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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 1 to  
SCHEDULE 13E-3**

**RULE 13e-3 TRANSACTION STATEMENT  
(Pursuant to Section 13(e) of the Securities Exchange Act of 1934)**

**ECO-STIM ENERGY SOLUTIONS, INC.**

(Name of the Issuer)

Alexander Nickolatos  
Interim Chief Executive Officer  
(Name of Person(s) Filing Statement)

COMMON STOCK, \$0.001 PAR VALUE PER SHARE  
(Title of Class of Securities)

27888D408  
(CUSIP Number of Class of Securities)

ECO-STIM ENERGY SOLUTIONS, INC.  
1773 Westborough Drive, Suite 110  
Katy, Texas 77449  
(281) 531-7200

WITH COPIES TO:

Andrew W. Smetana  
Vinson & Elkins L.L.P.  
1001 Fannin Street, Suite 2500  
Houston, Texas 77002  
(713) 758-2222

(Name, Address, and Telephone Number of Person Authorized to Receive Notices and  
Communications on Behalf of Person(s) Filing Statement)

This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies.

Check the following box if this is a final amendment reporting the results of the transaction.

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CALCULATION OF FILING FEE

<u>TRANSACTION VALUATION (1)</u>	<u>AMOUNT OF FILING FEE (2)</u>
\$16.52	\$0.01

- (1) Pursuant to Rule 0-11(b) under the Securities Exchange Act of 1934, as amended, the value of the securities to be acquired consists of the estimated \$16.52 of cash to be paid in lieu of the issuance of fractional shares of common stock in the reverse stock split.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, equals one-fiftieth of one percent of the cash to be paid in lieu of fractional shares.

[X] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount previously paid: \$0.01

Form or registration no.: Schedule 13E-3

Filing party: Eco-Stim Energy Solutions, Inc.

Date filed: March 25, 2019

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## INTRODUCTION

This Rule 13E-3 Transaction Statement (“**Schedule 13E-3**”) is being filed by Eco-Stim Energy Solutions, Inc. (the “**Company**”) in connection with a proposed going private transaction, in which the Company effected a 1-for- 4 reverse stock split (the “**reverse stock split**”) of its common stock, \$0.001 par value per share (the “**common stock**”) and intends to file a Form 15 to suspend its public reporting obligations pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

On June 20, 2018, the Company received shareholder approval for the reverse stock split at the Company’s 2018 annual meeting of stockholders. On February 11, 2019, the Company’s Board of Directors (the “**Board**”) approved the implementation of the reverse stock split. The Company filed with the Secretary of State of Nevada the Certificate of Change, pursuant to which the Company effected the reverse stock split as of February 23, 2019 (the “**Effective Time**”). The common stock began trading on a post-split basis on February 28, 2019.

The reverse stock split reduced the number of outstanding shares of the Company’s common stock from approximately 75.5 million shares to approximately 18.9 million shares. The CUSIP number for the Company’s common stock was changed to 27888D408. Those shareholders who, immediately following the reverse stock split, held only a fraction of a share of the Company’s common stock were paid, in lieu thereof, an amount, in cash, equal to \$0.08 (on a post-split basis) times such fraction of a share and are no longer shareholders of the Company. Completion of the reverse stock split resulted in the Company having less than 300 shareholders of its common stock, enabling it to avoid being required to register its common stock pursuant to Section 12(g) of the Exchange Act. The Company intends to suspend its public reporting obligations pursuant to Section 15(d) of the Exchange Act.

The Company’s transfer agent, Computershare, acts as exchange agent to implement the exchange of stock certificates or book entry shares, and payment for fractional shares. Beginning at the Effective Time, each certificate representing shares of the Company’s common stock before the reverse stock split was automatically deemed for all corporate purposes to evidence ownership of one-fourth (1/4) of the shares evidenced by such certificate immediately prior to the Effective Time, rounded down to the nearest whole share. All shares issuable upon exercise of outstanding stock options, and the exercise price per share, have been proportionately adjusted to reflect the reverse stock split.

Information contained in (i) the Company’s amended definitive proxy statement on Schedule 14A filed on May 31, 2017 (the “**Proxy Statement**”), (ii) the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, which was filed by the Company on May 10, 2019 (the “**Form 10-K**”), (iii) the Company’s quarterly report on Form 10-Q filed by the Company on November 14, 2018, and (iv) the Company’s Current Reports on Form 8-K filed with the SEC on June 21, 2018, June 26, 2018, December 26, 2018, January 29, 2019, February 27, 2019 and March 22, 2019 (excluding any information furnished and not filed pursuant to Items 2.02 and 7.01 and corresponding information furnished under Item 9.01 or included as an exhibit) is incorporated into this Schedule 13E-3 by reference. Capitalized terms used but not defined herein will have the meanings given to them in the Company’s disclosure statement attached to this Schedule and made a part hereof (the “**Disclosure Statement**”).

All references to subsections in the Items below are to the subsection of the applicable Item in Regulation M-A.

**ITEM 1 SUMMARY TERM SHEET.**

The definitions of the capitalized terms in this Agreement are contained in Part 15 below.

The information set forth in the Disclosure Statement under the caption "Summary Term Sheet" is incorporated herein by reference.

**ITEM 2 SUBJECT COMPANY INFORMATION.**

(a) Name and Address.

Eco-Stim Energy Solutions, Inc.  
1773 Westborough Drive, Suite 110  
Katy, Texas 77449  
(281) 531-7200

(b) Securities. As of March 1, 2019, the Company had 18,869,514 shares of common stock issued and outstanding.

(c) Trading Market and Price. The information contained in the Disclosure Statement under the caption "Summary Financial Information — Market Prices and Dividend Information" is incorporated herein by reference.

(d) Dividends. The information contained in the Disclosure Statement under the caption "Summary Financial Information — Market Prices and Dividend Information" is hereby incorporated by reference.

(e) Prior Public Offerings: None.

(f) Prior Stock Purchases: None.

**ITEM 3 IDENTITY AND BACKGROUND OF THE FILING PERSON.**

(a) Name and Address. Eco-Stim Energy Solutions, Inc. is the filing person of this Schedule 13E-3. The Company's business address is 1773 Westborough Drive, Suite 110, Katy, Texas 77449 and the Company's telephone number is (281) 531-7200. The name of each director and executive officer of the Company is listed below. The address of each of the directors and executive officers is 1773 Westborough Drive, Suite 110, Katy, Texas 77449.

Directors:

Brian R. Stewart  
John Hageman  
Christopher Krummel  
Alexander Nickolatos

Officers:

Alexander Nickolatos – Interim Chief Executive Officer; Chief Financial Officer

Carlos A. Fernandez - Executive Vice President-Corporate Business Development and General Manager-Latin America

(b) Business and Background of Entities. Not applicable.

(c) Business and Background of Natural Persons.

(1) and (2) The name and business background of each director and executive officer of the Company is incorporated herein by reference to the section of the Proxy Statement captioned "Directors and Executive Officers" and Item 5.02 of the Company's Current Report on Form 8-K filed on December 27, 2018. The address of each of the directors and executive officers is 1773 Westborough Drive, Suite 110, Katy, Texas 77449.

3) During the last five years, neither the Company nor, to its knowledge, any of the directors or executive officers thereof has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors.

4) During the last five years, neither the Company nor, to its knowledge, any of the directors or executive officers of the Company was a party to any judicial or administrative proceeding, except for matters that were dismissed without sanction or settlement, that resulted in a judgment, decree or final order enjoining such person from further violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of those laws.

5) Alexander Nickolatos, Brian R. Stewart, John Hageman and Christopher Krummel are citizens of the United States of America. Carlos A. Fernandez is a citizen of Argentina.

#### **ITEM 4 TERMS OF THE TRANSACTION.**

(a) and (c) – (e) Material Terms; Different Terms; Appraisal Rights; Provisions for Unaffiliated Security Holders; and Eligibility for Listing or Trading. The information set forth in the Disclosure Statement under the captions “Summary Term Sheet” and “Special Factors” is incorporated herein by reference.

(f) Eligibility for Listing or Trading: Not Applicable.

#### **ITEM 5 PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.**

(a) - (c) Transactions; Significant Corporate Events; Negotiations or Contacts. The information set forth in the 10-K Report under Part III Item 13 “Certain Relationships and Related Transactions, Director Independence” is incorporated herein by reference.

(e) Agreements Involving the Subject Company’s Securities. None.

#### **ITEM 6 PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.**

(b) and (c) (1) - (c)(8) Use of Securities Acquired and Plans. The information set forth in the Disclosure Statement under the captions “Special Factors — Going Private Transaction; Effects”; “Special Factors — Purposes of the Transaction”; and “Special Factors — Certain Effects of the Transaction” is incorporated herein by reference.

#### **ITEM 7 PURPOSES, ALTERNATIVES, REASONS AND EFFECTS.**

(a) - (d) Purposes; Alternatives; Reasons; and Effects. The information set forth in the Disclosure Statement under the captions “Summary Term Sheet - Background”; “Summary Term Sheet - Purposes for the Transaction”; “Summary Term Sheet — Certain Effects of the Transaction”; “Summary Term Sheet — Federal Tax Consequences”; “Special Factors — Background”; “Special Factors — Going Private Transaction; Effects”; “Special Factors — Purposes of the Transaction”; and “Special Factors — Certain Effects of the Transaction” is incorporated herein by reference.

#### **ITEM 8 FAIRNESS OF THE TRANSACTION.**

(a) - (c) Fairness; Factors Considered in Determining Fairness; Approval of Security Holders; Unaffiliated Representative; Approval of Directors. The information set forth in the Disclosure Statement under the captions “Summary Term Sheet — Fairness of the Transaction”; “Summary Term Sheet — Shareholder Approval”; “Special Factors — Fairness of the Transaction”; “Special Factors – Federal Tax Consequences” and “Special Factors – Conduct of Business Following Transaction” is incorporated herein by reference.

(f) Other Offers. Not Applicable.

#### **ITEM 9 REPORTS, OPINIONS, APPRAISALS AND CERTAIN NEGOTIATIONS.**

(a) - (c) Reports; Opinion or Appraisal; Preparer and Summary of the Report, Opinion or Appraisal; Availability of Documents. The information set forth in the Disclosure Statement under the captions “Summary Term Sheet — Fairness of the Transaction”; “Special Factors — Fairness of the Transaction” is incorporated herein by reference.

**ITEM 10 SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.**

(a) - (f) Sources of Funds; Conditions; Expenses; Borrowed Funds. The information set forth in the Disclosure Statement under the caption “Special Factors - Fees and Expenses” is incorporated herein by reference.

**ITEM 11 INTEREST IN SECURITIES OF THE SUBJECT COMPANY.**

(a) Securities Ownership. As of April 22, 2019, we had 18,869,514 shares of common stock issued and outstanding. The following table sets forth information regarding the beneficial ownership of our common stock as of April 22, 2019 by our directors and executive officers. Beneficial ownership is determined in accordance with SEC rules. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our Common Stock owned by them, except to the extent that power may be shared with a spouse.

<b>Name and Address of Beneficial Owner(1)(2)</b>	<b>Common Stock</b>	
	<b>Number of Shares</b>	<b>Percentage of Class</b>
<b>Directors and Executive Officers:</b>		
Jon Christopher Boswell <i>Former Director and Chief Executive Officer</i>	168,754	*
Brian R. Stewart <i>Chairman</i>	8,446	*
Carlos Fernandez <i>Executive Vice President-Corporate Business Development and General Manager- Latin America</i>	196,046	1.0%
Alexander Nickolatos <i>Interim Chief Executive Officer and Financial Officer</i>	161,337	*
Barry B. Ekstrand <i>Former Chief Operating Officer</i>	75,000	*
Christopher A. Krummel <i>Director</i>	21,866	*
John Hageman <i>Director</i>	—	*
All executive officers and directors as a group (6 persons)	1,960,298	4.6%

\* indicates less than 1%.

- (1) Unless otherwise specified the address of each stockholder is in care of 1773 Westborough Drive, Suite 110, Katy, Texas 77449.  
(2) Totals include shares of common stock subject to outstanding options that have vested or will vest within 60 days of April 22, 2019 and shares of phantom stock scheduled to vest within 60 days of April 22, 2019. The Company expects none of the options to be exercised. See “Special Factors — Certain Effects of the Transaction – Employee and Director Stock Options” for more information.

(b) Securities Transactions: The information set forth above under “Introduction” is incorporated herein by reference.

**ITEM 12 THE SOLICITATION OR RECOMMENDATION.**

(d) Intent to Tender or Vote in a Going-Private transaction: Not Applicable

(e) Recommendation of Others: Not Applicable.

**ITEM 13 FINANCIAL INFORMATION.**

(a) Financial information. The Company’s audited financial statements and unaudited interim financial statements required by Item 1010(a) of Regulation M-A are incorporated by reference into the Disclosure Statement from the Company’s Form 10-K for the fiscal year ended December 31, 2018 and the Company’s Form 10-Q for the quarter ended September 30, 2018. The information set forth under the caption “Summary Financial Data” in the Disclosure Statement is incorporated herein by reference.

(b) Pro forma information. The information set forth in the Disclosure Statement under the caption “Summary Financial Information — Summary Pro Forma Financial Information” is incorporated herein by reference.

Information incorporated herein by reference to the Form 10-K and Form 10-Qs has been filed by the Company with the SEC as previously stated. You may obtain copies of these reports, statements or other information that the Company files from the Public Reference Section of the SEC at 100 F Street N.E., Washington D.C. 20549 at prescribed rates. Copies of such materials may also be accessed through the SEC’s Internet site at [www.sec.gov](http://www.sec.gov).

**ITEM 14 PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.**

(a) - (b) Solicitations or Recommendations; Employees or Corporate Asset: Not applicable.

**ITEM 15 ADDITIONAL INFORMATION.**

(b) Information required by Item 402(t)(2) and (3). None.

(c) Other material information. The information set forth in the Disclosure Statement and each Appendix thereto is incorporated herein by reference.

**ITEM 16 ITEM 16. EXHIBITS.**

(a) The Disclosure Statement

This Schedule 13E-3 incorporates by reference the documents listed below that were filed with the SEC under Section 15(d) of the Exchange Act.

<u>SEC Filings (File No. 001-36909)</u>	<u>Period</u>
Annual Report on Form 10-K	Year ended December 31, 2018
Quarterly Report on Form 10-Q	Quarter ended September 30, 2018
Schedule 14A	Year ended December 31, 2017
Current Reports on Form 8-K	Filed with the SEC on June 21, 2018, June 26, 2018, December 26, 2018, January 29, 2019, February 27, 2019 and March 22, 2019 (excluding any information furnished and not filed pursuant to Items 2.02 and 7.01 and corresponding information furnished under Item 9.01 or included as an exhibit)

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

(f) Not applicable.

(g) Not applicable.



SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

By: /s/ Alexander Nickolatos  
Title: Interim Chief Executive Officer  
Name: Alexander Nickolatos  
Date: May 10, 2019.

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ECO-STIM ENERGY SOLUTIONS, INC.

February 28, 2019

Dear ESES Stockholder:

As previously reported in the Form 8-K filed with the Securities Exchange Commission on February 11, 2019, Eco-Stim Energy Solutions, Inc. (*Eco-Stim*) effected a 1-for-4 reverse stock split of the outstanding shares Eco-Stim's common stock (the "*Common Stock*"), together with a proportionate reduction in the number of authorized shares of Common Stock from 200,000,000 shares to 50,000,000 shares (the "*Reverse Stock Split*"). The 1-for-4 reverse stock split was approved by Eco-Stim stockholders at the 2018 Annual Meeting of Stockholders held on June 20, 2018 and took effect with the Financial Industry Regulatory Authority at the opening of trading on February 28, 2019 (the "*Effective Date*").

As a result of the Reverse Stock Split, the CUSIP number of the Common Stock has changed. The CUSIP number of the Common Stock prior to the Reverse Stock Split was 27888D101. Upon the Effective Date, the new CUSIP number of the Common Stock is 27888D408.

The Company has engaged Computershare Trust Company, N.A. ("*Computershare*") to act as exchange agent for the Reverse Stock Split. This mailing includes a Letter of Transmittal from Computershare, which explains any actions you need to take in connection with the Reverse Stock Split if you were issued stock certificates.

If you hold your shares of Common Stock in paper certificate form, you will need to return your paper stock certificates representing the pre-split shares of Common Stock. The Letter of Transmittal explains the necessary steps to take if you have lost your paper stock certificate. If you hold paper stock certificates and would like your shares of Common Stock to be held in your brokerage account, you may deliver your existing stock certificates to your broker, who will then complete the exchange for you and credit your new shares of Common Stock to your brokerage account. Alternatively, you can transfer your shares to your broker after the exchange (see below).

If you hold your shares of Common Stock in electronic or book-entry form, you do not need to complete a Letter of Transmittal since your shares will automatically convert from the pre-split shares of Common Stock into post reverse split shares of Common Stock with the new CUSIP number.

**All stockholders will receive their post reverse split shares in electronic or book-entry form, unless a special request is made for a certificate.** This allows investors to participate in a Direct Registration System in which you can transfer electronically the DRS book-entry position to your bank or broker/dealer. So, whether or not you held certificated shares prior to the split, Computershare will send a book-entry statement reflecting your post-split holdings based on the Reverse Stock Split.

In addition, Computershare will send you a cash payment in lieu of any fractional share of Common Stock that you would otherwise receive in this exchange if you are so entitled.

If you have any questions about how to complete this exchange, please call Computershare at the phone number listed on the enclosed Letter of Transmittal. If you have any questions for the Company regarding this corporate action or otherwise, please contact us at (281) 531-7200.

Sincerely,

Alexander Nickolatos  
Interim President & CEO  
Eco-Stim Energy Solutions, Inc.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE TRANSACTION DESCRIBED HEREIN, PASSED UPON THE MERITS OR FAIRNESS OF THE PROPOSED TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND A CRIMINAL OFFENSE. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS DOCUMENT OR RELATED SCHEDULE 13E-3, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US.

## ECO-STIM ENERGY SOLUTIONS, INC.

## DISCLOSURE STATEMENT

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## SUMMARY TERM SHEET

This summary term sheet highlights selected information from this Disclosure Statement about the transaction. This summary term sheet may not contain all of the information that is important to you. For a more complete description of the transaction, you should carefully read this Disclosure Statement and all of its Appendices. For your convenience, we have directed your attention to the location in this Disclosure Statement where you can find a more complete discussion of each item listed below.

As used in this Disclosure Statement, “the Company”, “we”, “ours” and “us” refer to Eco-Stim Energy Solutions, Inc. and the “transaction” refers to the reverse stock split, together with the related cash payments to the shareholders in lieu of fractional shares of Company’s common stock, \$0.001 par value per share (the “*common stock*”) and the Company’s plan to deregister its stock under the Securities Exchange Act of 1934, as amended (“*Exchange Act*”).

The Company’s reverse stock split, together with the Company’s plan to deregister its stock under the Exchange Act, may be considered a “going private” transaction as defined in Rule 13e-3 promulgated under the Exchange Act, because the reverse stock split was effected in order to permit us to avoid having an obligation to register our common stock under Section 12(g) of the Exchange Act and to suspend our duty to file periodic reports with the Securities and Exchange Commission (“*SEC*”) pursuant to Section 15(d) of the Exchange Act. In connection with the reverse stock split, together with the Company’s plan to suspend its duty to file period reports under the Exchange Act, we have filed a Rule 13e-3 Transaction Statement on Schedule 13E-3 with the SEC.

### **The Company**

Eco-Stim Energy Solutions, Inc is incorporated under the laws of the State of Nevada. The Company has its principal executive and administrative offices at 1773 Westborough Drive, Suite 110, Katy, TX 77449. The Company’s telephone number is (281) 531-7200. See “The Parties – Eco-Stim Energy Solutions, Inc.” Shares of the common stock of the Company are currently traded on OTC “Pink Open Market” (the “*OTC Pink*”) under the trading symbol “ESES” and after March 26, 2019, will trade under the symbol “ESES”.

### **Reverse Stock Split**

The reverse stock split was approved by the Company’s shareholders on June 20, 2018. The Board of Directors of the Company (the “*Board of Directors*”) approved the implementation of the four-to-one reverse stock split (the “*reverse stock split*”) on February 11, 2019, and the common stock traded on a post-split basis under the symbol ESES between February 28, 2019 and March 26, 2019, after which it resumed to be traded under the symbol ESES. The reverse stock split provided for the conversion and reclassification of each four outstanding shares of common stock into one share of common stock. In the reverse stock split, the holders of common stock received one share of common stock for each four shares they held immediately prior to the effective date of the reverse stock split, and they received cash in lieu of any fractional shares to which they were otherwise entitled. The cash payment for the common stock was equal to \$0.08 per share on a post-split basis. See “Special Factors — Going Private Transaction; Effects” for a more detailed discussion.

### **Effects of Reverse Stock Split**

- The reverse stock split reduced the number of holders of the common stock of the Company to less than 300 and enables the Company to avoid being required to register our common stock pursuant to Section 12(g) of the Exchange Act.
- As a result of the transaction, the common stock continued to be eligible for quotation on OTC PINK.
- Going private will significantly change the Company’s public disclosure obligations including with respect to its financial results and business operations.

## Purposes for the Transaction

The principal purposes of, and our reasons for, effecting the reverse stock split and suspending our periodic reporting obligations under the Exchange Act are:

- to reduce the number of our shareholders of record to fewer than 300, which enables us to avoid being required to register our common stock pursuant to Section 12(g) of the Exchange Act. This, combined with the withdrawal of the registration of our common stock pursuant to Section 12(b) of the Exchange Act (which occurred based on the filing of a Form 25 by The Nasdaq Stock Market LLC on February 26, 2019) is expected to also allow us to suspend our reporting obligations pursuant to Section 15(d) of the Exchange Act. This will mean that our duty to file periodic reports with the SEC will be suspended, and we will no longer be classified as an SEC reporting company;
- the cost savings of approximately \$0.9 million per year that we expect to realize in the future as a result of the deregistration of our common stock, along with not having to comply with most of the provisions of the Sarbanes-Oxley Act of 2002;
- our belief that it is necessary to realize every opportunity to reduce expenses and focus our resources on achieving maximum value for our stakeholders, including our creditors and shareholders;
- the additional savings in terms of management's and employees' time that will no longer be spent preparing the periodic reports required of publicly-traded companies under the Exchange Act and managing shareholder relations and communications; and
- the fact that we have not realized many of the benefits normally presumed to result from being a publicly traded company, such as the development or existence of an active trading market for and liquidity of our common stock, enhanced corporate image, and the ability to use Company stock in lieu of cash for asset acquisitions or business combination transactions due the very limited liquidity of our common stock.

Additionally, the Company has determined that the Company and its stakeholders (including its creditors and shareholders, including unaffiliated security holders) receive little, if any, benefit at this point from being a public reporting company given the Company's small size, limited access to capital and the limited trading in the Company's common stock. See "Special Factors - Purposes of the Transaction".

## Fairness of the Transaction

The Company believes that the transaction is fair from a financial point of view to the shareholders of the Company, including unaffiliated security holders. The Company has not received an independent fairness opinion that the cash consideration provided to shareholders who were paid cash for their fractional shares of common stock following the reverse stock split is fair to such shareholders, as well as the remaining shareholders and unaffiliated security holders, from a financial point of view. To calculate the amount to be paid for fractional shares, the Company determined that the closing price for the Company's common stock as quoted by OTC Markets Group Inc. on the OTC Pink as of the trading day immediately preceding the effectiveness of the reverse stock split was the appropriate measuring point. See "Special Factors - Fairness of the Transaction".

## Potential Conflicts of Interest

The executive officers and directors of the Company may have interests in the transaction that are different from your interests as a shareholder. See "Special Factors — Impact on Affiliated Shareholders"; "Special Factors — Employee and Director Stock Options" and "The Parties to the Transaction".

## Effect on Market for Shares

The common stock of the Company is currently quoted on OTC Pink, an electronic quotation service maintained by OTC Markets Group Inc. The Company currently anticipates that it will use reasonable efforts to cause its common stock to continue to trade on the OTC Pink, although there can be no assurance that it will do so. The reduction in public information concerning the Company as a result of its no longer being required to file reports under the Exchange Act, may reduce the liquidity of our common stock. See "Special Factors — Certain Effects of the Transaction".

## Shareholder Approval

The Company's shareholders approved the reverse stock split on June 20, 2018 and the shareholders are not being asked to vote further in connection with this transaction. Pursuant to NRS 78.2055 of the Nevada Business Corporation Act and the Company's Articles of Incorporation, as amended, shareholder approval is not required for this type of going private transaction or for the reverse stock split. See "Special Factors — Shareholder Approval".

**Dissenting Shareholder Rights**

Under the Nevada Business Corporation Act, shareholders are entitled to dissenters' rights in connection with the reverse stock split only if the holders of more than 1% of the class of affected shares are obligated to accept money or scrip rather than receive a fraction of a share. Holders of less than 1% of the common stock were obligated to accept money or scrip rather than receive a fraction of a share in this transaction, and as a result, dissenters' rights did not apply. See "Special Factors—Dissenting Shareholder Rights".

**Provisions for Unaffiliated Shareholders.**

The Company has not made any arrangements in connection with the going private transaction to grant unaffiliated security holders access to the Company's corporate files or to obtain counsel or appraisal services at the expense of the Company.

**Notice to Financial Industry Regulatory Authority (FINRA)**

Pursuant to Rule 10b-17 of the Exchange Act, the Company is required to provide timely notice to FINRA of the reverse stock split prior to the proposed effective date of each of those events. The Company notified FINRA on February 15, 2019 and the definitive effective date of the reverse stock split was determined by FINRA, after its review of the Company's submission of the required Issuer Company-Related Action Notification to be February 28, 2019.

**Stock Certificates**

The Company sent a transmittal letter explaining to the Company's shareholders how they can surrender their share certificates in exchange for cash payment.

**Federal Tax Consequences**

Please see the Company's Proxy Statement for disclosure on the federal tax consequences of the reverse stock split.

SUMMARY FINANCIAL INFORMATION

**Summary Historical Financial Information**

The following summary of historical consolidated financial data was derived from the Company's audited consolidated financial statements as of and for each of the years ended December 31, 2017 and December 31, 2018. Selected operations data provided below for the years ended December 31, 2017 and December 31, 2018 are presented on the same basis reflected in our Annual Report on Form 10-K for the year ended December 31, 2018, filed on May 10, 2018, which includes adjustments for assets held for sale - discontinued operations, as described in Note 17 to our audited financial statements for the year ended December 31, 2018. Selected operations data provided below for the quarter ended September 30, 2018 and the nine months ended September 30, 2018 derived from the Company's unaudited financial statements for the period then ended and is presented on the same basis reflected in our Quarterly Report on Form 10-Q for the quarter then ended, filed on November 14, 2018. We have not reconciled the operations data for the quarter and nine months ended September 30, 2018 for assets held for sale – discontinued operations since those adjustments were only applied for subsequent periods. This financial information is only a summary and should be read in conjunction with the audited consolidated financial statements of the Company and the other financial information included in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 and the Company's Annual Report on Form 10-K for the year ended December 31, 2018, in each case filed by the Company with the SEC, which information is incorporated by reference into this Disclosure Statement. See "Where You Can Find More Information" and "Documents Incorporated by Reference".

	Qtr. ended September 30, 2018	Nine months ended September 30, 2018	Year ended December 31, 2018	Year ended December 31, 2017
<b>Selected Financial Data as of:</b>				
Current Assets	\$ 14,436,715	\$ 14,136,715	\$ 29,105,144	\$ 92,667,541
Noncurrent Assets	48,370,089	48,370,089	2,050,000	11,001,273
Current Liabilities	42,735,980	42,735,980	34,561,236	30,988,052
Noncurrent Liabilities	591,782	591,782	—	—
Stockholders' Equity (Deficit)	19,479,042	19,279,042	(3,406,092)	72,680,762
<b>Selected Operations Data for the Period Ended:</b>				
Total Revenue	14,932,506	50,922,478	40,709,621	24,464,164
Costs of Services	17,181,673	59,194,660	51,578,914	28,550,114
Gross Profit (Loss)	(2,249,167)	(8,272,182)	(10,869,293)	(4,085,950)
Net Loss from Continuing Operations	(35,198,696)	(64,652,048)	(67,486,414)	(14,810,734)
Loss from Discontinued Operations Net of Income Tax	—	—	(20,380,656)	(12,136,143)
Income Tax Expense (Benefit)	—	16,375	—	—
Net Loss Attributable to Non-Controlling Interest	—	—	—	—
Net Loss	(35,198,696)	(64,635,673)	(87,867,070)	(26,946,877)
Basic and Diluted Net Loss per Share from Continuing Operations	(0.47)	(0.86)	(3.60)	(0.90)
Basic and Diluted Net Loss per Shares from Discontinued Operations	N/A	N/A	(1.09)	(0.73)
Ratio of Earnings to Fixed Charges	(0.01)	(0.02)	(0.02)	(0.07)
Book Value per Share	\$ 0.26	\$ 0.26	\$ (0.05)	\$ 0.97



### Selected Per Share Financial Information

The following table sets forth selected historical per share financial information for the Company. The information presented below is derived from the consolidated historical financial statements of the Company, including the related notes thereto. You should read this table in conjunction with the audited consolidated financial statements of the Company and the other financial information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, each filed by the Company with the SEC which information is incorporated by reference into this Disclosure Statement. See "Where You Can Find More Information" and "Documents Incorporated by Reference".

Per Share Data:	Nine months ended September 30, 2018		Year ended December 31, 2018		Year ended December 31, 2017	
Basic and Diluted Net Loss per Share from Continuing Operations	\$	0.30	\$	3.60	\$	0.90
Basic and Diluted Net Loss per Shares from Discontinued Operations		N/A		1.09		0.73
Ratio of Earnings to Fixed Charges		(0.02)		(0.02)		(0.07)
Book Value per Share	\$	0.26	\$	(0.05)	\$	0.97
Closing market price (bid) at period end	\$	0.28	\$	0.07	\$	1.26
Number of average common and common equivalent		66,579,514		18,726,628		66,065,417

### Market Prices and Dividend Information

Shares of the common stock of the Company were quoted on the OTC Pink inter-dealer electronic quotation service maintained by OTC Markets Group Inc. under the trading symbol "EESD" between February 28, 2019 and March 26, 2019 and are now trading under the symbol "ESES". The table below sets forth, for the quarters indicated, the high and low bid prices as quoted by OTC Markets Group Inc. from January 2, 2019 to May 7, 2019 and by the Nasdaq Stock Market for each quarterly for each quarterly period for fiscal years, 2018, 2017 and 2016 based on published financial sources. These quotations reflect inter-dealer prices without mark-up, mark-down or commission and may not represent actual transactions.

Quarter ended	March 31		June 30		September 30		December 31	
Fiscal year 2019 (through May 7, 2019)								
High	\$	0.24	\$	0.06		N/A		N/A
Low	\$	0.01	\$	0.01		N/A		N/A
Fiscal year 2018								
High	\$	1.43	\$	1.14	\$	0.79	\$	0.36
Low	\$	0.86	\$	0.61	\$	0.28	\$	0.05
Fiscal year 2017								
High	\$	2.00	\$	1.45	\$	1.68	\$	1.60
Low	\$	0.71	\$	1.04	\$	1.21	\$	1.23

The Company has not paid any cash dividends on its common stock since its inception. The Company's dividend policy is to pay cash or distribute stock dividends when the Board of Directors deems it to be appropriate, taking into account the Company's operating results, financial condition, capital requirements, general business conditions and such other factors as the Board of Directors deems relevant. The Company does not anticipate paying any cash dividends in the foreseeable future.

### Summary Pro Forma Financial Information

The following unaudited pro forma financial data assumes the reverse stock split was completed December 31, 2018. We have included the following selected unaudited pro forma financial data solely for purposes of illustration. The pro forma financial data does not necessarily indicate what the operating results or financial position would have been if the transaction had been completed on December 31, 2018 and does not take into account any dispositions of assets subsequent to December 31, 2018. Furthermore, this data does not necessarily indicate what the future operating results or financial position of the Company will be following the transaction. The unaudited pro forma statement of operations data includes adjustments to reflect assumed cost savings and other operational efficiencies that we expect to realize as a result of the transaction and certain future transaction related expenses. Although we believe the amount of the projected cost savings and other operational efficiencies are reasonable, there can be no assurance that the Company will actually recognize these cost savings and operational efficiencies.

If the reverse stock split had been completed on December 31, 2018, the effects would be as follows:

ECO-STIM ENERGY SOLUTIONS, INC.  
PROFORMA CONSOLIDATED BALANCE SHEET  
December 31, 2018  
(Unaudited)

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,741,627
Accounts receivable	182,464
Prepays	81,459
Other assets	69,235
Assets held for sale	25,030,359
Total current assets	<u>29,105,144</u>
Property, plant and equipment, net	2,050,000
Total assets	<u><u>31,155,144</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	15,181,502
Accrued expenses	3,760,135
Short-term notes payable	7,916,188
Liabilities held for sale	7,703,411
Total current liabilities	<u>34,561,236</u>
Stockholders' equity	
Preferred stock, \$0.001 par value, 50,000,000 shares Authorized; 10,600 and 0 shares issued and outstanding as of December 31, 2018 and December 31, 2017, respectively	11
Common stock, \$0.001 par value, 50,000,000 shares Authorized; 18,849,935 issued and 18,844,472 shares outstanding as of December 31, 2018	75,400
Treasury stock, at cost; 5,462 common shares at December 31, 2018	(57,469)
Additional paid-in capital	155,850,502
Accumulated deficit	(159,274,536)
Total stockholders' (deficit) equity	<u>(3,406,092)</u>
Total liabilities and stockholders' equity	<u>\$ 31,155,144</u>

ECO-STIM ENERGY SOLUTIONS  
PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS  
December 31, 2018  
(Unaudited)

	Year ended December 31,	Three Months ended September 30,		Nine Months ended September 30,	
	2018	2018	2017	2018	2017
Revenues	\$ 40,709,621	\$ 12,503,599	\$ 7,369,376	\$ 40,202,471	\$ 10,462,098
Operating costs and expenses:					
Cost of services	51,578,914	14,757,813	8,189,427	48,304,294	13,395,776
Selling, general and administrative	11,654,363	3,610,678	1,845,596	8,993,761	4,572,500
Depreciation and amortization expenses	14,199,357	4,520,161	598,136	12,240,571	753,779
Impairment of fixed assets	28,803,756	19,665,000	—	23,350,446	—
Total operating costs and expenses	106,236,390	42,553,652	10,633,159	92,889,072	18,722,055
Operating loss	(65,526,769)	(30,050,053)	(3,263,783)	(52,686,601)	(8,259,957)
Other income (expense):					
Interest expense	(1,685,117)	(509,650)	(6,331)	(1,375,860)	(1,566,470)
Interest forgiven	—	—	—	—	634,477
Foreign currency loss	—	—	—	—	—
Other income (expense)	(274,528)	(2,397,145)	11,273	(2,608,772)	(6,809)
Total other expense	(1,959,645)	(2,906,795)	4,942	(3,984,632)	(938,802)
Net loss before income taxes	(67,486,414)	(32,956,848)	(3,258,841)	(56,671,233)	(9,198,759)
Benefit (provision) for income taxes	—	—	—	—	—
Net loss from continuing operations	(67,486,414)	(32,956,848)	(3,258,841)	(56,671,233)	(9,198,759)
Revenues from discontinued operations	11,396,142	2,428,907	5,750,853	10,720,007	13,748,447
Loss from discontinued operations	(20,380,656)	(2,244,834)	(3,381,221)	(7,967,428)	(8,618,163)
Net loss	(87,867,070)	(35,201,682)	(6,640,062)	(64,638,661)	(17,816,922)
Basic and diluted net loss per share continuing operations	\$ (3.60)	\$ (1.76)	\$ (0.20)	\$ (3.03)	\$ (0.56)
Basic and diluted loss per share discontinued operations	(1.09)	(0.12)	(0.20)	(0.43)	(0.52)
Basic and diluted loss per share	(4.69)	(1.88)	(0.40)	(3.45)	(1.08)
Weighted-average number of shares used on per share calculations:					
Basic and diluted	18,726,628	18,720,018	16,644,879	18,726,628	16,516,354

ECO-STIM ENERGY SOLUTIONS, INC.  
Proforma Book Value Per Share

	<u>December 31, 2018</u>	<u>Proforma December 31, 2018</u>
Current Equity	(3,406,092)	(3,406,092)
Current outstanding shares	75,377,890	18,844,472
Book value per share	\$ (0.05)	\$ (0.18)

Note: The current shares outstanding for the proforma were adjusted for the projected fractional shares only. The current outstanding shares were not adjusted for the splits to assist the reader for comparison purposes.

ECO-STIM ENERGY SOLUTIONS, INC.  
Proforma Loss Per Share

	<u>December 31, 2018</u>	<u>Proforma December 31, 2018</u>
Net loss	87,867,070	87,867,070
Current outstanding shares	75,377,890	18,844,472
Basic and diluted loss per share	\$ 1.17	\$ 4.66

Note: The current shares outstanding for the proforma were adjusted for the projected fractional shares only. The current outstanding shares were not adjusted for the splits to assist the reader for comparison purposes.

## SPECIAL FACTORS

### Background

The Company has given thorough consideration to whether or not it should engage in a reverse stock split and the Board of Directors considered the issue on a number of occasions in 2018 and 2019.

On May 18, 2018, information on the manner of engaging in a reverse stock split was distributed to the members of the Board of Directors. The presentations were prepared by the Company's in-house General Counsel and its outside corporate and securities counsel. The Board discussed the benefits and costs of engaging in the reverse stock split. In the meeting held on May 18, 2018, the reverse stock split was contemplated as a potential way for the Company to regain compliance with Nasdaq minimum bid price requirements, because the price per share of the common stock was then below \$1.00. Please see the Company's Proxy Statement for additional disclosure on the reasons for the reverse stock split. The information disclosed under "Proposal Seven: Approval of the Reverse Stock Split Proposal" in the Company's Proxy Statement is incorporated by reference herein. On June 20, 2018, the Company's shareholders approved the reverse stock split. In subsequent meetings of the Board of Directors in 2018, implementing the stock split was considered, but it was noted that doing so could cause the number of shareholders of record to be below 300, which would give rise to a second potential basis for delisting the common stock from Nasdaq.

On December 28, 2018, the Company received a determination letter from Nasdaq that the Company will be delisted pursuant to the Nasdaq Listing Rules. The Company determined not to appeal the determination and the quotation of the Company's common stock moved to the "Pink Open Market" operated by the OTC Markets Group Inc. Other than the common stock, no other securities of the Company were listed or traded on any securities exchange or on an automated dealer quotation system. The common stock was subsequently delisted from Nasdaq due to the Company's non-compliance with Nasdaq's minimum bid price requirements. Specifically, the Nasdaq suspended trading in the Company's common stock on Nasdaq, effective prior to the regular opening of the market on January 2, 2019. The Nasdaq subsequently filed a Notification of Removal from Listing and/or Registration on Form 25 with the Commission on February 26, 2019 to remove the common stock from listing on Nasdaq and withdraw the common stock from registration under Section 12(b) pursuant to Rule 12d2-2(b) of the Exchange Act. Pursuant to Rule 12d2-2(d)(1) of the Exchange Act, the application on Form 25 became effective with respect to the delisting of the common stock ten (10) days after the Form 25 was filed with the Commission.

In a meeting held on February 11, 2019, the Board of Directors considered implementing the reverse stock split as a potential way for the Company to reduce the number of shareholders of record to allow the Company to deregister the common stock and reduce ongoing expenses with respect to filings under the Exchange Act. Updated information on the manner of engaging in a reverse stock split was distributed to the members of the Board of Directors. The presentations were prepared by the Company's in-house General Counsel and its outside corporate and securities counsel. The Board discussed the benefits and costs of engaging in the reverse stock split. On February 11, 2019, the Board of Directors determined that effecting the reverse stock split was in the best interests of the Company and its stakeholders (including its creditors, shareholders and unaffiliated security holders) for the reasons stated herein, including the expected elimination or reduction of expenses and costs of being a reporting company under the Exchange Act. The reverse stock split was unanimously approved by the Company's Board of Directors, including a majority of the directors who were not employees of the Company.

As of February 14, 2019, 75,478,882 shares of the Company's common stock were issued and outstanding and held by approximately 662 shareholders of record (as determined pursuant to Rule 12g-5 under the Exchange Act). Effective as of February 23, 2019, the Company implemented the Reverse Stock Split. After giving effect to the Reverse Stock Split, as of February 28, 2019, 18,869,514 shares of the Company's common stock were issued and outstanding and held by approximately 107 shareholders of record (as determined pursuant to Rule 12g-5 under the Exchange Act).

Certain shares of the Company's common stock were subject to registration rights as provided pursuant to the registration rights agreement dated August 2, 2017, by and among the Company and the Investors named therein, and the amended and restated registration rights agreement dated July 6, 2017, as amended, by and among the Company and the Purchasers named therein. On February 21, 2019, such registration rights agreements were terminated, such that no registration rights apply with respect to the common stock.

As disclosed in the Company's Current Reports on Form 8-K filed on January 29, 2019, February 27, 2019 and March 22, 2019, the Company has disposed of certain of its U.S. assets to multiple unrelated third parties in separate transactions in exchange for cash proceeds and has entered into an agreement to sell substantially all of its assets in Argentina. Following the consummation of such disposition, the Company plans to shut down its operations in Argentina.

As previously disclosed, the Company has been actively pursuing the sale of its remaining U.S. based assets. If the Company is successful in its efforts to sell its U.S. assets and sell or shut down its operations in Argentina, the Company will no longer have any meaningful business or operations. In either case, the Company believes that it is in the best interests of its stakeholders (including its creditors and shareholders) to significantly reduce or eliminate to the extent reasonably possible the continuing costs and expenses of compliance with the Company's filing requirements under the Exchange Act. The Company has determined that the Company and its stakeholders (including its creditors and shareholders, including unaffiliated security holders) receive little, if any, benefit at this point from being a public reporting company given the Company's small size, limited access to capital and the limited trading in the Company's common stock.

#### **Going Private Transaction; Effects**

By implementing the reverse stock split, the Company has reduced the number of record holders of the Company's common stock to less than 300 and is not obligated to register its common stock pursuant to Section 12(g) of the Exchange Act. As of March 1, 2019, there were 18,869,514 shares of the common stock of the Company issued and outstanding, held by approximately 107 shareholders of record.

The Company currently anticipates that it will continue to cause its common stock to be quoted on OTC Pink, although there is no assurance that the Company will cause this to occur. It is also possible that trading in the Company's common stock may only occur in privately negotiated transactions. Following the reverse stock split, the filing of the Schedule 13E-3, the filing of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and the filing of a Form 15 to suspend the Company's reporting obligations under Section 15(d) of the Exchange Act, the Company will no longer be subject to certain provisions of the Exchange Act. In particular, the Company's obligations to publicly file periodic and current reports with the SEC will cease. The rights of the shareholders under the Nevada Business Corporation Act to receive reports or to inspect and make extracts from the corporate books and records will be unaffected by the transaction.

Those shareholders who, immediately following the reverse stock split, held only a fraction of a share of Company's common stock were paid an amount, in cash, equal to \$0.08 per share on a post-stock split basis and are no longer shareholders of the Company.

#### **Purposes of the Transaction**

##### *Purposes of Going Private*

The primary purpose of the transaction is to enable the Company to significantly reduce or eliminate the expenses and costs related to the Company's disclosure and reporting requirements under the federal securities laws and related expenses associated with being an SEC reporting company to the transaction significantly reduces or eliminates the expenses we incur as an SEC reporting company.

Because our common stock was registered under Section 12(b) of the Exchange Act and because we have, in the past, registered certain transactions under the Securities Act, we are required to comply with the disclosure and reporting requirements under the Exchange Act. The on-going cost of complying with these requirements is expected to be substantial, representing an estimated annual cost to us in the future of approximately \$0.9 million per year, including legal and accounting fees, printing, postage, data entry, stock transfer and other administrative expenses. In going private, we expect to save most of those costs and expenses. In addition to the direct costs we incur, our management and employees are required to devote substantial time and effort to completing the periodic reports required of publicly-traded companies under the Exchange Act. In going private, we expect to eliminate many of those indirect costs.

The cost savings figures set forth above are only estimates. The actual savings we realize from going private may be higher or lower than such estimates. Estimates of the annual savings to be realized by the consummation of the transaction are based upon (i) the actual costs to us of the services and disbursements in each of the categories listed above that were reflected in our recent financial statements, and (ii) the allocation to each category of management's estimates of the portion of the expenses and disbursements in such category believed to be solely or primarily attributable to our publicly reporting company status.

We expect the actual cost savings of being a non-reporting private company may be greater than simply eliminating the estimated historical out-of-pocket costs. The costs of being an SEC reporting company in general and the costs of our remaining an SEC reporting company in particular, are expected to continue to increase in the future. Any new legislation or SEC rules may increase audit fees and other costs of compliance, such as securities counsel fees, increase outside director fees, increase in our director and officer insurance premiums and increase potential liability faced by our officers and directors.

In some instances, management's cost savings expectations were based on information provided or upon verifiable assumptions. For example, we believe there will be a reduction in auditing fees if we cease to be an SEC reporting company. In addition, the costs associated with retaining legal counsel to assist with complying with the Exchange Act reporting requirements will be reduced if we no longer file reports with the SEC and are otherwise not required to comply with the disclosure requirements that apply to publicly reporting companies.

In addition to the anticipated cost savings mentioned above, we believe the Company receives little, if any, relative benefit from having its common stock registered under the Exchange Act.

We had approximately 126 common shareholders of record as of May 7, 2019. Additionally, the Company has significantly reduced its operations since the fourth quarter of 2018, has sold a significant portion of its assets, and intends to sell its remaining assets in the future.

We believe the potential benefits associated with maintaining our status as an SEC reporting company are substantially outweighed by the costs and expenses as explained above. The Company and its Board of Directors believes that it is in the best interests of the Company and its stakeholders (including creditors and shareholders) to eliminate the administrative burden and costs associated with maintaining our status as an SEC reporting company.

#### ***Reasons for the Structure of the Transaction***

The primary purpose of effecting the reverse stock split was to reduce the number of holders of the Company's common stock to less than 300 to enable the Company to avoid being required to register the common stock pursuant to section 12(g) of the Exchange Act and to allow the Company to file a Form 15 to suspend its reporting obligations under Section 15(d) and become a private company. The Board of Directors believes that the transaction provides the most certainty for the Company in achieving this purpose.

#### **Fairness of the Transaction**

The Company believes that the transaction is fair from a financial point of view to the shareholders of the Company, including unaffiliated security holders.

At the time the Board of Directors first approved the reverse stock split and recommended it to the Company's shareholders for approval, the Board of Directors had seven (7) members, four (4) of whom were independent as that term is defined under the NASDAQ listing standards. At the time the Board of Directors effected the transaction, the Board of Directors had four (4) members, three (3) of whom were independent as that term is defined under the NASDAQ listing standards. The transaction was approved unanimously by all members of the Board of Directors in both instances.

The Company and its Board of Directors determined that the cash consideration to be received by the shareholders in lieu of fractional shares of stock is fair to the Company's unaffiliated security holders. In the month prior to the effectiveness of the reverse stock split, the Company's common stock had been quoted on the OTC Pink by OTC Markets Group Inc. at prices ranging between \$0.04 and \$0.12. Accordingly, the Company has determined that a fractional share price of \$0.08 per share on a post-stock split basis was fair to unaffiliated security holders of the Company. Those directors who are not officers or employees of the Company did not retain an unaffiliated representative to act solely on behalf of the Company's unaffiliated shareholders in connection with a determination of the fairness of the transaction. Subsequent to the effectiveness of the reverse stock split, the Company's common stock has been quoted on the OTC Pink by OTC Markets Group Inc. at prices ranging between \$0.03 and \$0.06. The Company did not consider net book value, going concern value or liquidation value per share of common stock in determining the fairness of the transaction, as the Company viewed the current and historic market prices to be more reliable indicators of fairness. The Board did not receive any report, opinion or appraisal from an outside party that is materially related to this transaction.



The Company and its Board of Directors, as a whole, considered a number of factors in determining the fairness of the transaction prior to its approval of the proposed transaction, including the following:

- o *Liquidity for Remaining Shareholders.* The Board of Directors recognizes the loss of liquidity and a readily available market for its common stock as one of its greatest concerns for approving the going private transaction. However, the Board of Directors believes that the loss of liquidity is offset by the gain to the Company in decreasing the Company's legal compliance costs and the other benefits of the transaction described herein. The Company currently anticipates that it will use reasonable efforts to cause its common stock to be listed on the OTC Pink, although there can be no assurance that it will do so.
- o *Significant Savings to the Company Will Benefit the Company and Remaining Stakeholders.* Following the transaction, the Board of Directors believes that the Company and its remaining stakeholders will benefit from the savings in direct and indirect operating costs to the Company resulting from the Company no longer being a public company.
- o *Fairness of Price.* The Company and its Board of Directors believes that the price received by the shareholders in lieu of fractional shares of common stock is fair from a financial point of view to the shareholders of the Company, including the unaffiliated security holders. The Company and its Board of Directors considered a number of factors in reaching this determination. In particular, the Company and its Board considered the then-current market price and historical market prices for the Company's common stock.
- o *No Shareholder Vote.* Under the Company's Articles of Incorporation, as amended, and pursuant to the Nevada Business Corporation Act, the Board of Directors of the Company may affect the reverse stock split without the approval of the shareholders. However, the Company asked the shareholders to vote on the reverse stock split at the Company's 2018 annual meeting of shareholders. On June 20, 2018, the Company's shareholders approved the reverse stock split, and no further vote of the shareholders is being sought.

Please see the Company's Proxy Statement incorporated by reference herein for additional disclosure.

#### **Certain Effects of the Transaction**

##### ***Impact on the Company***

Following the reverse stock split, the Company has 107 shareholders of record and the total payment to purchase fractional shares was \$16.52. Following the transaction, the filing of the Schedule 13E-3 and the filing of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, the Company intends to suspend its current and periodic reporting obligations under the Exchange Act and become a private company. The Company will no longer be public and will no longer be subject to the reporting requirements of the Exchange Act. The Company anticipates that following the transaction it will continue to pursue the sale of a substantial majority of its remaining U.S. assets and shut down its operations. The Company anticipates that it will realize significant cost savings as a result of the transaction.

##### ***Impact on Shareholders***

Shareholders holding less than 4 shares of common stock immediately prior to the effective time of the reverse stock split ceased to be shareholders of the Company. They lost all rights associated with being a shareholder of the Company, such as the rights to attend and vote at shareholder meetings and receive dividends and distributions. These shareholders were paid, in cash, an amount equal to \$0.08 per share on a post-stock split basis for each pre-split share resulting in a fractional share. Such shareholders were liable for any applicable taxes, but were not required to pay brokerage fees. The Company sent a transmittal letter explaining to such shareholders how they can surrender their share certificates in exchange for cash payment. Shareholders holding 4 or more shares of common stock immediately prior to the effective time of the reverse stock split continue to be shareholders of the Company.

Shareholders who continue to be shareholders of the Company after the transaction will:

- o experience reduced liquidity of their shares of common stock.
- o not receive or have access to Company financial and other business information as they would if the Company were a public reporting company, although such shareholders will continue to have rights to receive certain records, financial and other information of the Company to the extent provided under Nevada law.

***Impact on Affiliated Shareholders of the Company***

Shareholders of the Company who are affiliates of the Company, namely the Company's officers, directors and shareholders holding 10% or greater of the Company's outstanding common stock, will be treated the same as unaffiliated shareholders of the Company with respect to the reverse stock split. None of the Company's affiliated shareholders hold less than 4 shares of common stock. Therefore, no affiliated shareholder will be eliminated as a shareholder of the Company as a result of the reverse stock split and the affiliated shareholders will continue to hold a majority of the voting control of the Company.

***Effect on Market for Shares***

The common stock of the Company is currently quoted by OTC Markets Group Inc. on the OTC Pink. The reduction in public information concerning the Company as a result of its no longer being required to file reports under the Exchange Act may reduce the liquidity of the Company common stock. The Company currently anticipates that it will use reasonable efforts to cause its common stock to continue to be quoted on OTC PINK, although there can be no assurance that it will do so.

***Employee and Director Stock Options***

As of March 1, 2019, other than (i) approximately 173,355 shares of common stock (after giving effect to the reverse stock split) issuable pursuant to stock options (the "Options") outstanding under the Company's 2015 Stock Incentive Plan, as amended (the "2015 Plan") and the Company's 2013 Stock Incentive Plan (the "2013 Plan" and, together with the 2015 Plan, the "Plans"), and (ii) 162,904 shares (after giving effect to the Reverse Stock Split) subject to either outstanding phantom stock awards under the Plans (the "Phantom Shares") or to outstanding performance share unit awards under the Plans (the "PSUs"), there are no equity awards granted under any of the Company's equity incentive plans that remain outstanding, and the Options have little or no prospective value at a current weighted average exercise price of \$1.85 per share (the closing price for the Company's common stock on February 28, 2019 was \$0.043 per share). Other than the Options, the Phantom Shares, the PSUs, the warrant described below and the preferred stock described above, there are no rights to acquire common stock or other securities of the Company.

The outstanding options to acquire shares of common stock of the Company held by employees, and officers of the Company will continue to be outstanding after the transaction. Of those options, the Company expects none of the options to be exercised. Holders of options hold stock options in the Company as a non-SEC reporting company with limited liquidity. When existing options are exercised, the exercise will cover underlying fractional shares of common stock resulting from the reverse stock split, but we will not issue fractional shares upon exercise of an option. Instead, we will pay the option holder cash for any fractional shares in an amount equal to the difference between the exercise price of the option and the fair market value per share of the common stock as of the date of exercise as determined by the Board of Directors, multiplied by the fraction of a share represented by the option. Because any whole shares issued upon the exercise of options will not be registered under the 1933 Act, option holder will be required to acquire such shares for investment purposes. They will benefit from any future appreciation in the value of the Company after the transaction and will assume the risk of any future downturns in the business of the Company after the transaction.

**Shareholder Approval**

Pursuant to the Nevada Business Corporation Act and the Company's Articles of Incorporation, as amended, shareholder approval is not required for the reverse stock split or the resulting going private transaction. The Company's shareholders approved the reverse stock split on June 20, 2018. No further vote of the shareholders is being sought for this transaction.

### **Dissenters' Rights**

Under the Nevada Business Corporation Act, shareholders are entitled to dissenters' rights in connection with this type of transaction (and a dissenting shareholder is entitled to certain appraisal rights) only if the holders of more than 1% of the class of affected shares are obligated to accept money or scrip rather than receive a fraction of a share. Holders of less than 1% of the common stock were obligated to accept money or scrip rather than receive a fraction of a share in this transaction, and as a result, dissenters' rights did not apply.

### **Conduct of Business Following Transaction**

The primary purpose of the reverse stock split was to reduce the number of shareholders to less than 300 so the Company could avoid being required to register its common stock pursuant to Section 12(g) of the Exchange Act, file a Form 15 to suspend its periodic and current reporting obligations under Section 15(d) of the Exchange Act and become a private company. This election will result in the Company no longer filing reports pursuant to Section 13 or 15(d) of the Exchange Act.

### **Federal Tax Consequences**

Please see the Company's Proxy Statement for disclosure on the federal tax consequences of the reverse stock split.

### **Fees and Expenses**

The Company paid \$16.52 for the fractional shares of the common stock exchanged for cash in the reverse stock split. In addition, expenses are projected to amount to \$101,000 as follows: \$55,000 for legal fees and \$46,000 for accounting, printing, mailing, stock transfer and other miscellaneous costs. Funds required to implement the reverse stock split came from the Company's existing working capital.

## THE PARTIES TO THE TRANSACTION

### **Eco-Stim Energy Solutions, Inc.**

A description of the Company and its business set forth in Item 1 "Business" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on April 22, 2019 (the "Annual Report") and the Current Reports on Form 8-K filed with the SEC on June 21, 2018, June 26, 2018, December 26, 2018, January 29, 2019, February 27, 2019 and March 22, 2019 (excluding any information furnished and not filed pursuant to Items 2.02 and 7.01 and corresponding information furnished under Item 9.01 or included as an exhibit) are incorporated herein by reference.

### **Officers and Directors of the Company**

The names and business backgrounds of the Company's executive officers and directors is incorporated herein by reference to Item 10 "Directors and Executive Officers and Corporate Governance" in the Company's Annual Report.

### **Security Ownership of Management**

The security ownership of the Company's officers and directors is incorporated herein by reference "Security Ownership of Certain Beneficial Owners and Related Stockholder Matters" in the Company's Annual Report.

### **Agreements Involving the Company's Securities**

There are no agreements, arrangement, understandings or contracts regarding the Company's securities other than the Amended and Restated Stockholder Rights Agreement, dated as March 3, 2017, by and among the Company and the parties named therein, as amended by the First Amendment to the Amended and Restated Stockholder Rights Agreement dated as of July 6, 2017 and further amended by the Second Amendment to the Stockholder Rights Agreement, dated as of August 25, 2017.

## WHERE YOU CAN FIND MORE INFORMATION

The Company has filed a Schedule 13E-3 with the SEC regarding this transaction. In addition, the Company files reports, proxy statements and other information with the SEC under the Exchange Act. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C., 20549.

You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N. E., Washington, D.C. 20549, at prescribed rates. The SEC also maintains a web site that contains reports, information statements and other information about issuers, including the Company, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

We have not authorized anyone to give any information or make any representation about the transaction that differs from, or adds to, the information in this Disclosure Statement or the Company documents that are publicly filed with the SEC. Therefore, if anyone gives you different or additional information, you should not rely on it.

The information contained in this Disclosure Statement speaks only as of its date, unless the information specifically indicates that another date applies.

## DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows the Company to “incorporate by reference” information in this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this document, except for any information that is superseded by information that is included directly in this document or in any other subsequently filed document that also is incorporated herein by reference.

This document incorporates by reference the documents listed below that we filed with the SEC under Section 15(d) of the Exchange Act.

<b>SEC Filings (File No. 001-36909)</b>	<b>Period</b>
Annual Report on Form 10-K	Year ended December 31, 2018
Schedule 14A	Year ended December 31, 2017
Current Reports on Form 8-K	Filed with the SEC on June 21, 2018, June 26, 2018, December 26, 2018, January 29, 2019, February 27, 2019 and March 22, 2019 (excluding any information furnished and not filed pursuant to Items 2.02 and 7.01 and corresponding information furnished under Item 9.01 or included as an exhibit)

