



U.S. Silica Acquires Mississippi Sand, LLC.

August 16, 2017

- **State-of-the-art sand mine and plant with 1.2 million tons of annual capacity**
 - **More than 95% of total capacity is fine grade sand**
- **Multi-modal distribution network with flexibility to serve several basins**
 - **Customer contracts in place for a majority of the current capacity**
- **Transaction is expected to be accretive to earnings in the third quarter of 2017**

FREDERICK, Md., Aug. 16, 2017 /PRNewswire/ -- U.S. Silica Holdings, Inc. (NYSE: SLCA) announced today that it has acquired Mississippi Sand, LLC, a leading, low-cost frac sand mining and logistics company based in St. Louis, Mo. for \$95.4 million in cash. The transaction closed earlier today.

The plant, located in Festus, Mo., is capable of producing 1.2 million tons annually of mostly fine grade sand. Nearly two-thirds of its total production is 40/70 mesh that is in the highest demand today from customers. The plant can be expanded to 1.6 million tons of production per year with a modest capital investment. Mississippi Sand controls over 30 million tons of high-quality frac sand reserves on 650 acres through a long-term lease agreement. The facility is located 40 miles southeast of U.S. Silica's Pacific, Mo. mine and plant.

Mississippi Sand's distribution network is composed of five barge terminals and three rail terminals, two of which are unit train-capable, with a combined annual throughput of 2.2 million tons. The terminals serve many of the top basins, including the Mid-Continent, Marcellus/Utica, Eagle Ford, Fayetteville, Haynesville, Permian and the DJ basins. The plant enjoys some of the lowest landed costs in the industry to the Haynesville and the Northeast through highly efficient barging. Currently, approximately 70% of the facility's volumes are being sold into these two basins. Mississippi Sand's rail terminals have access to most of the major Class 1 railroads, offering further optionality on origin and destination pairings.

The acquisition also includes an approximately one million ton-per-year dry plant located near Seagraves, TX. The plant is currently idled but could be utilized in the future as part of U.S. Silica's in-basin strategy in the Permian.

"We're very pleased with the addition of this new low-cost facility with high quality reserves and flexible logistics, which we believe will greatly complement our product offerings from Pacific," said Bryan Shinn, president and chief executive officer. "Pacific has some of the highest quality sand in our portfolio, one of the reasons why it operated at close to full capacity through the downturn," he explained. "This acquisition will enable us to nearly double the size of our capacity from the area and take advantage of multiple modes of distribution to better serve our customers and enhance our competitive position in the marketplace." Shinn also noted that like Pacific, Mississippi Sand has the flexibility to sell some of its products to Industrial and Specialty Products customers as well.

Mississippi Sand's high quality products and efficient logistics have resulted in a strong customer base. The company currently has 5 long-term contracts in place with both Oil Field Service and Exploration and Production companies covering over 80% of their stated capacity. The bulk of the contracts are take-or-pay agreements and run through the beginning of 2020.

U.S. Silica will use cash on hand to fund the acquisition. The transaction is expected to be accretive to the Company's earnings per share in the third quarter of 2017. "The acquisition of Mississippi Sand is a good use of our cash as it helps us further consolidate the frac sand space," said Don Merrill, executive vice president and chief financial officer. "We plan to continue to use our strong balance sheet to fund value-added investments that will benefit our customers and other stakeholders."

Cowen and Company acted as the sole financial advisor to Mississippi Sand.

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.

U.S. Silica Holdings, Inc.
Michael Lawson
Vice President of Investor Relations and Corporate Communications
(301) 682-0304
lawsonm@ussilica.com

View original content with multimedia: <http://www.prnewswire.com/news-releases/us-silica-acquires-mississippi-sand-llc-300505623.html>

SOURCE U.S. Silica Holdings, Inc.