Dear Fellow Shareholders:

It has been two years since I joined ENSERVCO's Board of Directors. During that time, we embarked on a path to create ENSERVCO 2.0. By this I mean we are endeavoring to transform the Company in ways that will help us deliver sustainable revenue and profit growth and build shareholder value. This process has required a lot of effort and tough decisions, but today – as both the Board Chairman and the Company's largest shareholder – I believe that we are making excellent progress and that ENSERVCO is well positioned to achieve its goals.

We begin every Board meeting with a review of our key corporate objectives, which are to:

- Increase fleet utilization to realize the earnings capacity of our business.
- Optimize equipment deployment to enhance unit level profitability.
- Increase revenue per customer through geographic and service line expansion.
- De-lever our business over time to enhance earnings and strengthen our balance sheet.
- Pursue accretive M&A opportunities to add non-seasonal services to our mix.
- Remain focused on providing a safe, rewarding environment for our team and all stakeholders.

As in all businesses, the key to achieving objectives is attracting and retaining good people who work collaboratively toward a common goal. Over the past two years we have added a new business development team and put in place a solid, motivated group of operators and managers that is anchored by a new executive management team. Led by CEO Ian Dickinson, this management team has brought new energy and vision that are driving our positive transition.

Unlike many companies that focus on top-line growth at the expense of profitability, we are focused exclusively on profitable growth initiatives. That means allocating our financial and human capital to service offerings and geographic areas that we believe offer the highest potential to generate profitable revenue streams. With this in mind, in 2018 we eliminated unprofitable operations that were generating approximately $750,000 in trailing twelve-month EBITDA burn. This included shutting down our water hauling business and closing two underperforming field facilities.

We continued to transform our operating model during the year, implementing tech-based solutions to improve fleet logistics and establishing new protocols across our national footprint to improve inter-company communications and transparency among our operators, yard managers, business development team and corporate staff. We also introduced positive incentive plans to better align the interests of our team members. This work is ongoing and in 2019 we have turned our attention to implementing a digital management platform that integrates fleet-level functions with our accounting and finance systems. The intended outcome is that best practices can be more easily replicated across our business, equipment can be quickly moved to optimum operating environments, and revenue opportunities can be shared across basins.

Another highlight of 2018 was our acquisition of Adler Hot Oil Service, which was perhaps our largest competitor in the DJ Basin. This acquisition cemented our leadership position in frac water heating and hot oiling and strengthened our foothold in North Dakota, where the heating season begins earlier and lasts longer. This transaction would not have been possible for us two years ago because we didn't have the infrastructure to support it. ENSERVCO 2.0 is about creating a platform that allows us to plug in different niche services that our customers require and selling more services to each customer.

In 2018, we began seeing positive results of all of this work. Fleet utilization increased significantly and we saw improvement in key financial metrics. Revenue was up 27% year over year to $46.9 million and adjusted EBITDA increased 29% to $4.9 million. It was the second-best year in Company history behind pre-downturn 2014 when oil prices were as much as double 2018 levels.

As we continue to become a more efficient cash generator, we intend to use operating cash flows to de-lever our business and strengthen our balance sheet. We believe debt reduction with have a demonstrable positive impact on shareholder value. It is critical we do not lose focus on this goal. A stronger balance will also better position us to pursue additional M&A activity designed to add new, non-seasonal services to our mix and/or add new customers and geographic territories to our national footprint. To be clear, we will not entertain transactions that put the Company at risk or increase our debt profile.

Our employees are some of the hardest working people I know and certainly our most important assets. That is why it is important that we foster a safe and rewarding work environment for each and every one of them. We are redoubling efforts to make safety and incentive-based compensation a key focus in order to attract and retain the best people in the industry. I am never more encouraged by the potential of ENSERVCO than following one of our three-day manager events, which are a combination of strategy session and team building. I believe we have the right people running our operations.

The past few years have been challenging for oil service stocks. In 2018, the oil service index dropped by 47%. I am proud to say that ENSERVCO's operations moved forward during these tough times. Today I believe the Company is in the best position it has been since I first became a shareholder in 2013. I want to thank my fellow Board members for their efforts in 2018. They have a tremendous amount of operational and oilfield experience and it is a pleasure to work with them. On their behalf, I also want to thank our entire team, our shareholders, our customers and our finance and business partners for their ongoing support and confidence.

Sincerely,

Rich Murphy, Chairman of the Board