

**Exhibit 1**

**Initial Approved Budget**

Key Energy Services, Inc.  
Cash Collateral Budget

	1	2	3	4	5	6	7	8	9	10	11	12	13	13-Week
	WE	WE	WE	WE	WE	WE	WE	WE	WE	WE	WE	WE	WE	Cash Flow
(\$ in 000s)	10-30	11-6	11-13	11-20	11-27	12-4	12-11	12-18	12-25	1-1	1-8	1-15	1-22	
<b>Beginning Book Cash</b>	<b>\$ 29,813</b>	<b>\$ 34,460</b>	<b>\$ 37,638</b>	<b>\$ 33,208</b>	<b>\$ 31,095</b>	<b>\$ 23,370</b>	<b>\$ 24,671</b>	<b>\$ 21,114</b>	<b>\$ 80,000</b>	<b>\$ 75,239</b>	<b>\$ 77,880</b>	<b>\$ 73,250</b>	<b>\$ 76,271</b>	<b>\$ 29,813</b>
Collections and Other Receipts	8,256	7,790	8,108	8,093	8,080	8,069	7,763	7,746	7,907	9,974	7,652	7,121	7,219	103,778
New Money Investment and Incremental Liquidity <sup>1</sup>	-	-	-	-	-	-	-	67,305	-	-	-	-	-	67,305
Operating Cash Disbursements	(3,359)	(2,340)	(11,788)	(9,207)	(13,035)	(5,193)	(11,320)	(4,095)	(12,669)	(6,708)	(10,796)	(4,100)	(11,957)	(106,567)
<b>Operating Cash Flow</b>	<b>4,897</b>	<b>5,450</b>	<b>(3,680)</b>	<b>(1,114)</b>	<b>(4,955)</b>	<b>2,875</b>	<b>(3,557)</b>	<b>70,955</b>	<b>(4,761)</b>	<b>3,266</b>	<b>(3,143)</b>	<b>3,021</b>	<b>(4,738)</b>	<b>64,516</b>
Debt Service	-	(1,643)	-	-	(2,769)	-	-	(1,876)	-	(625)	(1,486)	-	-	(8,400)
Restructuring Disbursements	(250)	(628)	(750)	(1,000)	-	(1,575)	-	(10,193)	-	-	-	-	-	(14,396)
<b>Net Operating Cash Flow (After Restructuring)</b>	<b>\$ 4,647</b>	<b>\$ 3,179</b>	<b>\$ (4,430)</b>	<b>\$ (2,114)</b>	<b>\$ (7,724)</b>	<b>\$ 1,300</b>	<b>\$ (3,557)</b>	<b>\$ 58,886</b>	<b>\$ (4,761)</b>	<b>\$ 2,641</b>	<b>\$ (4,630)</b>	<b>\$ 3,021</b>	<b>\$ (4,738)</b>	<b>\$ 41,720</b>
<b>Ending Book Cash<sup>2</sup></b>	<b>\$ 34,460</b>	<b>\$ 37,638</b>	<b>\$ 33,208</b>	<b>\$ 31,095</b>	<b>\$ 23,370</b>	<b>\$ 24,671</b>	<b>\$ 21,114</b>	<b>\$ 80,000</b>	<b>\$ 75,239</b>	<b>\$ 77,880</b>	<b>\$ 73,250</b>	<b>\$ 76,271</b>	<b>\$ 71,533</b>	<b>\$ 71,533</b>

1. New Money Investment is net of the term loan pay down at emergence; incremental liquidity of \$21.1 million will be required to maintain \$80 million of cash at emergence
2. Consists of domestic, unrestricted cash; does not reflect international cash balances or ABL availability