



U.S. Silica to Build New Frac Sand Mine and Plant in the Permian

June 12, 2017

- **Part of the Company's previously announced capacity expansion plans**
- **Capital outlay of approximately \$225 million to build a 4 million ton-per-year facility**
- **3,200-acre site with over 30 years of reserves of fine grade 40/70 and 100 mesh frac sand**
- **Well positioned near the heart of the Delaware and Midland basins**

FREDERICK, Md., June 12, 2017 /PRNewswire/ -- U.S. Silica Holdings, Inc. (NYSE: SLCA) announced today that its Board of Directors has approved the construction of a new, state-of-the-art frac sand mine and plant in West Texas to serve the rapidly-growing Permian Basin. The new facility is expected to produce approximately 4 million tons annually and is part of the Company's previously announced plan to add approximately 8 to 10 million tons of new Brownfield and Greenfield capacity to meet surging frac sand demand.

The \$225 million project will be funded from cash on hand and cash flow from operations and is expected to be supported by long-term supply contracts with leading oilfield companies, which include cash pre-payments. Construction will begin immediately and initial production is scheduled for late in the fourth quarter of 2017. The 3,200-acre site has over 30 years of reserves of fine grade 40/70 and 100 mesh sand with excellent physical properties.

"We believe we've selected one of the most advantaged sites in West Texas with good availability of water, easy access to Interstate 20 and a location that is equidistant to the hearts of both the Delaware and Midland Basins," said Bryan Shinn, president and chief executive officer. "Our focus is serving our customers. Those customers told us clearly that they want more local sand supply in the Permian to support future well completions. Their willingness to negotiate long-term supply agreements for this new capacity and to potentially commit their own capital to the project demonstrates the confidence they have in U.S. Silica and the tightness of the frac sand market now and in the future." Shinn added that the Company expects to enter into similar agreements for other capacity expansion projects currently underway.

Forward-looking Statements

Certain statements in this press release are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and speak only as of this date. Forward-looking statements made include any statement that does not directly relate to any historical or current fact and may include, but are not limited to, statements regarding U.S. Silica's growth opportunities, strategy, future financial results, forecasts, projections, plans and capital expenditures, and the commercial silica industry. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Among these factors are: (1) fluctuations in demand for commercial silica; (2) the cyclical nature of our customers' businesses; (3) operating risks that are beyond our control; (4) federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing; (5) our ability to implement our capacity expansion plans within our current timetable and budget; (6) loss of, or reduction in, business from our largest customers or failure of our customers to pay amounts due to us; (7) increasing costs or a lack of dependability or availability of transportation services or infrastructure; (8) our substantial indebtedness and pension obligations; (9) our ability to attract and retain key personnel and truckload drivers; (10) silica-related health issues and corresponding litigation; (11) seasonal and severe weather conditions;

About U.S. Silica

U.S. Silica Holdings, Inc., a member of the Russell 2000, is a leading producer of commercial silica used in the oil and gas industry, and in a wide range of industrial applications. Over its 117-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 260 products to customers across our end markets. The Company currently operates nine industrial sand production plants and eight oil and gas sand production plants. The Company is headquartered in Frederick, Maryland and also has offices located in Chicago, Illinois and Houston, Texas.

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