EnerCom Dallas

February 22, 2018

Troy Meier
Chairman and Chief Executive Officer

Christopher Cashion
Chief Financial Officer

NYSE American: SDPI
www.sdpi.com

Safe Harbor Statement

These slides and the accompanying oral presentation contain “forward-looking statements” within the meaning of the safe harbor provisions, 15 U.S.C. § 78u-5, of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact included in these slides and the accompanying oral presentation, regarding our strategy, future operations, financial position, estimated revenue and losses, projected costs, prospects, plans and objectives of management, are forward-looking statements. The use of words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project”, “forecast,” “should” or “plan, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Certain statements in these slides and the accompanying oral presentation may constitute forward-looking statements, including statements regarding the volatility of oil and natural gas prices; the cyclical nature of the oil and gas industry; availability of financing, flexibility in restructuring existing debt and access to capital markets; consolidation within our customers’ industries; competitive products and pricing pressures; our reliance on significant customers, specifically, Baker Hughes; our limited operating history; fluctuations in our operating results; our dependence on key personnel; costs of raw materials; our dependence on third party suppliers; unforeseen risks in our manufacturing processes; the need for skilled workers; our ability to successfully manage our growth strategy; unanticipated risks associated with and our ability to integrate, acquisitions; current and potential governmental regulatory actions in the United States and regulatory actions and political unrest in other countries; terrorist threats or acts, war and civil disturbances; our ability to protect our intellectual property; impact of environmental matters, including future environmental regulations; implementing and complying with safety policies; breaches of security in our information systems; related party transactions with our founders; and risks associated with our common stock . These statements reflect the beliefs and expectations of the Company and are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, worldwide economic activity; the level of exploration and production activity; interest rates and the cost of capital; environmental regulation; federal, state and foreign policies regarding exploration and development of oil and gas; the ability of OPEC to set and maintain production levels and pricing; governmental regulations regarding future oil and gas exploration and production; the cost of exploring and producing oil and gas; the cost of developing alternative energy sources; the availability, expiration date and price of leases; the discovery rate of new oil and gas reserves; the success of drilling for oil and gas in unconventional resource plays such as shale formations; technological advances; terrorist attacks and similar disruptive unlawful activities; weather conditions. These and other factors could adversely affect the outcome and financial effects of the Company’s plans and described herein. Therefore, you should not rely on any of these forward-looking statements. Any forward-looking statement made by us in these slides and the accompanying oral presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results compared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

SUPERIOR
DRILLING PRODUCTS

Superior Drilling Products, Inc.

An innovative, cutting-edge drilling tool technology company providing cost saving solutions that drive production efficiencies for the oil and natural gas drilling industry

Market Capitalization	$36.5M	Shares Outstanding	24.3M
Recent Price	$1.50	Float	10.8M
52 Week Low/High	$0.59 / $1.77	Institutional Ownership	33%
Average Daily Volume (3 mos.)	90.1k	Insider Ownership	48%
NYSE American: SDPI	**Founded: 1993**		**IPO Date: May 23, 2014**

Market data as of 2/12/2018 (source: S&P Global IQ); institutional and insider ownership as of latest filing.

Innovator, Designer and Manufacturer

Innovation

The Brain	Nucleus	CHUCK	DnR	Smart Shop
DRC	E Collett	V Stream	BK Cutters	PDC bit repair

Solutions for the upstream oil & gas industry

Drill-N-Ream® wellbore conditioning tool (DnR)

Strider™ oscillating system technology

V Stream

Drilling tool fleet maintenance and repair

BHI, DTI

Engineer, develop and manufacture new tools and technologies

13 patents or patents pending in last three years

SUPERIOR DRILLING PRODUCTS

Drill-N-Ream® Wellbore Conditioning Tool

Flagship technology

Leading industry operators standardizing on tool

- Being used throughout North America
- Increased use of multiple tools in a single wellbore
- Expanding to Middle East

Driver: Wellbore quality

Demonstrating value

- Decreased days on well
- Improved penetration rates
- Supports directional drilling
- Extends the life of BHA[b]
- Market share opportunities

Improvement in KPI's[a] with DnR

	ROP[c]	WOB[d]
Lateral[1]	16.3%	-13.9%
RSS[2]	23.0%	- 0.03%

a) KPI: Key Performance Indicator *c) ROP: Rate of Penetration*
b) BHA: Bottom hole assembly *d) WOB: Weight on bit*

(1) Conventional Motor System in Williston Basin 6" and Lateral
(2) Rotary Steerable System in Uintah Basin 8-3/4" Curve and Lateral

SUPERIOR DRILLING PRODUCTS

Teaming up with Success

Market channel partnerships

Go-to-market strategy: Qualified partners

Drill-N-Ream distribution: Market leader in downhole tool rentals

Exclusive U.S. and Canada marketing rights requires successful market penetration:

6/30/2017	12/31/2017	12/31/2018	12/31/2019	12/31/2020
10%	12.5%	17.5%	22.5%	25%

Exclusivity requirements determined by number of horizontal rigs*

Achieved 6/30/2017 market share goal. Currently evaluating status of 12/31/17 goal.

Multiple revenue streams

Initial sale, per run royalty, maintenance and repair, product replacement

New: Joint market development agreement with Weatherford for the Middle East

** DTI market share evaluated using last 30 days prior to each target date; further detail can be found on slide 19*

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Middle East Expansion

Joint market development agreement

Agreement executed with Weatherford in December 2017

Demonstrate Drill-N-Ream capabilities to large Middle East operators

- Saudi Arabia, Kuwait, and Oman
- Pilot test program for 16 DnR tools; increased to 18 tools
- Several tools downhole currently in Kuwait

In country Product Champions from SDPI and Weatherford

Parties plan to enter into a long-term commercial agreement

- Upon technology being proven in the region
- Development agreement runs through June 30, 2018

Shared rental fees during market development program

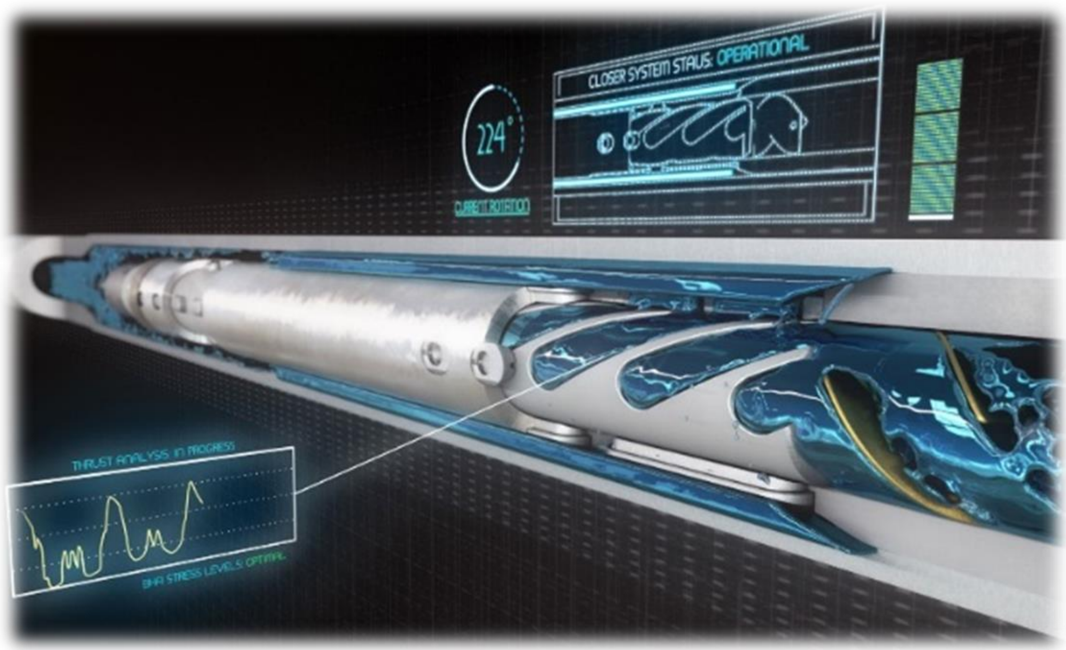
- Rental fee split: SDPI 60% / 40% Weatherford
- SDPI reimbursed for cost of repairs and maintenance
- SDPI carries the tool cost & shipping to Weatherford (Houston)

Advancing New Technologies

Strider oscillation system technology

- Field tested Open Hole Strider
  - Market potential = All horizontal and directional wells
- CTS (Coiled Tubing Strider)
  - Value engineering the tool

Prioritizing new product development



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Financial Results

Growth Driven: Tool Revenue

Tool revenue stronger on larger deployed fleet

- Sales revenue from fleet build out by channel partner; Includes increase of sales of V Stream
- More tools in service drives other related revenue

Currently evaluating channel partner status regarding achievement of 12/31/17 goal. Required 12.5% market share (based on number of horizontal rigs drilling) by 12/31/17.

Tool Revenue by Category

($ in thousands)

	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	2016	3Q 2017 TTM
Tool sales / rental	$ 1,726	$ 1,451	$ 1,636	$ 1,609	$ 2,012	$ 4,928	$ 6,708
Other related revenue*	$ 119	$ 342	$ 635	$ 877	$ 1,170	$ 555	$ 3,024
Total Tool Revenue	**$ 1,845**	**$ 1,794**	**$ 2,270**	**$ 2,486**	**$ 3,183**	**$ 5,483**	**$ 9,733**

*Other related revenue is comprised of royalty, maintenance and repair fees

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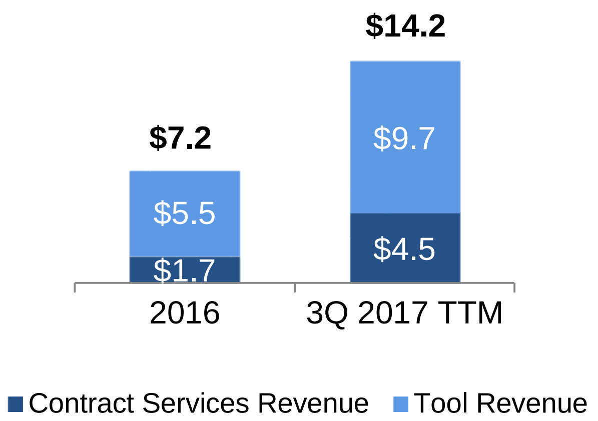
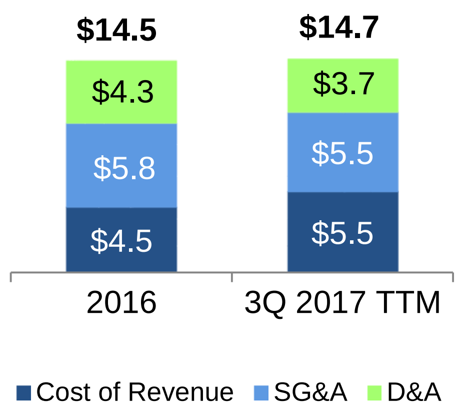
Twelve-Month Financial Results

($ in millions)

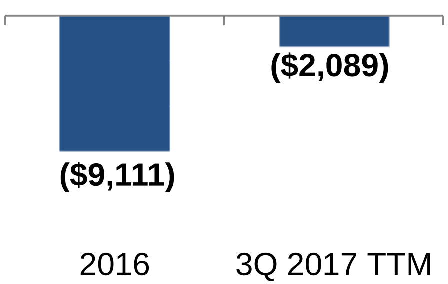
Revenue



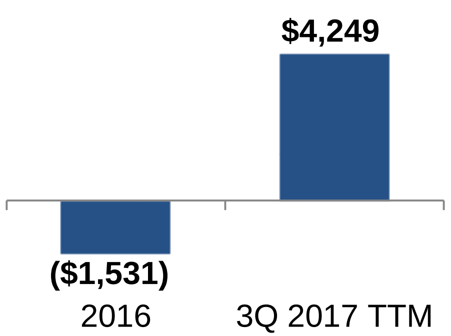
Operating Expenses



Net Income (Loss)



*Adjusted EBITDA**



Strong YTD results

- YTD revenue up 146%, TTM up 18%

Volume driving operating leverage

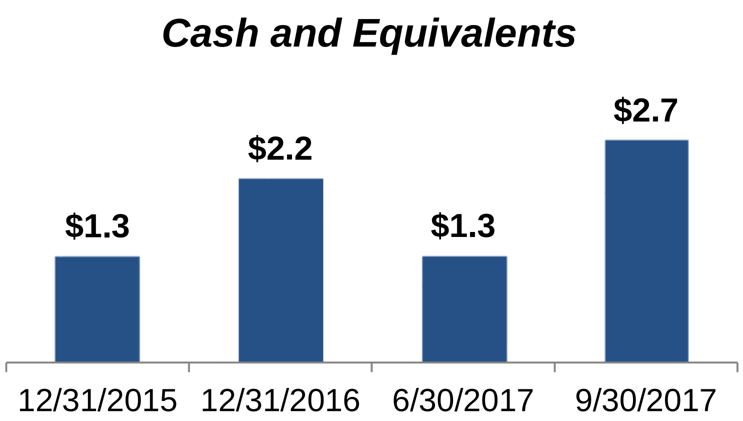
- YTD operating margin of 7.5% (including amortization expense)

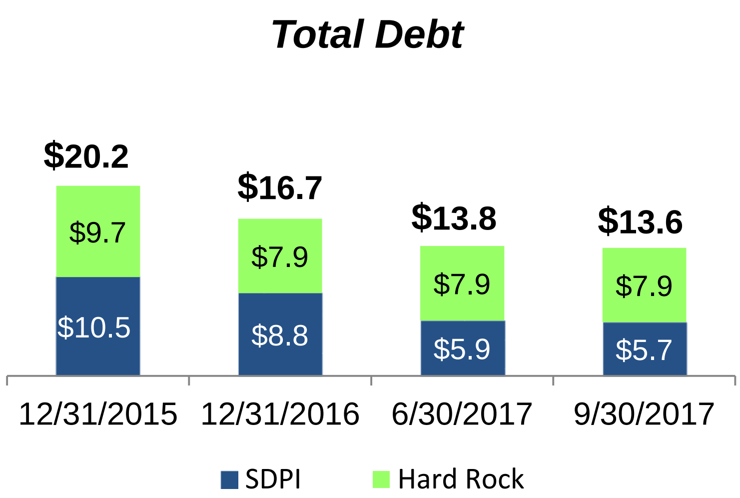
** Adjusted EBITDA and is a non-GAAP financial measures. Please see supplemental slides for a reconciliation between GAAP net income and non-GAAP adjusted EBITDA and other important disclaimers regarding Superior Drilling Products' use of adjusted EBITDA*

SUPERIOR DRILLING PRODUCTS

Stronger Balance Sheet

($ in millions)





Cash provided by operations of $1.4 million year-to-date

- Operating leverage on higher volumes
- Improved DSOs in the quarter

Total debt reduced $3.1 million, or 18%, since year-end 2016

Hard Rock principal payments in 2018 of $1.5 million: Pulled one $0.5 million payment into November 2017

$4.2 million 5.25% mortgage due August 15, 2018 expect to refinance in 1H 2018

Quarterly debt service: $300 thousand per quarter (excludes Hard Rock principal payments)

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Previous Guidance & Preliminary Expectations

2017 Guidance from November[1]	
Revenue	Approximately \$15.0 million to \$15.5 million
Operating margin (GAAP)	Approximately 2% to 3% Higher costs in fourth quarter due to R&D, international expansion and non-executive compensation

Preliminary Expectations[2]	
Revenue	Approximately \$15.6 million
Operating expenses	Approximately \$15.3 million Includes ~\$587k bonus in lieu of stock; the Meiers used the bonus to pay down Tronco note receivable
Implied Operating Margin	Significantly exceeds guidance

[1] 2017 Guidance provided November 9, 2017
[2] Preliminary Expectations provided February 14, 2018

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Supplemental Information

NYSE American: SDPI
www.sdpi.com

Proven Industry Experience

Troy Meier, *Co-Founder, Board Chairman and CEO*

- More than 33 years of experience in the oil and gas industry, including 13-year career with Baker Hughes

Annette Meier, *Co-Founder, Director, President and COO*

- More than 20 years of experience in the oil and gas industry; Co-creator of custom shop management and inventory program software and “nucleus grinding system”

Christopher Cashion, *Chief Financial Officer*

- More than 30 years of experience in accounting, finance and private equity for the oil & gas industry

Lane Snell, *VP of Engineering*

- Over 25 years of application and research engineering in the oil & gas industry

Board of Directors

Troy Meier, *Chairman*

Annette Meier, *Director*

James R Lines, *Director*

- President and CEO of Graham. Graham designs, manufactures and sells critical equipment for the energy, defense and chemical/petrochemical industries.

Robert Iversen, *Director*

- Partner and president of CTI Energy Services, LLC of Springtown, Texas, a drilling services company

Michael Ronca, *Director*

- More than 30 years in oil and gas industry; President and CEO of EagleRidge Energy

Drill-N-Ream U.S. & Canada

Channel Partner Agreement

Drill-N-Ream four revenue streams

1. New tool sales
   - Assumes horizontal rig count remains at current levels
   - Average selling price: $40 thousand; Ranges from $30 to $50 thousand
2. Replacement tool sales – recurring revenue
   - Tools replaced every 12 runs or about 16 months
3. Royalty revenue
   - 8% royalty on fees per run at about $10,000
   - Rigs run ~1.5 wells per month = $14,400 for life of tool
4. Tool repair parts/refurbishment
   - $10 to $12 thousand maintenance per life of tool (10% of the tool sales price/refurbishment)

EBITDA margin similar to rental model

SUPERIOR DRILLING PRODUCTS

World-Class Manufacturing Facility

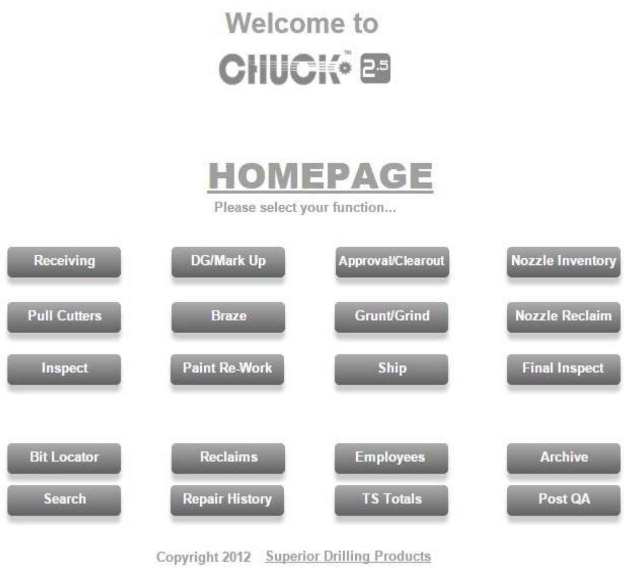
Industry leading techniques

Created machine tools and systems

- Fully contained & environmentally friendly facility
- CHUCK, SDP's proprietary paperless enterprise management system
- Brazing station with climate & fume control facilitates productivity

Developed world's first CNC poly-crystalline diamond compact (PDC) grinding unit (NUCLEUS)

Center of excellence for drill tool manufacturing & repair



Adjusted EBITDA Reconciliation

	Three Months Ended				
	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
GAAP net income (loss)	$ (1,173,432)	$ (2,595,946)	$ (385,985)	$ 306,807	$ 586,039
Add back:					
Depreciation and amortization	932,250	912,034	938,022	899,373	907,837
Impairment of assets	-	1,050,855	-	-	-
Interest expense, net	294,685	433,225	177,166	132,594	133,551
Share-based compensation	157,266	249,411	175,380	175,361	147,643
Functional Drill-N-Ream sales	-	-	-	-	-
(Gain) loss on sale of assets	(4,003)	17,841	5,828	(17,995)	-
Unrealized gain on warrant derivative	(28,301)	-	-	-	-
Income tax (benefit) expense	(2,000)	-	-	-	-
Non-GAAP adjusted EBITDA[1]	$ 176,465	$ 67,420	$ 910,411	$ 1,496,140	$ 1,775,070
GAAP Revenue	$ 2,261,310	$ 2,332,659	$ 3,369,612	$ 4,049,497	$ 4,446,540
Non-GAAP EBITDA Margin	*7.8%*	*2.9%*	*27.0%*	*36.9%*	*39.9%*

Adjusted EBITDA represents net income adjusted for income taxes, interest, depreciation and amortization and other items as noted in the reconciliation table. The Company believes Adjusted EBITDA is an important supplemental measure of operating performance and uses it to assess performance and inform operating decisions. However, Adjusted EBITDA is not a GAAP financial measure. The Company's calculation of Adjusted EBITDA should not be used as a substitute for GAAP measures of performance, including net cash provided by operations, operating income and net income. The Company's method of calculating Adjusted EBITDA may vary substantially from the methods used by other companies and investors are cautioned not to rely unduly on it.

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Adjusted EBITDA Reconciliation

	Full Year Ended		
	September 30, 2017 TTM		December 31, 2016
GAAP net loss	$ (2,089,085)		$ (9,110,621)
Add back:			
Depreciation and amortization	3,657,266		4,291,249
Interest expense, net	876,536		1,299,667
Share-based compensation	747,795		783,462
Impairment of assets	1,050,855		1,413,028
(Gain) loss on sale of assets	5,674		(177,611)
Income tax benefit	-		(2,000)
Unrealized gain on warrant derivative	-		(28,301)
Non-GAAP adjusted EBITDA[1]	$ 4,249,041		$ (1,531,127)

Adjusted EBITDA represents net income adjusted for income taxes, interest, depreciation and amortization and other items as noted in the reconciliation table. The Company believes Adjusted EBITDA is an important supplemental measure of operating performance and uses it to assess performance and inform operating decisions. However, Adjusted EBITDA is not a GAAP financial measure. The Company's calculation of Adjusted EBITDA should not be used as a substitute for GAAP measures of performance, including net cash provided by operations, operating income and net income. The Company's method of calculating Adjusted EBITDA may vary substantially from the methods used by other companies and investors are cautioned not to rely unduly on it.