1,443      | \$ (22,585)                           | \$ 10,514                   | \$ (12,071)                       | \$ 14,325                      | \$ 31,852                   | \$ 2,548             | \$ —           | \$ 36,654       |

**Schedule G: Non-GAAP Reconciliation to TETRA Only Adjusted Free Cash Flow**

|   | Three Months Ended    |                  |                       | Nine Months Ended     |                       |
|---|-----------------------|------------------|-----------------------|-----------------------|-----------------------|
|   | September<br>30, 2017 | June<br>30, 2017 | September<br>30, 2016 | September<br>30, 2017 | September<br>30, 2016 |
|   | (In Thousands)        |                  |                       |                       |                       |
| <b>Consolidated</b>   |                       |                  |                       |                       |                       |
| Net cash provided (used) by operating activities            | \$ 37,395             | \$ 19,977        | \$ (7,830)            | \$ 36,834             | \$ 27,226             |
| ARO settlements   | 53                    | 23               | 324                   | 550                   | 3,769                 |
| Capital expenditures, net of sales proceeds                 | (11,538)              | (11,451)         | (5,727)               | (27,801)              | (12,444)              |
| Consolidated adjusted free cash flow                        | 25,910                | 8,549            | (13,233)              | 9,583                 | 18,551                |
| <b>CSI Compressco LP</b>                                    |                       |                  |                       |                       |                       |
| Net cash provided by operating activities                   | 13,218                | 9,533            | 9,958                 | 24,572                | 45,522                |
| Capital expenditures, net of sales proceeds                 | (2,236)               | (4,262)          | (3,796)               | (13,713)              | (7,602)               |
| CSI Compressco free cash flow                               | 10,982                | 5,271            | 6,162                 | 10,859                | 37,920                |
| <b>TETRA Only</b>   |                       |                  |                       |                       |                       |
| Cash provided (used) by operating activities <sup>(1)</sup> | 24,177                | 10,444           | (17,788)              | 14,294                | (18,296)              |
| ARO settlements   | 53                    | 23               | 324                   | 550                   | 3,769                 |
| Capital expenditures, net of sales proceeds <sup>(1)</sup>  | (9,302)               | (7,189)          | (1,931)               | (16,120)              | (4,842)               |
| Free cash flow before ARO settlements                       | 14,928                | 3,278            | (19,395)              | (1,276)               | (19,369)              |
| Distributions from CSI Compressco LP                        | 2,890                 | 2,812            | 5,574                 | 11,337                | 16,724                |
| TETRA only adjusted free cash flow                          | \$ 17,818             | \$ 6,090         | \$ (13,821)           | \$ 10,061             | \$ (2,645)            |

<sup>(1)</sup> TETRA only cash from operating activities and capital expenditures, net, for the nine months ended September 30, 2017, include the elimination of an intercompany equipment sale of \$2.0 million.

**Schedule H: Non-GAAP Reconciliation of TETRA Net Debt**

The cash and debt positions of TETRA and CSI Compressco LP as of September 30, 2017, are shown below. TETRA and CSI Compressco LP's credit and debt agreements are distinct and separate with no cross default provisions, no cross collateral provisions and no cross guarantees. Management believes that the most appropriate method to analyze the debt positions of each company is to view them separately, as noted below.

The following reconciliation of net debt is presented as a supplement to financial results prepared in accordance with GAAP.

|                                   | September 30, 2017 |          |              |
|-----------------------------------|--------------------|----------|--------------|
|                                   | TETRA              | CCLP     | Consolidated |
|                                   | (In Millions)      |          |              |
| Non-restricted cash               | \$ 13.5            | \$ 7.4   | \$ 20.9      |
| Carrying value of long-term debt: |                    |          |              |
| Revolver debt outstanding         | —                  | 219.0    | 219.0        |
| Senior Notes outstanding          | 117.4              | 287.8    | 405.2        |
| Net debt                          | \$ 103.9           | \$ 499.4 | \$ 603.3     |

SOURCE TETRA Technologies, Inc.

<http://ir.tetrathec.com/2017-11-09-TETRA-Technologies-Inc-Announces-Third-Quarter-2017-Results-And-Provides-Updated-Total-Year-2017-Guidance>