

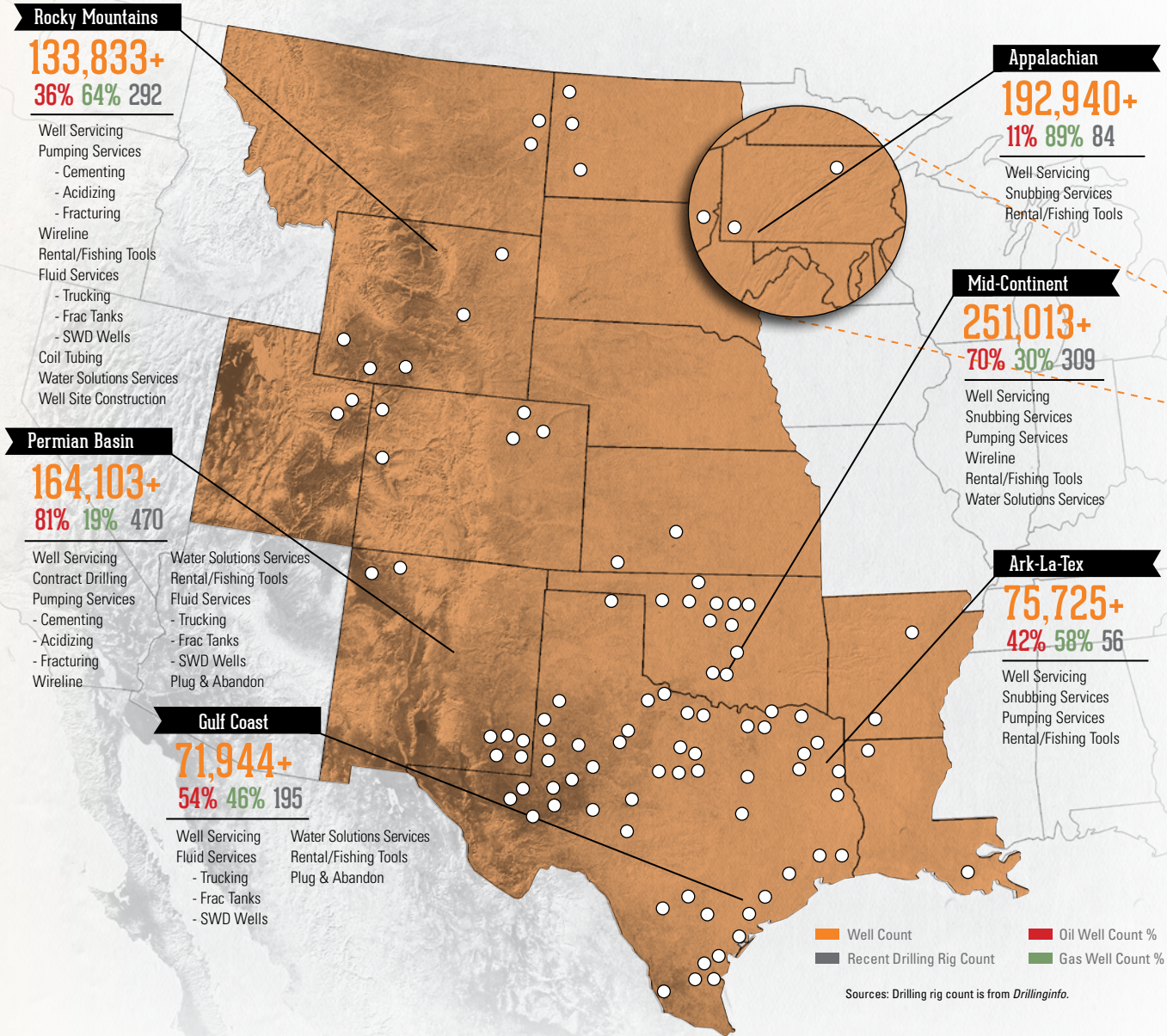


EYES ON THE HORIZON

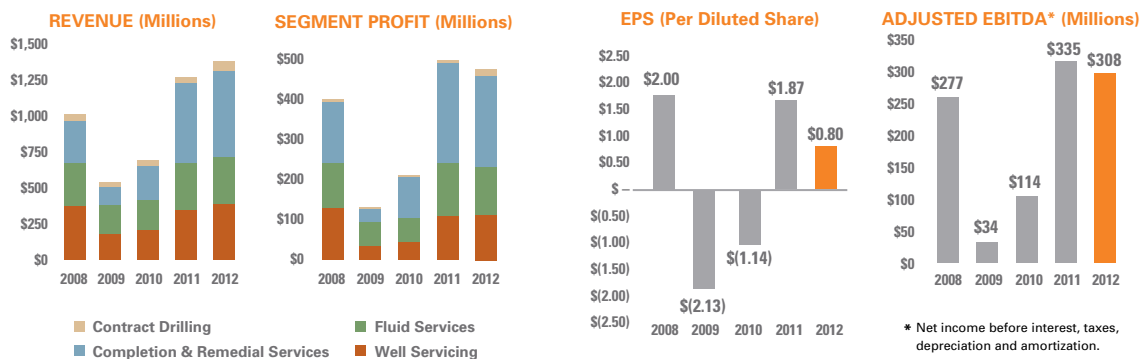
2012 Annual Report

Extensive Footprint in Prolific Basins

Basic Energy Services focuses on the well count in the most prolific oil and gas producing regions in the country. We base our core operations in proven oil and gas markets with a footprint that covers approximately 70% of the existing oil and gas production in the U.S.



Financial Highlights



Letter To Our Shareholders

2012 proved to be a challenging year as the strong market for oilfield services in the first quarter dissipated over the course of the year. Oil prices declined more than \$20/barrel early in the year, causing E&P companies to restrain spending in the last half of the year, while gas activity declined steadily throughout the year. On a national basis, drilling activity declined 12% by year-end, reducing demand for drilling- and completion-related services. The lower demand, combined with equipment ordered when the market outlook was brighter and continued relocation of equipment from slowing markets, created aggressive competition and pressure on rates across all service lines and geographic markets.

Although Basic set a new record for annual revenue in 2012, quarterly revenue and margins declined sequentially through the year. Our long-term strategies of providing a diversified range of services and building local relationships with a broad group of customers served the company well. We were able to move additional equipment in to the oil and liquids-rich markets, where activity was stronger, and capitalized on solid relationships to build market share. As an example, while the drilling rig count declined over the course of the year in the Permian Basin, we increased our active well servicing rig fleet and increased total revenue from that market by 23% in 2012.

In response to increased competition, we reduced rates in all of our markets to retain our customers and keep our employees working on a consistent basis. Margins, of course, deteriorated due to the combination of lower utilization and lower rates. By year-end, the market stabilized with most of the equipment movement and price competition subsiding, but the industry continues to have more equipment than required for the current level of activity.

While oil-related activity accounted for an estimated 75% of our revenue stream in 2012, Basic remains committed to the gas-driven parts of our footprint, providing routine services essential to keeping a large number of gas wells in production. Activity in these gas-driven markets provides meaningful cash flow and positions us to respond to increases in demand as gas prices improve.

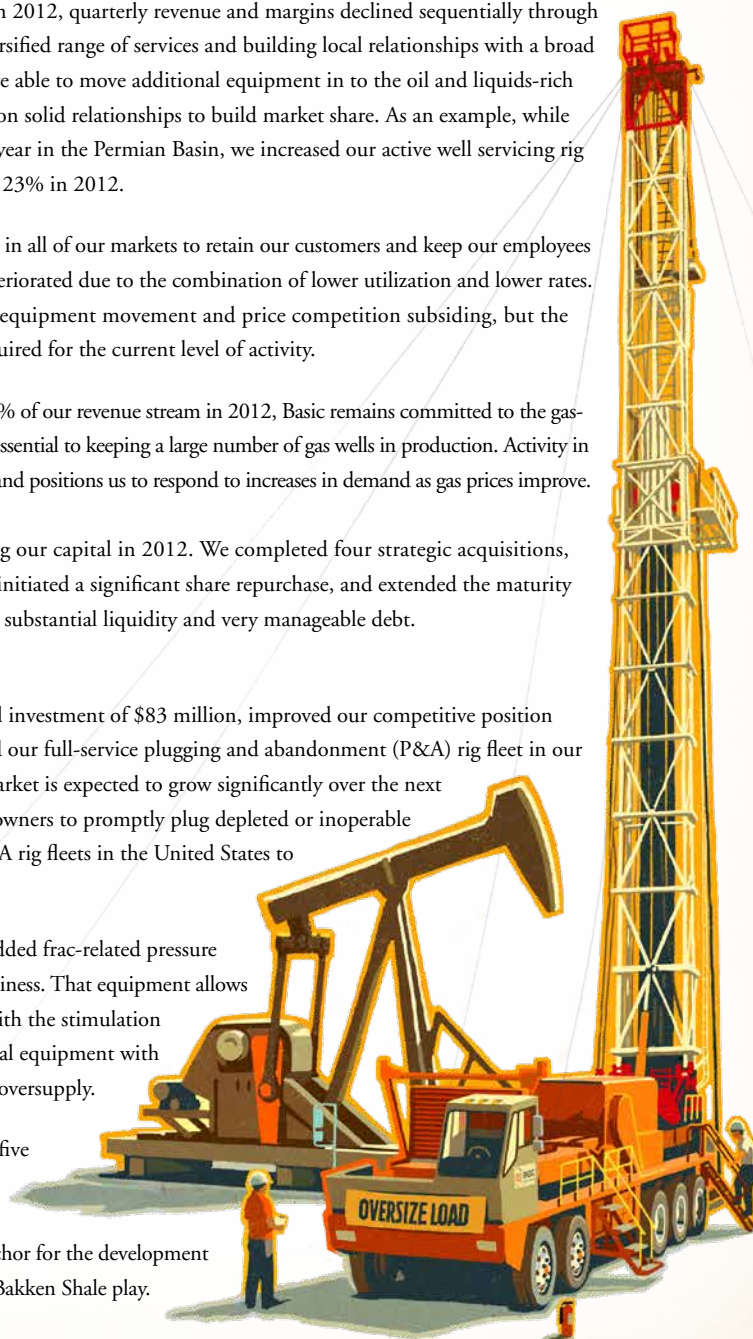
We were conservative and opportunistic in managing our capital in 2012. We completed four strategic acquisitions, controlled our capital spending as demand softened, initiated a significant share repurchase, and extended the maturity of our bond debt. As a result, we ended the year with substantial liquidity and very manageable debt.

Growing Forward

Each of the acquisitions completed in 2012, at a total investment of \$83 million, improved our competitive position within established operations. The first two expanded our full-service plugging and abandonment (P&A) rig fleet in our Permian Basin and Gulf Coast markets. The P&A market is expected to grow significantly over the next several years as state regulatory agencies require well owners to promptly plug depleted or inoperable wells. We now have one of the largest full-service P&A rig fleets in the United States to address that growing market.

The Surface Stac acquisition, which closed in May, added frac-related pressure control equipment to our pumping services line of business. That equipment allows us to capture a larger portion of revenue associated with the stimulation phase and provides the flexibility to package additional equipment with our pumping and wireline services during periods of oversupply.

The largest acquisition in 2012 was the addition of five high-volume saltwater disposal facilities to our fluid services business in the North Dakota portion of the Williston Basin. Those wells are expected to be the anchor for the development of a comprehensive fluid services business serving the Bakken Shale play.



We expect our fluid services segment to be our largest growth business over the next several years. High-volume fracturing is projected to be applied to an even greater extent throughout the U.S., significantly increasing the need for fluid and wastewater management. The demand for clean water may outpace supply, restricting activity in some markets. In 2013 we have already invested in the technology, expertise and equipment to process and reuse wastewater for frac fluid (and other oilfield uses) to reduce the volume of freshwater required and to minimize the amount of wastewater disposed. This wastewater processing capability complements our existing fluid services business and allows us to offer one of the most comprehensive fluid management services in the industry.

Although we scaled back capital spending in 2012 as demand deteriorated, we deployed \$84 million to fund the most attractive internal growth opportunities. The largest investment was the addition of two coil tubing units, which further expanded our capabilities after the 2011 Maverick acquisition.

Financial Moves

As energy service company share prices declined at midyear, our Board approved the reactivation of our share repurchase program with well-defined limits governing the purchases. We were able to buy back a total of 1.6 million shares at an average of \$9.54 per share. That investment reflects the confidence we have in our long-term value and earnings power. We now have \$20 million remaining under the repurchase authorization.

The credit markets provided the opportunity to significantly extend the average maturity of our long-term debt. In October, we tendered for the full \$225 million of our outstanding 7.125% 2016 notes and issued \$300 million of new 7.75% 2022 notes. This extended maturity provides tremendous flexibility as we work through the cycles inherent in this business.

Internal Adjustments

In June, we announced the relocation of our corporate offices from Midland to Fort Worth, Texas. Rapid growth in the Midland-Odessa market, driven by oilfield activity, made recruiting and retaining the administrative and professional-level employees extremely difficult in managing a growing, publicly traded company. Fort Worth provides a much deeper pool of professional talent and places the corporate office in a central location with great access to the majority of our field operations.

I am extremely proud of our organization and the strong management team we have at all levels of the company. Our operations group did a great job of retaining market share and controlling costs in a tough, competitive environment in 2012. Our corporate group performed well in the relocation of the corporate offices and recruiting new personnel without interrupting ongoing administration of the company. I'd particularly like to commend our accounting and finance staff for working through the challenges of the relocation process while simultaneously integrating several acquisitions and closing the bond refinancing. Truly, a remarkable string of accomplishments.

A Final Note

This will be my final Letter to Shareholders as I've recently announced plans to retire at the end of 2013. While leading this company over the last 14 years has been personally and professionally rewarding, after more than 30 years in the well servicing business, I plan to devote more time to family and personal interests. I have been asked to remain on the Board and look forward to staying involved with the company in that capacity.

I'd like to express my sincerest appreciation to the Board of Directors, the shareholders, the management team, and especially to all of the field employees for their work and support over the years in making Basic the successful company we have today.

Sincerely,



Kenneth V. Huseman
President and Chief Executive Officer





A Vigilant Sense of Opportunity



ABOUT BASIC

Over the last 20 years, Basic Energy Services (NYSE: BAS) has grown to provide a balanced range of services to help America's oil and gas producers keep more than 900,000 existing wells in production throughout their lifecycle. From the initial drilling of the well to ongoing maintenance to plugging and abandonment, Basic delivers performance-driven expertise. Headquartered in Fort Worth, Texas, Basic employs more than 5,600 people in more than 100 service points throughout major oil and gas producing regions in Texas, Oklahoma, Louisiana, New Mexico, Arkansas, Kansas and the Rocky Mountain and Appalachian regions. Since its founding in 1992, Basic has grown strategically with our eyes on the horizon to becoming one of the leading well site services companies in the United States.

A respected provider of well site services in the United States since 1992, Basic Energy Services has achieved a leading market position in the nation's largest and most active energy-producing regions. We have a leading position in the Permian Basin of west Texas and eastern New Mexico, and a significant presence in the Gulf Coast, Ark-La-Tex, Mid-Continent, Rocky Mountain and Appalachian regional markets.

Despite the competitive challenges encountered in 2012, we achieved total revenues of \$1.4 billion, exceeding the previous year's record level of revenue of \$1.2 billion. Steadily weakening demand and increased competition pressured our utilization and pricing in each of our geographic markets and business segments. With the shift in activity from gas markets to oil and liquids-rich areas, Basic repositioned equipment to more active markets within our footprint, adjusted pricing to remain as competitive as possible and retained our experienced workforce.

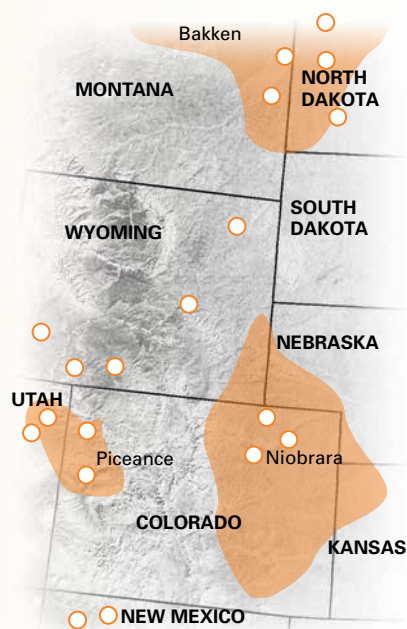
Diversified Revenue Stream

Basic strives to maintain exposure to the broadest possible portion of the oilfield service market. We remain committed to our market positions in both oil and gas producing markets, with service coverage of more than 70% of the existing producing wells in the U.S. We've developed our capabilities across a wide range of services throughout the life of the well. Our customer base includes more than 2,000 active oil and gas producers, with no one customer accounting for more than 7% of our revenue in 2012.

Safety Leadership

Working safely and avoiding accidents are the responsibility of every employee at Basic and a primary tenet of our mission statement. With our employees working more than 10 million man-hours and driving more than 100 million

*In 2012, we achieved
total revenues of
\$1.4 billion.*



Rocky Mountain Region

Basic Energy Services' presence spans seven states in the Rocky Mountain region, an area of the United States that harbors the world's largest shale deposits.



** Basic's Wireline offerings include perforating, horizontal pump-downs and tubular recovery.*

COMMODITY MIX

Oil/Liquids

70% Oil/Liquids
30% Gas

Gas

GEOGRAPHIC SPREAD

Regional

Over 100 Service Points
in 14 States

National

RANGE OF SERVICES

New Well Drilling

8 Service Lines

Production Maintenance

CUSTOMER BASE

Concentrated

No Customer Over
7% of Revenue

Diversified



miles per year, an effective safety and accident prevention program is critical to the success of the company. We've developed one of the most comprehensive safety and accident prevention programs in the industry and continue to revise and expand our training curriculum to fit the needs of our workforce.

The breadth of our customer base across the full range of large independent E&P companies validates the success of our safety program.

Adapting Technology

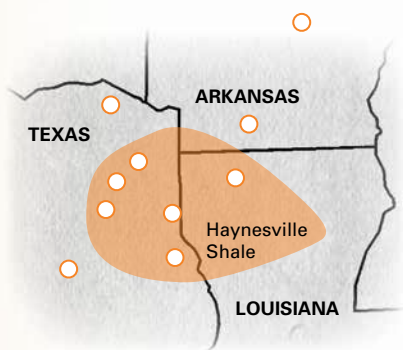
Basic continues to evaluate new technologies to improve our productivity and the quality of our services. We use GPS and RFID tracking systems for more efficient dispatching, risk management, and security and management of company resources. It has greatly enhanced our ability to efficiently dispatch equipment and monitor driver performance, resulting in more cost-effective performance, particularly in our Fluid Services segment.

In partnership with two of our larger customers, we are field testing transport trucks powered by liquefied natural gas (LNG) and light-duty vehicles powered by compressed natural gas (CNG). While the initial capital cost is significantly higher than conventionally powered vehicles, we believe the operating costs will offset the additional investment. As the use of these vehicles increases, we expect the capital cost to decrease and become a better value. In the meantime, we believe working with our customers to improve natural gas demand makes sense for Basic and the industry.

Pragmatic Preparation

Basic focuses on the most prolific oil and gas producing regions in the U.S. Our longevity and scalability in the areas we serve are expected to be the differentiator in 2013. Basic's range of services, from drilling and completion and remedial services to plugging and abandonment, enables us to provide solutions to our customers throughout the life of their wells.





Ark-La-Tex Region

The Haynesville Shale play covers the tri-state area of southwest Arkansas, northwest Louisiana and east Texas. Basic's Fluid Services, Pumping Services and Well Servicing operations are located in this region.

The Permian Basin is at the heart of our operations, an area approximately 250 miles wide and 300 miles long, with proven reserves of oil that are among the largest in the country. More than 40% of Basic's revenue stream is generated from the Permian Basin, where 25% of drilling activity in the U.S. currently occurs. During 2012, we have also focused on the oil-oriented markets in areas such as the Eagle Ford Shale in south Texas and the Bakken Shale in North Dakota while maintaining our presence in gas markets to take advantage of opportunities when market conditions and gas pricing become favorable.

Completion and Remedial Services

Basic's Completion and Remedial Services segment focuses on the completion services for newly drilled wells and remedial services to keep existing wells in production. We have a comprehensive group of offerings

During the year, we added two coil tubing units, more pumping assets and rental tools.





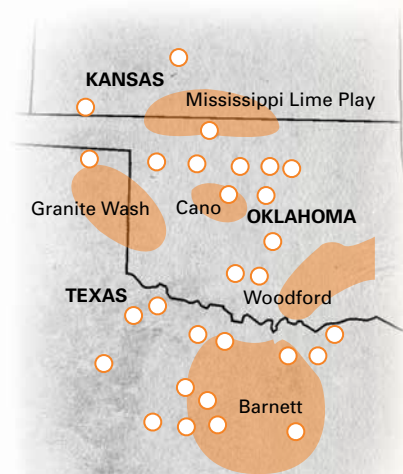
– pumping services, rental and fishing tools, coil tubing, snubbing services, tubing testing and wireline services. Our fleet of pressure pumping units has a combined 291,000 hhp, up from 271,000 hhp in 2011, with a significant presence in the Mid-Continent, where more than 50% of our pumping fleet is based. We were able to keep utilization at high levels despite the impact of reduced pricing and competitive pressures in 2012 and this business segment was our largest generator of revenue for the year.

Fluid Services

Basic uses a fleet of 955 fluid service trucks supported by portable storage tanks, water wells, disposal facilities and related equipment from more than 40 service points. We have responded effectively to meet our customer needs through our range of integrated services such as disposal wells, source wells, frac tanks and trucks, areas where we've gained a competitive advantage. During 2012, we added 65 fluid service trucks throughout our footprint and expanded geographically by adding five saltwater disposal facilities in North Dakota to grow our position in the Bakken Shale market. Although impacted by the declining drilling rig count and lower completion activity over the course of 2012, our revenue in this segment was 6% higher than the previous year.

Well Servicing

Basic's Well Servicing segment services include well maintenance, completions, workover procedures, and plugging and abandonment. Our Well Servicing rig count increased by eight from the previous year to 425. Through our Taylor Manufacturing facility in Tulsa, Oklahoma, we were able to replace 24 of our older, less efficient rigs with new medium- and heavy-duty workover rigs.



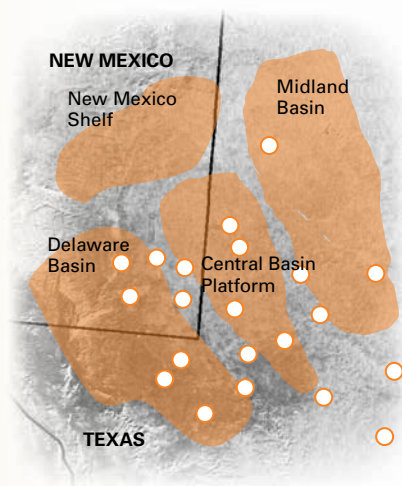
Mid-Continent Region

Basic's Well Servicing and Fluid Services are aligned in the Mid-Continent region, mostly in Texas and Oklahoma. The region includes the Barnett Shale formation, the second largest source of natural gas in the United States.

We use a fleet of 955 fluid services trucks supported by portable storage tanks, water wells, disposal facilities and related equipment from more than 40 service points.



** A full line of Rental & Fishing Tools is available through 20 Basic locations.*



Permian Basin Region

The Permian Basin, where Basic was founded in 1992, remains an influential source of oil production. The region's reserves are among the largest in the U.S.

Two important acquisitions – Mayo Marrs Company, a longtime competitor in the Permian Basin, and SPA Victoria of Abilene, Texas – expanded our P&A capabilities, making us one of the largest providers of these services in Texas. Revenues for the Well Servicing segment in 2012 were \$376 million, up from \$333 million in 2011, posting the best sequential percentage improvement of our three largest business segments.

Contract Drilling

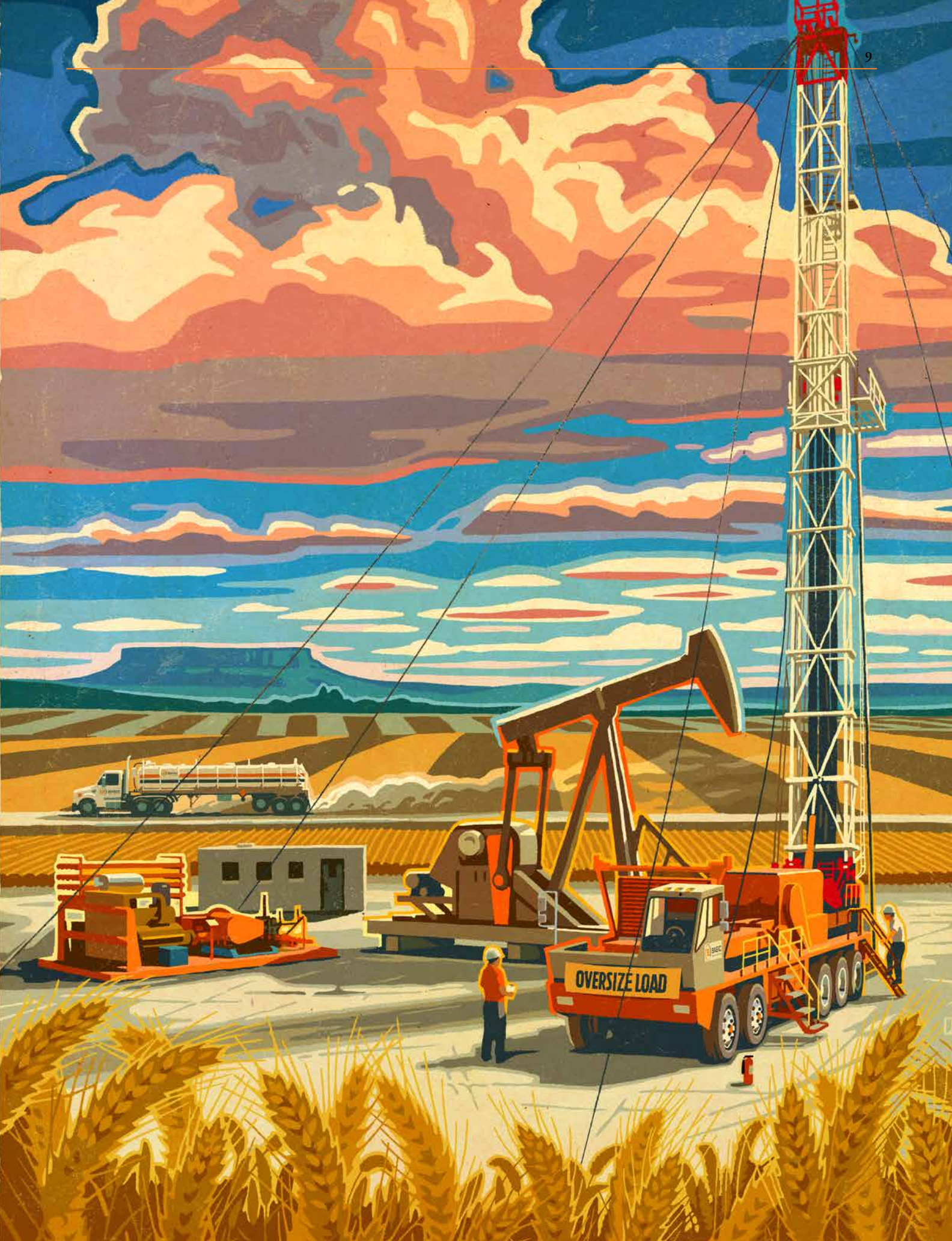
Basic's Contract Drilling division focuses on infill drilling programs in the Permian Basin using our fleet of shallow- and medium-depth drilling rigs. Our fleet includes two diesel electric rigs capable of drilling depths to 16,000 ft, as well as the ability to drill horizontally; three "Super Single" rigs rated to 13,000 ft; six rigs rated to 8,500 ft; and one pre-set surface rig rated to 5,000 ft. In January 2012, our two largest rigs began two-year contracts that will continue through early 2014.

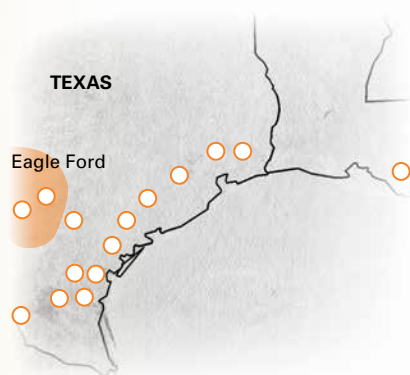
Strategic Relocation to Fort Worth

We completed a six-month transition of our corporate headquarters in December 2012 from Midland, Texas, to Fort Worth. While we retain a significant operating presence with more than 30 service points and 2,300 employees in the Permian Basin, the move of our corporate headquarters to Fort Worth will facilitate the future growth and expansion of our company. Fort Worth was selected as the optimal corporate headquarters location for our operating footprint, with proximity to a majority of our field operations including the Permian Basin, Mid-Continent and Ark-La-Tex regions. Fort Worth also provides us access to a broader pool of experienced employees in the Fort Worth-Dallas area, along with convenient air travel for employees, shareholders and prospective investors.

Fortifying Our Position

We continue to adhere to our growth strategy with acquisitions that are assimilated seamlessly within our footprint. In addition to maintaining market share within our operating areas, we made four acquisitions in 2012 that expanded our capabilities across our business segments.





Gulf Coast Region

Basic's Fluid Services and Well Servicing operations are well positioned along the Gulf Coast. Our footprint includes Eagle Ford, a major shale reservoir in the U.S.

Saltwater Disposal of North Dakota

Our largest purchase for the year came in December, with the addition of five saltwater disposal facilities and eight residential housing units from Saltwater Disposal of North Dakota (SWDND) to our Fluid Services segment, raising our total to 71 saltwater disposal facilities covering Texas, Oklahoma, North Dakota, New Mexico and Louisiana. Founded in 2010, SWDND employed 16 people as of the acquisition date. This well-placed network of disposal wells is believed to be among the newest and most efficient in the Williston Basin. These facilities augment our existing Fluid Services operations in the area and anchor the expansion of our integrated fluid services capabilities in a large and growing portion of the Bakken Shale market.

Surface Stac

We purchased the operating assets of Surface Stac, Inc., a provider of surface well control rental equipment, strengthening our Completion and Remedial Services segment. Surface Stac has well-established positions in the Permian Basin, the Eagle Ford and Barnett Shale operating areas, and provides an extension of our capabilities into the frac-related rental equipment and potential vertical integration with our pumping services.

Mayo Marrs Company and SPA Victoria

Basic acquired two plugging and abandonment companies for our Well Servicing segment. In January, we closed on the purchase of Mayo Marrs Company, a five-rig, full-service P&A company that has been a major competitor for more than 30 years in the Permian Basin. Those five rigs, added to our existing fleet of full-service rigs in the Permian Basin, make us one of the



largest providers of this service in that market. Two months later, we acquired additional rigs from SPA Victoria of Abilene, Texas, further strengthening our P&A capabilities in south Texas.

On the Horizon

2012 was a year in which we held firm amid uncertain conditions after the first quarter. Although competition in oil and liquids-rich markets has intensified relative to gas markets in recent years, we continue to take a disciplined approach to both markets, which, from our experience, have different cycles. For example, we have maintained our position in traditional gas-driven areas such as the San Juan Basin and east Texas, where a number of competitors have pulled out. We will continue to generate revenues from servicing existing wells. We have moved from exploration to harvesting in the Eagle Ford Shale region, where production for our customers is becoming more efficient over time with our maintenance services.

While Basic's acquisitions for 2012 extended our capabilities across our business segments, we anticipate a number of acquisitions for us to evaluate in 2013 as we look for opportunities to further improve our position.

Our footprint has grown consistently over the last 20 years, having developed a solid reputation among oil and gas operations in the United States. We will keep our eyes on the horizon to become one of the industry's leading well site services companies.



** Coil Tubing services at Basic include modeling software and data acquisition systems. Our services have been expanded to meet increasing workover operations, shallow drill-outs and extensions into producing zones.*



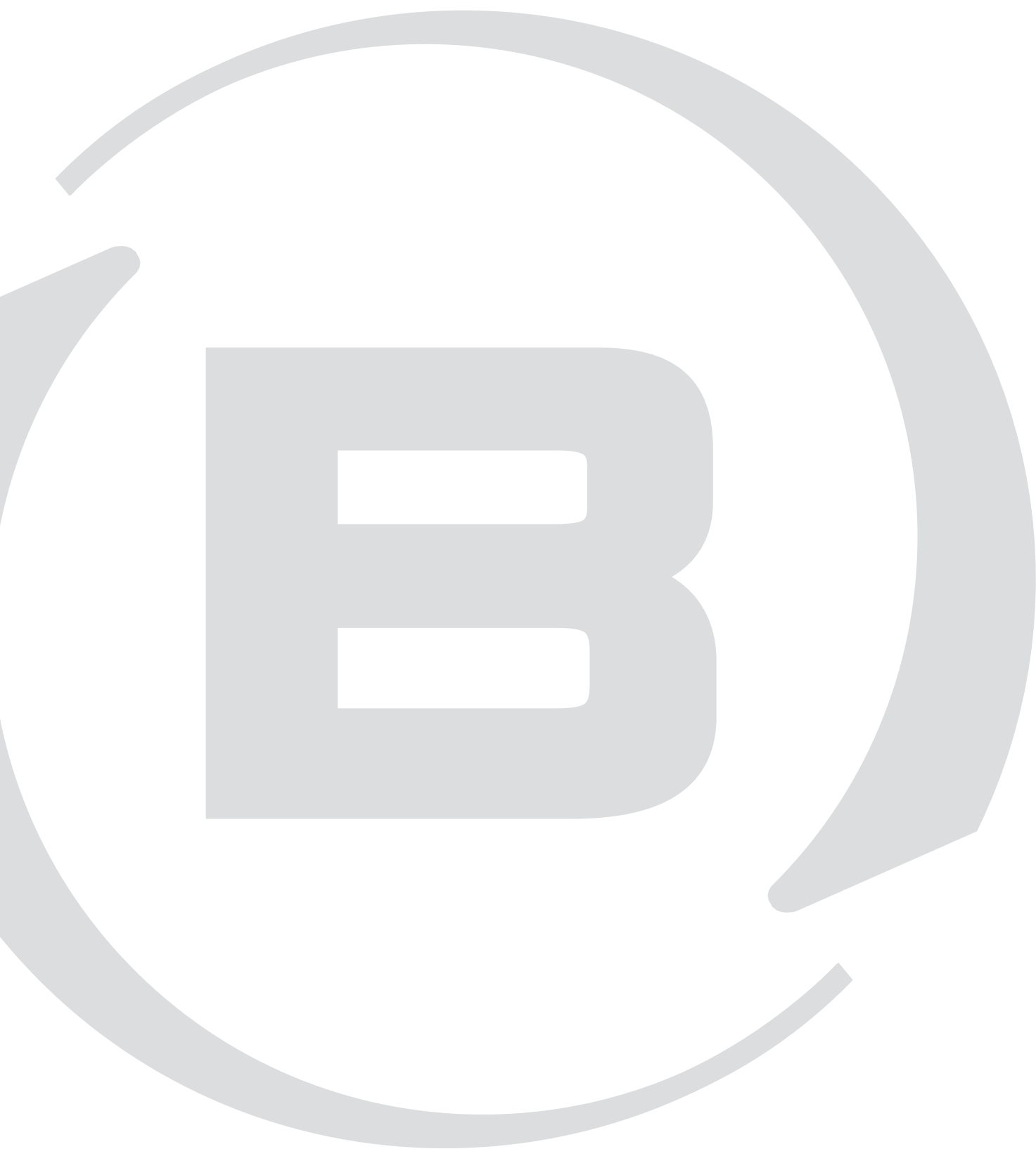
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA
(in millions)

	2012	2011	2010	2009	2008
Net Income (Loss)	\$21	\$47	\$(43)	\$(254)	\$68
Goodwill Impairment	-	-	-	204	22
Merger-Related Income	-	-	-	-	(12)
Loss on Early Extinguishment of Debt	8	49	-	4	-
Gain on Bargain Purchase	(1)	-	(2)	-	-
Income Taxes	11	32	(25)	(88)	55
Net Interest Expense	62	52	46	32	25
Loss on Disposal of Assets	3	1	3	3	-
Depreciation & Amortization	187	154	135	133	119
Refund on 2008 Texas Margin Taxes	2	-	-	-	-
Loss on Sales and Use Tax Audit	7	-	-	-	-
Loss on Relocation of Corporate Office	8	-	-	-	-
Adjusted EBITDA	\$308	\$335	\$114	\$34	\$277

**RECONCILIATION OF REPORTED DILUTED EARNINGS
PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE**

	2012	2011	2010	2009	2008
Reported Diluted EPS	\$0.51	\$1.14	\$(1.10)	\$(6.39)	\$1.64
Impact of Non-Cash Goodwill Impairment Charge, After Tax	-	-	-	4.20	0.27
Impact of Early Extinguishment of Debt, After Tax	0.12	0.77	-	0.06	-
Impact of Merger Termination Costs, After Tax	-	-	-	-	0.09
Impact of Gain on Bargain Purchase, After Tax	(0.01)	-	(0.04)	-	-
Impact of Sale of Office Complex, After Tax	-	(0.04)	-	-	-
Impact of Relocation Liability, After Tax	0.12	-	-	-	-
Impact of Sales and Use Tax Audit, After Tax	0.09	-	-	-	-
Impact of Texas Margin Tax Refund, After Tax	(0.03)	-	-	-	-
Adjusted Diluted EPS	\$0.80	\$1.87	\$(1.14)	\$(2.13)	\$2.00

Form 10-K



BOARD OF DIRECTORS**Kenneth V. Huseman***President, Chief Executive Officer and Director***Steven A. Webster***Chairman of the Board***William E. Chiles^{1,3}***Director***James S. D'Agostino, Jr.^{1,3}***Director***Robert F. Fulton²***Director***Sylvester P. Johnson, IV²***Director***Antonio O. Garza, Jr.³***Director***Thomas P. Moore, Jr.^{1,2}***Director*¹ Audit Committee² Nominating and Corporate Governance Committee³ Compensation Committee**EXECUTIVE MANAGEMENT****Kenneth V. Huseman***President, Chief Executive Officer and Director***Alan Krenek***Senior Vice President, Chief Financial Officer, Treasurer and Secretary***T. M. "Roe" Patterson***Senior Vice President, Chief Operating Officer***James F. Newman***Group Vice President, Permian Business Unit***Jim Tyner***Vice President, Human Resources***Doug Rogers***Vice President, Corporate Marketing***Cody Bissett***Vice President, Controller and Chief Accounting Officer***Tim Dame***Vice President, Pumping Services Division***Trampas Poldrack***Vice President, Safety and Operations Support***SENIOR MANAGEMENT****Brett Taylor***President, Taylor Industries***Lance Green***Vice President, Rig and Truck Operations, Mid-Continent Region***Roger Massey***Vice President, Rig and Truck Operations, Ark-La-Tex Region***Ron Scandolari***Vice President, Drilling Operations, Permian Basin Unit***Charlie Swift***Vice President, Rig and Truck Operations, Gulf Coast Region***Jerry Tuffy***Vice President, Rig and Truck Operations, Rocky Mountain Region***Lynn Wigington***Vice President, Rig and Truck Operations, Permian Basin Unit***Dan Klaus***Vice President, Pumping Services Division, Rocky Mountain District***Steve Newman***Vice President, Pumping Services Division, Permian Basin District***Richard Robertson***Vice President, Pumping Services Division, Mid-Continent District***Mike Dye***Vice President, Financial Services and Assistant Treasurer***Mark Rankin***Vice President, Risk Management***Jeff Stewart***Vice President, Safety and Training***Barbara Wood***Vice President, Information Technology***CORPORATE OFFICE****Basic Energy Services**801 Cherry Street, Suite 2100
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