INDEPENDENCE CONTRACT DRILLING

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Preliminary Matters

Various statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "plan," "goal," "will" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this presentation speak only as of the date of this presentation; we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following:

- our inability to implement our business and growth strategy;
- a sustained decrease in domestic spending by the oil and natural gas exploration and production industry;
- decline in or substantial volatility of crude oil and natural gas commodity prices;
- fluctuation of our operating results and volatility of our industry;
- inability to maintain or increase pricing on our contract drilling services;
- delays in construction or deliveries of reactivated, upgraded, converted or new-build land drilling rigs;
- the loss of material customers, financial distress or management changes of potential customers or failure to obtain contract renewals and additional customer contracts for our drilling services;
- an increase in interest rates and deterioration in the credit markets;
- our inability to raise sufficient funds through debt financing and equity issuances needed to fund future rig construction projects;
- additional leverage associated with borrowings to fund rig conversions and additional newbuild rigs;
- our inability to comply with the financial and other covenants in debt agreements that we may enter into as a result of reduced revenues and financial performance;
- a substantial reduction in borrowing base under our revolving credit facility as a result of a decline in the appraised value of our drilling rigs or substantial reduction in our rig utilization;
- overcapacity and competition in our industry; unanticipated costs, delays and other difficulties in executing our long-term growth strategy;
- the loss of key management personnel;
- new technology that may cause our drilling methods or equipment to become less competitive;
- labor costs or shortages of skilled workers;
- the loss of or interruption in operations of one or more key vendors;
- the effect of operating hazards and severe weather on our rigs, facilities, business, operations and financial results, and limitations on our insurance coverage;
- increased regulation of drilling in unconventional formations;
- the incurrence of significant costs and liabilities in the future resulting from our failure to comply with new or existing environmental regulations or an accidental release of hazardous substances into the environment;
- the potential failure by us to establish and maintain effective internal control over financial reporting;
- lack of operating history as a contract drilling company; and
- uncertainties associated with any registration statement, including financial statements, we may be required to file with the SEC.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this presentation and in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K. Further, any forward-looking statement speaks only as of the date of this presentation, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Adjusted Net Loss, EBITDA and adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders and rating agencies. The Company's management believes adjusted Net Loss, EBITDA and adjusted EBITDA are useful because such measures allow the Company and its stockholders to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to its financing methods or capital structure. See non-GAAP financial measures at the end of this presentation for a full reconciliation of Net Loss to adjusted Net Loss, EBITDA and adjusted EBITDA.

Corporate Snapshot

Sectors only pure play, pad-optimal growth story

- Fleet composed of fifteen 200 Series ShaleDriller® rigs
- 100% of fleet contracted and operating
- The speed, efficiency and safety offered by ICD's rigs dramatically reduce drilling times, thereby saving significant capex dollars for E&P operators
- Pending combination with Sidewinder more than doubles ICD pad optimal drilling fleet

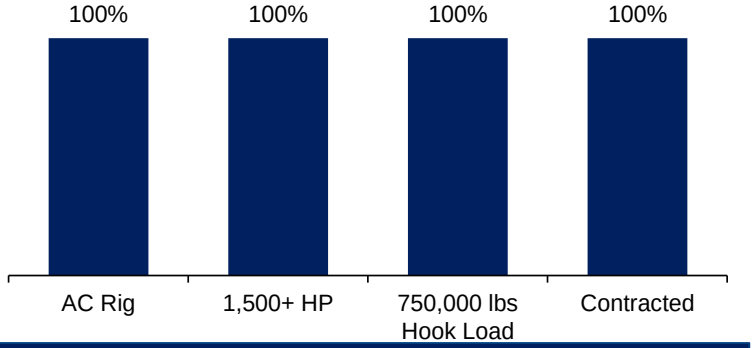
Established reputation for operational excellence and safety

- Average 200 Series ShaleDriller® fleet age: ~3.5 years[1]
- Industry leading utilization
- Work with well-known customers who pay for quality

Current Capitalization & Liquidity [2]

US$MM, unless otherwise noted	
Share Price ($/Share)	3.80
Share Outstanding (MM)	38.2
Equity Value	**145.2**
Long-term debt – Credit Facility	58.8
Cash	2.6
Aggregate Value	**206.6**
Credit Facility Unused Capacity[3]	26.2
Cash	2.6
Total Current Liquidity	**28.8**
Book Value of Equity	228.9
Total Capitalization	**287.7**

Fleet Snapshot



6/30/18 Backlog of $103.7 million

1. Based upon date of initial drilling operations for newbuild 200 Series rig or converted rig.
2. Market data as of 8/16/18. Credit facility, debt, shares outstanding and cash balances as of 6/30/18. Debt balance excludes $1.2 million of current and long-term vehicle capital lease obligations.
3. Total credit facility commitment less outstanding borrowings @ 6/30/18 plus cash balance @ 6/30/18.

Strategic Highlights

Maintaining a super-spec, pad optimal drilling fleet… While adding Scale and Customers, unlocking Synergies and driving incremental Growth

Scale & Growth	• More than doubles the size of ICD by combining with Sidewinder's high-quality and complementary asset base • Optionality for organic growth from upgrades or newbuilds: growth from planned upgrades alone will drive the fully pad optimal fleet to 34 rigs by the end of 2019 • Attractive combined presence in the most active operating basins is supported by high-quality customers with very little current overlap
Synergies	• Expanded operational scale in the most active basins will be a catalyst for meaningful optimization opportunities – Anticipated cost and operating synergies of $8 to $10 million annually – Expected accretion to EBITDA per share, after synergies, of more than 20% in 2019
Enhanced Profile	• Enhanced leadership team bringing together the best from both companies under one umbrella • Provides for significant financial flexibility, pro forma liquidity and substantial free cash flow • Tax advantaged, including a step-up in tax-basis for the Sidewinder assets • Financially accretive transaction for ICD shareholders while enhancing capital opportunities and public float

By combining with Sidewinder, ICD strengthens its position as one of the leading, pad-optimal, pure-play land drillers with increased operational and financial scale and an enhanced presence in the most active basins

Proposed Combination Summary

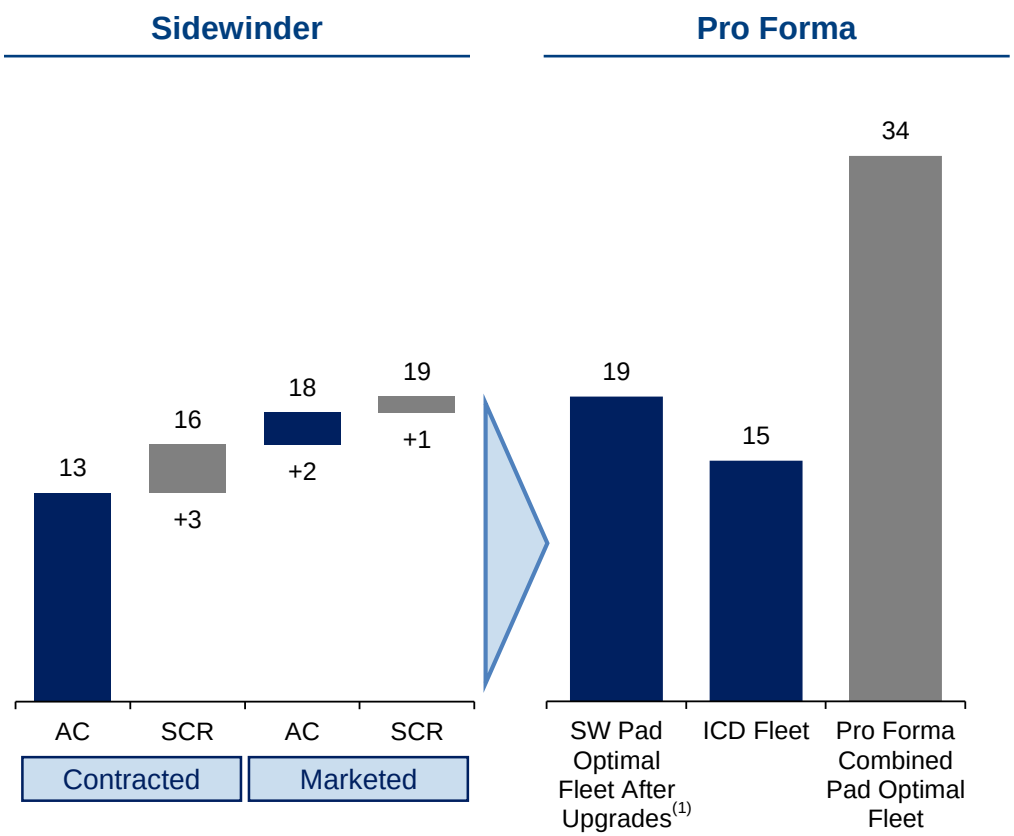
Transaction Overview	• ICD will acquire Sidewinder through a merger and issuance of shares of ICD common stock for 100% of the unitholder interests in Sidewinder • Combined company will retain the ICD name and ticker and will remain listed on the NYSE concurrent with closing
Pro Forma Ownership	• Existing ICD shareholders will own approximately 51% of the outstanding stock of the combined company with existing Sidewinder unitholders owning the remaining 49% • Affiliates of MSD Partners are collectively Sidewinder's largest unitholder and will retain approximately 31% of the combined company • Stockholders' Agreement limits certain voting rights of MSD's share position
Management & Governance	• Board of directors will be comprised of seven board members, four of which will be existing ICD directors, including Chairman of the Board, two directors nominated by MSD, and the CEO • Management team of the combined company will include: – Anthony Gallegos (current CEO of Sidewinder) as the combined CEO – A majority of the remaining executive team will be from ICD and includes ICD's current Chief Financial Officer, Philip Choyce
Support	• Both ICD's board of directors and Sidewinder's board of directors unanimously support the transaction
Closing	• Transaction expected to close in early 4Q 2018 • Subject to the approval by ICD shareholders of the share issuance • Standard regulatory approvals and other closing conditions. Early termination of waiting period under Hart-Scott Rodino

Attractive Pro Forma Fleet with Additional Upside

Complementary High-Spec Fleet

	INDEPENDENCE CONTRACT DRILLING	SIDEWINDER DRILLING
# of AC Rigs	15	15
Rig Horsepower	1,500 HP (1) AC Motor	1,500 HP[1] (1) AC Motor
Max Hook Load	750,000 lbs	750,000 lbs
Omni-Directional Walking System	Yes	Yes
Bi-Fuel Capabilities	Yes	Yes
Fast Moving	Yes	Yes
SCR Rigs Scheduled for Upgrade		4
Rig Horsepower		1,500 HP
Pad-Optimal		Yes

Rig Fleet Overview



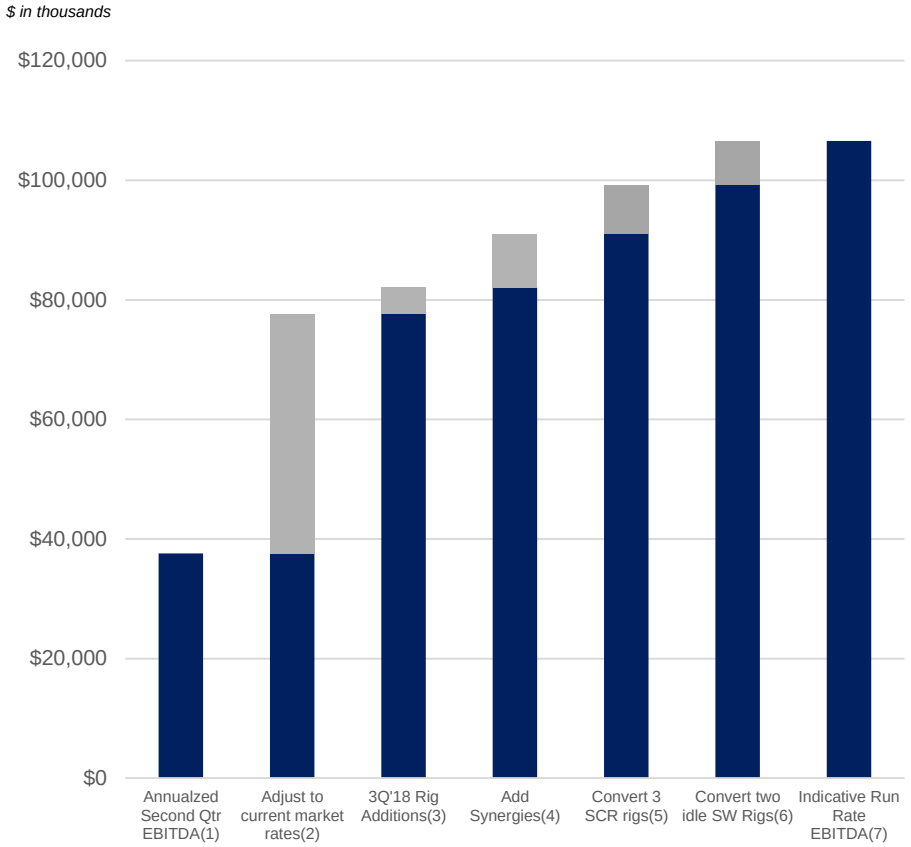
The combined fleet of high-spec, pad-optimal rigs will continue to be in high demand as they are essential for complex multi-well pad development and longer lateral wells

1. Includes one 1,000 HP, walking AC rig

Attractive Proforma Cash Flows

- Expected EBITDA per share accretion exceeds 20%+
- Free Cash Flow grows organically through following opportunities:
  - Reprice of existing contracts to current market day rates
  - Addition of incremental rigs that commenced operations in 3Q'18
  - Expected synergies between $8 million and $10 million
  - Conversion of 3 operating SCR rigs to pad optimal status
  - Conversion of two idle 1500 HP rigs to pad optimal status

Indicative EBITDA growth from opportunities embedded in combination (1)



(1) Annualized ICD and SW second quarter adjusted EBITDA combined.
(2) Adjust second quarter revenue per day to current market dayrates (assumed to be $23,500 per day).
(3) Adjust for ICD 15th ShaleDriller and SW Rig 64, which commenced operations during 3Q'18.
(4) Adjust for assumed transaction synergies of $8 million to $10 million.
(5) Adjust for Incremental gross margin from conversion of three SW SCR rigs to pad optimal status and market dayrates (assumed to be $23,500 per day).
(6) Adjust for incremental gross margin from reactivation of two idle SW rigs.
(7) Represents indicative annualized run rate adjusted EBITDA assuming each of the items summarized in (2) through (7) occurred at the beginning of 2Q'18. The occurrence of each of these items is subject to various risks and uncertainties, and actual results may differ materially. See Preliminary Matters Slide.

Attractive Valuation

ICD Valuation Per Pad-Optimal Rig

$ in millions

Number of Pad Optimal Rigs	**15**
Shares Outstanding*(millions)*	38.25
Closing Share Price: 7/18/18	$4.05
Share Value	$154.92
ICD Net Debt @ 6/30/18	$56.20
Indicative Enteprise Value	$211.12
Incremental Capex	-
Adjusted Enterprise Value	$211.12
Value Per Pad Optimal Rig	**$14.07**

SW Valuation Per Pad-Optimal Rig

$ in millions

19	Number of Pad Optimal Rigs
36.75	Shares to be Issued in Merger*(millions)*
$4.05	Closing Share Price: 7/18/18
$148.85	Value of Shares to be Issued
$53.60	SW Estimated Assumed Net Debt [1]
$202.45	Indicative Enteprise Value
$20.50	CapX to Convert 5 Rigs [2]
$222.95	Adjusted Enterprise Value
$11.73	Value Per Pad Optimal Rig

ICD is adding Sidewinder's fleet of 19 pad optimal rigs for a 17% discount to ICD's trading value per rig

1. Estimated SW net debt that will be assumed at closing based upon SW 6/30/18 balance sheet.
2. Estimated capex to convert 4 SCR rigs and one idle AC rig to pad-optimal status.

Pro Forma Balance Sheet and Liquidity

Enhanced Liquidity and Stronger Balance Sheet

- At closing, ICD will enter into a $130 million term loan
  - Five-year term
  - No amortization
  - Additional $15 million delayed draw availability
  - Fully-committed by MSD
  - Pre-payable at any time
- The proceeds will be used to refinance ICD's and Sidewinder's combined debt balance
- In addition, ICD will enter into a new $40 million revolving credit facility

Estimated Pro Forma Balance Sheet as of September 30, 2018	
$ in millions	
Cash	$15
Debt	
ABL Facility[1]	$3
New Term Loan	130
Total Debt	**$133**
Net Debt	***$118***
Liquidity:	
Cash and Cash Equivalents	$15
Plus: Available Undrawn ABL[2]	30
Plus: Term Loan Delayed Draw Availability	15
Total Liquidity	**$60**

At closing, ICD will have sufficient liquidity to fund planned rig upgrades and maintain financial flexibility under a wide range of potential market conditions

1. After payment of transaction fees and debt issuance costs due on or before closing
2. Assumes $2.2 million of Sidewinder letters of credit remain outstanding and reduce ABL availability

Substantial Cost Synergies

Combination expects to achieve annual run rate synergies of $8 to $10 million

- Reduction in corporate overhead
- Optimization of operational facility and rationalization of redundant facilities
- Reduction in professional fees, insurance and other costs
- Potential identified synergies exceed $12 million

Strong Combined Management Team

Board of Directors

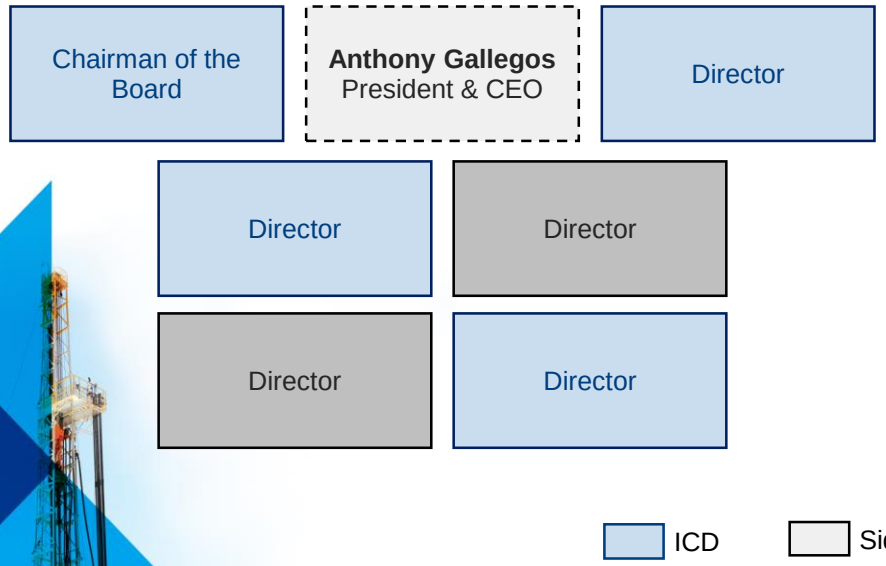
Board of directors will be comprised of seven members

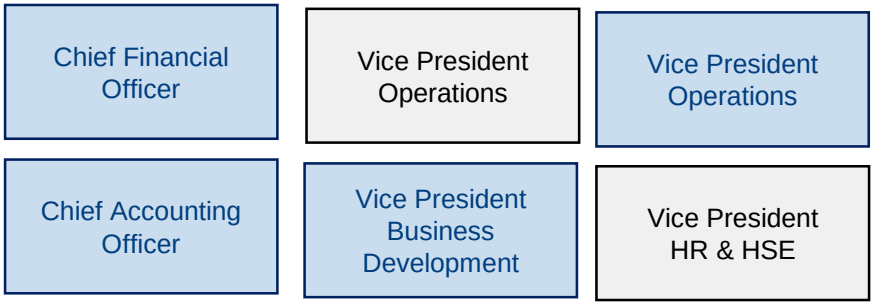
- Four to be existing ICD directors, including chairman
- Two to be nominated by MSD
- CEO of ICD

Executive Leadership

Anthony Gallegos – President and CEO

- Mr. Gallegos was a co-founder and joined Sidewinder upon its formation in 2011 as Senior Vice President & CFO
- Mr. Gallegos was promoted to President and CEO of Sidewinder in September 2017
- Spent his entire career in the drilling business

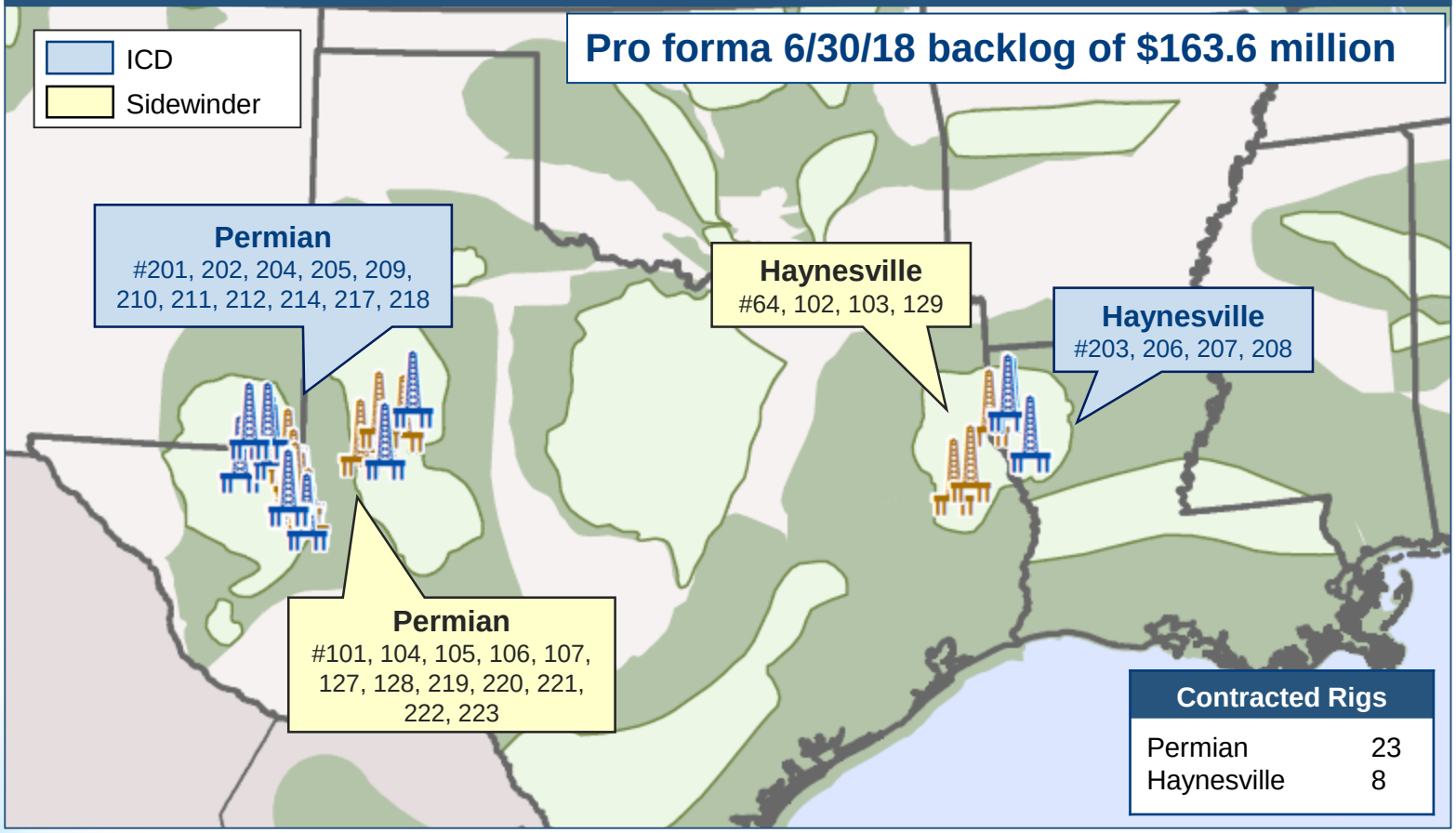




ICD Sidewinder MSD

Strong Combined Presence in Most Active Basins

Pro Forma Operating Footprint[1]

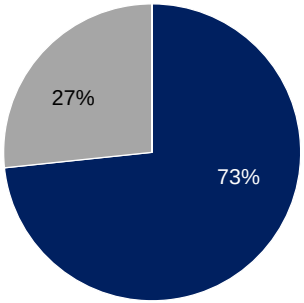


1. Inclusive of rigs currently under contract

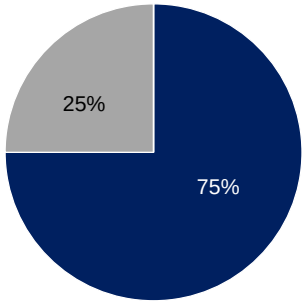
Geographic Mix and Customer Relationships

Active Rig Count by Basin

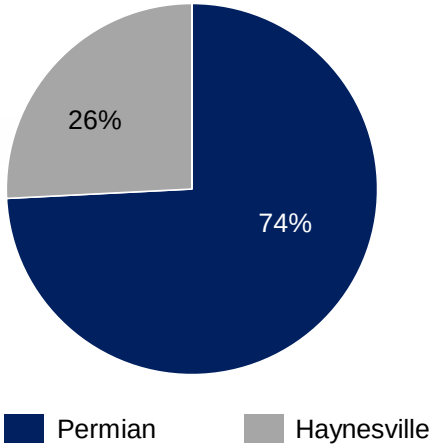
ICD



Sidewinder



Pro Forma Active Rig Count by Basin



Limited Customer Overlap

Top ICD Customers

RSP PERMIAN
GEO SOUTHERN ENERGY CORPORATION
CONCHO
PARSLEY ENERGY
DIAMONDBACK Energy
Anadarko Petroleum Corporation
Apache Exploring What's Possible
PIONEER NATURAL RESOURCES
BHP

Top Sidewinder Customers

bp
ROCKCLIFF ENERGY LLC
XTO ENERGY
RSP PERMIAN
BHP
LEGACY RESERVES
Jagged Peak ENERGY
FELIX ENERGY
LARIO
Chevron
equinor

Closing Summary

Maintaining a super-spec, pad optimal drilling fleet…
while adding Scale and Customers, unlocking Synergies and driving incremental Growth

- More than doubles the size of ICD by combining with Sidewinder's high-quality and complementary asset base
- Combined presence in most active basins supported by high-quality customers with limited overlap
- Attractive cost and operating synergy opportunities of $8 to $10 million
- Provides significant pro forma liquidity, financial flexibility and operating cash flow
- Financially accretive transaction for ICD shareholders while enhancing capital opportunities and public float

By combining with Sidewinder, ICD strengthens its position as one of the leading, pad-optimal, pure-play land drillers with increased operational and financial scale and an enhanced presence in the most active basins

ICD
LISTED
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Right Equipment
RIGHT PEOPLE
Right Time

Balance Sheet – June 30, 2018

	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$ 2,554	$ 2,533
Accounts receivable, net	19,702	18,056
Inventories	2,875	2,710
Assets held for sale	1,920	1,920
Prepaid expenses and other current assets	3,986	2,957
Total current assets	31,037	28,176
Property, plant and equipment, net	279,082	275,105
Other long-term assets, net	1,316	1,364
Total assets	$ 311,435	$ 304,645
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long-term debt (1)	$ 541	$ 533
Accounts payable	14,661	11,627
Accrued liabilities	7,070	6,969
Total current liabilities	22,272	19,129
Long-term debt (2)	59,490	49,278
Deferred income taxes, net	613	683
Other long-term liabilities	120	73
Total liabilities	82,495	69,163
Commitments and contingencies		
Stockholders' equity		
Common stock, $0.01 par value, 100,000,000 shares authorized; 38,597,447 and 38,246,919 shares issued, respectively; and 38,252,765 and 37,985,225 shares outstanding, respectively	383	380
Additional paid-in capital	327,880	326,616
Accumulated deficit	(97,104)	(89,645)
Treasury stock, at cost, 344,682 and 261,694 shares, respectively	(2,219)	(1,869)
Total stockholders' equity	228,940	235,482
Total liabilities and stockholders' equity	$ 311,435	$ 304,645

(1) Current portion of long-term debt relates to the current portion of vehicle capital lease obligations.
(2) As of June 30, 2018, long-term debt includes $708 thousand of long-term vehicle capital lease obligations. As of December 31, 2017, long-term debt included $737 thousand of long-term vehicle capital lease obligations.

Income Statement – 2Q'18

	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2018	2017	2018	2018	2017
Revenues	$ 25,754	$ 21,285	$ 25,627	$ 51,381	$ 41,521
Costs and expenses					
Operating costs	17,966	15,808	18,926	36,892	30,706
Selling, general and administrative	3,938	3,435	3,479	7,417	7,153
Depreciation and amortization	6,579	6,335	6,591	13,170	12,591
Asset impairments, net	-	546	(35)	(35)	675
(Gain) loss on disposition of assets, net	(333)	745	(82)	(415)	1,573
Total cost and expenses	28,150	26,869	28,879	57,029	52,698
Operating loss	(2,396)	(5,584)	(3,252)	(5,648)	(11,177)
Interest expense	(938)	(686)	(943)	(1,881)	(1,316)
Loss before income taxes	(3,334)	(6,270)	(4,195)	(7,529)	(12,493)
Income tax (benefit) expense	(21)	34	(49)	(70)	80
Net loss	$ (3,313)	$ (6,304)	$ (4,146)	$ (7,459)	$ (12,573)
Loss per share:					
Basic and Diluted	$ (0.09)	$ (0.17)	$ (0.11)	$ (0.20)	$ (0.33)
Weighted average number of common shares outstanding:					
Basic and Diluted	38,253	37,679	38,124	38,188	37,613

Non-GAAP Financial Measures

Adjusted net loss, EBITDA and adjusted EBITDA are supplemental non-GAAP financial measure that are used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. In addition, adjusted EBITDA is consistent with how EBITDA is calculated under our revolving credit facility for purposes of determining our compliance with various financial covenants. We define “EBITDA” as earnings (or loss) before interest, taxes, depreciation, and amortization, and we define “adjusted EBITDA” as EBITDA before stock-based compensation, non-cash asset impairments, gains or losses on disposition of assets, and other non-recurring items added back to, or subtracted from, net income for purposes of calculating EBITDA under our revolving credit facility. Neither adjusted net loss, EBITDA or adjusted EBITDA is a measure of net income as determined by U.S. generally accepted accounting principles (“GAAP”).

Management believes adjusted net loss, EBITDA and adjusted EBITDA are useful because they allow our stockholders to more effectively evaluate our operating performance and compliance with various financial covenants under our revolving credit facility and compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure or non-recurring, non-cash transactions. We exclude the items listed above from net income (loss) in calculating adjusted net loss, EBITDA and adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. None of adjusted net loss, EBITDA or adjusted EBITDA should be considered an alternative to, or more meaningful than, net income (loss), the most closely comparable financial measure calculated in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from adjusted net loss, EBITDA and adjusted EBITDA are significant components in understanding and assessing a company’s financial performance, such as a company’s return of assets, cost of capital and tax structure. Our presentation of adjusted net loss, EBITDA and adjusted EBITDA should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of adjusted net loss, EBITDA and adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The table on the following page present a reconciliation of net loss to adjusted net loss, EBITDA and adjusted EBITDA.

Non-GAAP Financial Measures

Reconciliation of Net Loss to Adjusted Net Loss:

	(Unaudited) Three Months Ended						(Unaudited) Six Months Ended			
	June 30, 2018		June 30, 2017		March 31, 2018		June 30, 2018		June 30, 2017	
(in thousands)	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net loss	$ (3,313)	$ (0.09)	$ (6,304)	$ (0.17)	$ (4,146)	$ (0.11)	$ (7,459)	$ (0.20)	$ (12,573)	$ (0.33)
Add back:										
Asset impairments, net (1)	-	-	546	0.02	(35)	-	(35)	-	675	0.02
(Gain) loss on disposition of assets, net (2)	(333)	-	745	0.02	(82)	-	(415)	(0.01)	1,573	0.04
Merger transaction costs (3)	443	0.01	-	-	-	-	443	0.01	-	-
Adjusted net loss	$ (3,203)	$ (0.08)	$ (5,013)	$ (0.13)	$ (4,263)	$ (0.11)	$ (7,466)	$ (0.20)	$ (10,325)	$ (0.27)

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA:

	(Unaudited) Three Months Ended			(Unaudited) Six Months Ended	
	June 30, 2018	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2017
(in thousands)					
Net loss	$ (3,313)	$ (6,304)	$ (4,146)	$ (7,459)	$ (12,573)
Add back:					
Income tax (benefit) expense	(21)	34	(49)	(70)	80
Interest expense	938	686	943	1,881	1,316
Depreciation and amortization	6,579	6,335	6,591	13,170	12,591
Asset impairments, net (1)	-	546	(35)	(35)	675
EBITDA	4,183	1,297	3,304	7,487	2,089
(Gain) loss on disposition of assets, net (2)	(333)	745	(82)	(415)	1,573
Stock-based compensation	718	1,157	644	1,362	2,169
Merger transaction costs (3)	443	-	-	443	-
Adjusted EBITDA	$ 5,011	$ 3,199	$ 3,866	$ 8,877	$ 5,831

See footnote explanations on following page.

Non-GAAP Financial Measures

(1) In the second quarter of 2017, we recorded a $0.5 million, or $0.02 per share, non-cash impairment reflecting the estimated loss from the expected sale of our Galayda facility. In the first quarter of 2018, we recorded a $208 thousand recovery of impairment expense as a result of the decision to hold and use certain buildings and property previously held for sale, offset by the impairment of certain buildings of $173 thousand.

(2) In the second quarter of 2018, we recorded a gain on disposition of assets of $0.3 million, primarily due a gain on the sale or disposition of miscellaneous drilling equipment. In the second quarter of 2017, we recorded a loss on disposition of assets of $0.7 million, or $0.02 per share, primarily due a loss on the sale of drilling equipment previously designated as held for sale.

(3) In the second quarter of 2018, we incurred $0.4 million of costs directly associated with a merger agreement with Sidewinder Drilling LLC.

Non-GAAP Financial Measures

	Three Months Ended			Six Months Ended	
	June 30, 2018	June 30, 2017	March 31, 2018	June 30, 2018	June 30, 2017
Number of completed rigs end of period (1)	14	14	14	14	14
Rig operating days (2)	1,264.7	1,111.2	1,259.4	2,524.1	2,184.1
Average number of operating rigs (3)	13.9	12.2	14.0	13.9	12.1
Rig utilization (4)	99.3%	93.9%	100.0%	99.6%	92.8%
Average revenue per operating day (5)	$ 19,411	$ 18,201	$ 19,055	$ 19,233	$ 18,077
Average cost per operating day (6)	$ 13,034	$ 12,926	$ 13,414	$ 13,223	$ 12,435
Average rig margin per operating day	$ 6,377	$ 5,275	$ 5,641	$ 6,010	$ 5,642

(1) Our 15th ShaleDriller rig was completed and commenced operations subsequent to the end of the second quarter of 2018.

(2) Rig operating days represent the number of days our rigs are earning revenue under a contract during the period, including days that standby revenues are earned. During the three and six months ended June 30, 2018 and March 31, 2018 we did not earn any revenue on a standby basis. During the three and six months ended June 30, 2017, there were zero and 77.9 operating days, respectively, in which we earned revenue on a standby basis, including zero and 69.0 standby-without-crew days, respectively.

(3) Average number of operating rigs is calculated by dividing the total number of rig operating days in the period by the total number of calendar days in the period.

(4) Rig utilization is calculated as rig operating days divided by the total number of days our drilling rigs are available during the applicable period.

(5) Average revenue per operating day represents total contract drilling revenues earned during the period divided by rig operating days in the period. Excluded in calculating average revenue per operating day are revenues associated with the reimbursement of out-of-pocket costs paid by customers of $1.2 million, $1.1 million and $1.6 million during the three months ended June 30, 2018 and 2017 and March 31, 2018, respectively, and $2.8 million and $2.0 million for the six months ended June 30, 2018 and 2017, respectively.

(6) Average cost per operating day represents operating costs incurred during the period divided by rig operating days in the period. The following costs are excluded in calculating average cost per operating day: (i) out-of-pocket costs reimbursed by customers of $1.2 million, $1.1 million and $1.6 million during the three months ended June 30, 2018 and 2017 and March 31, 2018, respectively, and $2.8 million and $2.0 million for the six months ended June 30, 2018 and 2017, respectively, (ii) new crew training costs of $68.0 thousand, $55.0 thousand and $25.0 thousand during the three months ended June 30, 2018 and 2017 and March 31, 2018, respectively, and $0.1 million and $0.1 million during the six months ended June 30, 2018 and 2017, respectively, (iii) construction overhead costs expensed due to reduced rig construction activity of $0.2 million, zero and $0.4 million during the three months ended June 30, 2018 and 2017 and March 31, 2018, respectively, and $0.6 million and $0.2 million during the six months ended June 30, 2018 and 2017, respectively, (iv) rig reactivation costs associated with the redeployment of previously stacked rigs, excluding new crew training costs (included in (ii) above), of $0.3 million and $1.0 million during the three and six months ended June 30, 2017, respectively, and (v) out-of-pocket expenses of $0.1 million, net of insurance recoveries, incurred as a result of damage to one of our rig's mast during the six months ended June 30, 2017.

Other Matters

No Offer or Solicitation

This communication is neither an offer to buy, nor a solicitation of an offer to sell, subscribe for or buy any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act, and otherwise in accordance with applicable law.

Additional Information and Where to Find It

The proposed transaction involving the Company and Sidewinder will be submitted to the Company's stockholders for their consideration. In connection with the proposed transaction, the Company will prepare a proxy statement for the Company's stockholders to be filed with the Securities and Exchange Commission ("SEC"), and the Company will mail the proxy statement to its stockholders and the Company will file other documents regarding the proposed transaction with the SEC. This communication is not intended to be, and is not, a substitute for such filings or for any other document that the Company may file with the SEC in connection with the proposed transaction. SECURITY HOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT, CAREFULLY WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. The registration statement, the proxy statement and other relevant materials (when they become available) and any other documents filed or furnished by the Company with the SEC may be obtained free of charge at the SEC's web site at www.sec.gov. In addition, security holders will be able to obtain free copies of the proxy statement from the Company by going to its investor relations page on its corporate web site at www.icdrilling.com.

Participants in Solicitation

The Company and its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the Company's directors and executive officers is set forth in its definitive proxy statement filed with the SEC on April 11, 2018. The proxy statement is available free of charge from the sources indicated above, and from the Company by going to its investor relations page on its corporate web site at www.icdrilling.com. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed transaction will be included in the proxy statement and other relevant materials the Company files with the SEC in connection with the Merger.

CUSTOMER FOCUS

HSE

Vision

Our vision is to be the premier US land drilling company who provides best in class drilling services with a focus on our employees, technology and HSE. We will continuously strive to understand and exceed our customers' expectations and in so doing, maximize value for all stakeholders.

FINANCIAL STEWARDSHIP

PEOPLE

INTEGRITY

INDEPENDENCE CONTRACT DRILLING