



U.S. Silica's Sandbox Unit Receives Final Judgment Against Arrows Up

October 4, 2018

Monetary damages to Sandbox of \$49.2 million Judge declares Sandbox owns Arrows Up boxes U.S. Silica reports 10% Third Quarter proppant volume growth despite headwinds

KATY, Texas, Oct. 4, 2018 /PRNewswire/ -- U.S. Silica Holdings, Inc. (NYSE: SLCA) today announced entry of final judgment in its trial in State District Court in Harris County, Texas, against Arrows Up, LLC, an affiliate of OmniTRAX, Inc., a Broe Group portfolio company. In July 2018, the jury returned a unanimous verdict in favor of SandBox Logistics, a wholly-owned subsidiary of U.S. Silica, on every issue presented in the lawsuit. Among other things, the jury found that both Arrows Up and John Allegretti, its founder and CEO, committed fraud against SandBox and breached a 2015 Settlement Agreement with SandBox. The jury also found that Arrows Up breached a 2014 Confidentiality and Non-Disclosure Agreement with SandBox.

After considering the parties' post-verdict briefing, the Court entered final judgment in SandBox's favor on October 2. The judgment requires Arrows Up to pay SandBox \$49.2 million in damages. In addition, the judgment declares that all frac sand shipping containers that Arrows Up has manufactured, sold or leased since January 2015 are actually "owned solely and exclusively" by SandBox under the terms of the parties' Confidentiality and Non-Disclosure Agreement. The judgment awards SandBox title to and possession of Arrows Up's frac sand shipping containers, and it sets up a schedule by which Arrows Up is to deliver those containers to SandBox.

U.S. Silica President and CEO Bryan Shinn commented, "We're very happy with the outcome of this case. The ruling reaffirms the strength of SandBox's intellectual property and its broad patent portfolio. As the leading provider of last-mile containerized solutions, our SandBox unit continues to add customers and new product offerings that solidify its industry-leading position in this growing and dynamic market segment." Shinn added that, "We will strongly support an orderly transition from Arrows Up to SandBox that minimizes customer disruptions."

Commenting on Company third quarter performance, Shinn said, "We are pleased to report that we grew sand proppant sales volumes 10% sequentially in the third quarter. Given the widely reported slowdown in well completions in the back half of Q3 and the continued growth of in-basin sand capacity, we do expect our Northern White proppant pricing will be down sequentially. However, West Texas volumes and pricing held up well during the quarter, despite the more than 12 million tons of high cost competitor Northern White capacity coming off line," he concluded.

About U.S. Silica

U.S. Silica Holdings, Inc. is a performance materials company and is a member of the Russell 2000. The Company is a leading producer of commercial silica used in the oil and gas industry, and in a wide range of industrial applications. Over its 118-year history, U.S. Silica has developed core competencies in mining, processing, logistics and materials science that enable it to produce and cost-effectively deliver over 1,500 diversified products to customers across our end markets. U.S. Silica's wholly-owned subsidiaries include EP Minerals and SandBox Logistics. EP Minerals is an industry leader in the production of products derived from diatomaceous earth, perlite, engineered clays, and non-activated clays. SandBox Logistics is a state-of-the-art leader in proppant storage, handling and well-site delivery, dedicated to making proppant logistics cleaner, safer and more efficient. The Company currently operates over 25 mines and production facilities. The Company is headquartered in Katy, Texas and has offices in Frederick, Maryland and Chicago, Illinois.

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