

Seventy Seven Energy Inc.  
Form 425  
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Filed by Patterson-UTI Energy, Inc.

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Subject Company: Seventy Seven Energy Inc.

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December 12, 2016

To all Patterson-UTI Energy Employees,

Today we announced that Patterson-UTI Energy and Seventy Seven Energy have reached agreement to merge our two companies. As I mentioned in the press release, we are excited to be joining forces with Seventy Seven Energy, where both companies have safe, high-quality operations with high-spec drilling rigs and modern pressure pumping equipment.

Following completion of the merger, Patterson-UTI will have 201 high-spec drilling rigs which will enhance our position as a leader in contract drilling, and 1.5 million horsepower of pressure pumping equipment which puts us in the top-5 for hydraulic fracturing capacity. Also, we will have the opportunity to enter a new product line with Seventy Seven Energy's oilfield rentals business.

We believe that the additional scale in contract drilling and pressure pumping allows us to better serve our customers and to improve our cost structure. Our new size should also provide greater opportunities for our employees to advance their capabilities and build their careers.

The merger is currently expected to close at the end of March 2017 and is subject to approval by the shareholders of both companies, customary governmental approval and certain other closing conditions. Until that date when we complete the merger, both Patterson-UTI and Seventy Seven Energy must continue to operate as separate and independent companies, without collaboration or sharing of confidential information, i.e., business as usual for both companies.

Integration of the two companies will only occur after the closing of the merger. An integration plan will be developed to ensure a smooth transition for customers, employees and other stakeholders.

I know you have questions about the road ahead. We are committed to providing you with open and transparent information as we progress. Until the merger closes, which I expect to occur late in the first quarter of 2017, there is no change in business operations. In the meantime, the top priority of every employee must be as always delivering safe and efficient services.

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This will be the most significant transaction for Patterson-UTI since the combination of Patterson Energy and UTI Energy, and I am excited about our future possibilities.

Best regards,

Andy Hendricks

President & CEO Patterson-UTI Energy

## **Important Information for Investors and Stockholders**

This letter does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. The proposed transaction will be submitted to the stockholders of each of Patterson-UTI Energy, Inc. ( Patterson-UTI ) and Seventy Seven Energy Inc. ( SSE ) for their consideration. Patterson-UTI will prepare and file a Registration Statement on Form S-4 that will include a prospectus and proxy statement jointly prepared by Patterson-UTI and SSE. SSE and Patterson-UTI may also file other documents with the Securities and Exchange Commission (the SEC ) regarding the proposed transaction.

**INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Investors and security holders may obtain free copies of the proxy statement/prospectus and other documents containing important information about SSE and Patterson-UTI once such documents are filed with the SEC through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of the documents filed with the SEC by Patterson-UTI will be available free of charge on Patterson-UTI's website at [www.patenergy.com](http://www.patenergy.com) under the tab Investors and then through the link titled SEC Filings or by contacting Patterson-UTI's Investor Relations Department by email at [investrelations@patenergy.com](mailto:investrelations@patenergy.com), or by phone at (281) 765-7100. Copies of the documents filed with the SEC by SSE will be available free of charge on SSE's website at [www.77nrg.com](http://www.77nrg.com) under the tab Investors and then through the link titled SEC Filings or by contacting SSE's Investor Relations Department at [IR@77nrg.com](mailto:IR@77nrg.com), or by phone at (405) 608-7730.

## **Participants in the Solicitation**

Patterson-UTI, SSE and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Patterson-UTI in connection with the proposed transaction. Information about the directors and executive officers of Patterson-UTI is set forth in the Proxy Statement on Schedule 14A for Patterson-UTI's 2015 annual meeting of stockholders, which was filed with the SEC on April 15, 2016. Information about the directors and executive officers of SSE is set forth in the 2015 Annual Report on Form 10-K/A for SSE, which was filed with the SEC on April 29, 2016 and the Current Report on Form 8-K for SSE, which was filed with the SEC on August 1, 2016. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

## **Cautionary Statement Regarding Forward-Looking Statements**

This letter contains forward-looking statements which are protected as forward-looking statements under the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect Patterson-UTI's and SSE's current beliefs, expectations or intentions regarding future events. Words such as may, will, could, should, expect, plan, project, intend, anticipate, believe, estimate, predict, potential, pursuant, target, continue, are intended to identify such forward-looking statements. The statements in this letter that are not historical statements, including statements regarding the expected timetable for completing the proposed transaction, benefits and synergies of the proposed transaction, costs and other anticipated financial impacts of the proposed transaction; the combined company's plans, objectives, future opportunities for the combined company and services, future financial performance and operating results and any other statements regarding Patterson-UTI's and SSE's future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts, are forward-looking statements within the meaning of the federal securities laws. These statements are

subject to numerous risks and uncertainties, many of which are beyond Patterson-UTI's or SSE's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: failure to obtain the required votes of Patterson-UTI's or SSE's stockholders; the timing to consummate the proposed transaction; satisfaction of the conditions to closing of the proposed transaction may not be satisfied or that the closing of the proposed transaction otherwise does not occur; the risk that a regulatory approval that may be required for the proposed transaction is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-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 following the consummation of the proposed transaction, 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 proposed transaction; expected synergies and other benefits from the proposed transaction and the ability of Patterson-UTI to realize such synergies and other benefits; expectations regarding regulatory approval of the transaction; results of litigation, settlements and investigations; actions by third parties, including governmental agencies; volatility in customer spending and in oil and natural gas prices, which could adversely affect demand for Patterson-UTI's and SSE's services and their associated effect on rates, utilization, margins and planned capital expenditures; global economic conditions; excess availability of land drilling rigs and pressure pumping equipment, including as a result of low commodity prices, reactivation or construction; liabilities from operations; decline in, and ability to realize, backlog; equipment specialization and new technologies; adverse industry conditions; adverse credit and equity market conditions; difficulty in building and deploying new equipment; difficulty in integrating acquisitions; shortages, delays in delivery and interruptions of supply of equipment, supplies and materials; weather; loss of, or reduction in business with, key customers; legal proceedings; ability to effectively identify and enter new markets; governmental regulation; and ability to retain management and field personnel.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in Patterson-UTI's and SSE's SEC filings. Patterson-UTI's filings may be obtained by contacting Patterson-UTI or the SEC or through Patterson-UTI's web site at <http://www.patenergy.com> or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at <http://www.sec.gov>. SSE's filings may be obtained by contacting SSE or the SEC or through SSE's web site at [www.77nrg.com](http://www.77nrg.com) or through EDGAR at <http://www.sec.gov>. Patterson-UTI and SSE undertake no obligation to publicly update or revise any forward-looking statement.