

KEY ENERGY SERVICES, INC.

SELECTION PROCESS FOR NEW DIRECTOR CANDIDATES AND GUIDELINES FOR NOMINATION AS A DIRECTOR

Adopted April 4, 2008

The following Guidelines for nomination as a director of Key Energy Services, Inc. (the “Company”) and process for the selection of new candidates for the Company’s Board of Directors (the “Board”) have been recommended by the Corporate Governance and Nominating Committee (the “Committee”) and adopted by the Board. In selecting candidates to recommend for nomination to the Board, the Committee should review the specific skills, background, qualifications and other abilities and characteristics of a potential nominee in light of the needs of the Board and the existing and prospective business environment faced by the Company. The Committee will evaluate candidates proposed by stockholders in compliance with this policy in the same manner as other candidates.

A. Selection Process

The Committee will follow the following process for the selection of new candidates for the Board:

1. The Chairman of the Board, the Chief Executive Officer, the Committee or other Board members identify a need to fill vacancies or add newly created directorships.
2. A consensus is reached regarding the need to fill vacancies or add newly created directorships.
3. The Chairperson of the Committee initiates a search, working with Company staff support and seeking input from the Board members and senior management, and hiring a search firm or obtaining advice from legal or other advisors, if necessary.
4. Candidates, including any candidates proposed by shareholders, that satisfy the criteria in these Guidelines or otherwise qualify for membership on the Board, are identified and presented to the Committee.
5. A determination is made as to who among the Committee members, Board members or senior management have a basis to initiate contact with preferred candidates, or if appropriate, a search firm is utilized to initiate contact.
6. The Chairman of the Board or the Chief Executive Officer and at least one member of the Committee interviews prospective candidate(s).
7. The full Board is kept informed of progress.
8. The Committee meets to consider and approve final candidate(s) and conduct interviews as necessary.

The Committee will propose to the full Board candidates for Board membership to fill vacancies or to stand for election at the next Annual Meeting of Shareholders.

B. Stockholder Proposals of Candidates

Any stockholder entitled to vote for the election of directors may propose candidates for consideration for nomination for election to the Board. The Committee will consider candidates for inclusion in the Company's proxy materials provided that the stockholder meets certain eligibility standards and such consideration shall include the size of the stockholder submitting the nomination.

1. Proposals of candidates for nomination must be made in writing and must be delivered to or mailed to and received by the Company's Secretary not later than 90 days nor more than 120 days prior to the first anniversary of the preceding year's Annual Meeting of Stockholders; provided, however, that in the event that the date of the Annual Meeting of Stockholders is advanced by more than 20 days, or delayed by more than 60 days, from the first anniversary of the preceding year's Annual Meeting of Stockholders, a stockholder's notice must be so received not earlier than the 120th day prior to such Annual Meeting of Stockholders and not later than the close of business on the later of (A) the 90th day prior to such Annual Meeting of Stockholders and (B) the tenth day following the day on which notice of the date of such Annual Meeting of Stockholders was mailed or public disclosure of the date of such Annual Meeting of Stockholders was made, whichever first occurs.
2. Stockholder proposals of candidates for nomination must include the following information: (i) the name, age, business address and residence address of the proposed nominee; (ii) the principal occupation or employment of the proposed nominee and an explanation of how the proposed nominee meets the criteria used by the Company for the selection of directors as set forth in these Guidelines; (iii) the total number of shares of Company common stock that, to the stockholder's knowledge, will be voted for the proposed nominee; (iv) the total number of shares of Company common stock that, to the stockholder's knowledge, are owned by the proposed nominee; (v) the signed consent of the proposed nominee to serve, if elected; (vi) the stockholder's name and residence address; (vii) the number of shares of Company common stock owned by the stockholder; and (viii) any other information relating to the proposed nominee that is required to be disclosed in solicitations for proxies for the election of directors under Regulation 14A of the Securities Exchange Act of 1934.

C. Qualifications for Selection

The Committee should strive to recommend candidates for director positions who:

Personal Qualifications

1. Have a reputation for intelligence, strength of character, good judgment and the highest personal and professional integrity.

2. Are committed to understanding the Company and the well service industry and to spending the time necessary to function effectively as a director, including regularly attending and participating in meetings of the Board and its committees.
3. Have a working knowledge of corporate governance issues and comprehend the changing role of a public company director, particularly the fiduciary obligations owed to the Company and its stockholders.
4. Have the independence necessary to make an unbiased evaluation of management performance and effectively carry out the responsibilities of oversight, and do not have, nor appear to have, a conflict of interest that would impair the candidate's ability to represent the interests of all the Company's stockholders.
5. Are willing and able to recommend alternative solutions to problems.
6. Support the ideals of the Company's "Code of Conduct" and are not engaged in any activity adverse to, or do not serve on the board of another company whose interests are in conflict with, the Company's interests.

Experience

7. Have held a generally recognized position of leadership and responsibility in an area of endeavor such as business, finance, law, public service, banking or academia.
8. Have demonstrated the business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted organization and are willing and able to contribute positively to the decision-making process of the Company.
9. Assist in achieving a mix of Board members with diverse professional backgrounds and a broad spectrum of knowledge, experience and capability.
10. Have experience working with basic financial statements and understand the financial issues that confront modern corporations.

D. Independence

In selecting candidates to recommend for nomination to the Board, the Committee will ensure that a majority of the Board shall meet the independence requirements set forth in the rules of the New York Stock Exchange. The Committee also will ensure that any candidate it recommends for nomination to the Audit Committee, Compensation Committee or Corporate Governance and Nominating Committee will meet the applicable independence requirements set forth in the rules of the New York Stock Exchange and the Securities and Exchange Commission.

E. Age

The Committee shall not recommend, and the Board shall not nominate, any person to serve as a director who has attained the age of 75.

F. Significant Change in Occupation or Employment

Any non-employee director who has a significant change in occupation or retires from his or her principal employment or position will promptly notify the Committee. The Committee will determine if it is in the best interests of the Company to nominate such person to serve another term as a director following expiration of the director's current term.

G. Committee Review and Assessments

Each year the Committee will review and evaluate the Board and each Board committee. In connection with such reviews, or at any other time, a director with concerns regarding performance, attendance, potential conflicts of interest, or any other concern respecting any other director shall report such concerns to the chairperson of the Committee. The chairperson of the Committee, in consultation with such other directors as he or she deems appropriate, will determine how such concerns should be investigated and reported to members of the Committee who are not the director in question ("Disinterested Committee Members"). If the Disinterested Committee Members conclude that the director is not fulfilling his or her duties satisfactorily, they will determine what actions should be taken. Such actions may include, without limitation, the chairperson of the Board or another Board member discussing the situation with the director in question, identifying what steps are required to improve performance, or, if appropriate, requesting that the director resign from the Board.