



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

September 27, 2017

- Part of Company's previously announced capacity expansion plans
- Capital outlay of approximately \$150 million to build a 2.6 million ton-per-year facility
- 3,500-acre site with over 30 years of reserves of fine grade 40/70 and 100 mesh frac sand
- Long-term supply and last-mile logistics agreement in place for sand sold and delivered to the wellsite

FREDERICK, Md., Sept. 27, 2017 /PRNewswire/ -- U.S. Silica Holdings, Inc. (NYSE: SLCA) announced today that it plans to build a second, state-of-the-art frac sand mine and plant in West Texas to serve the rapidly-growing Permian Basin. The new facility, located about 60 miles north of Midland, near Lamesa, Texas, is expected to produce approximately 2.6 million tons annually and is part of the Company's previously announced plan to add 8 to 10 million tons of new Brownfield and Greenfield capacity to meet surging frac sand demand.



The \$150 million project will be funded with cash on hand and cash flow from operations. The Company has secured customer commitments for the purchase of 1.2 million tons per-year of sand including cash pre-payments, and for up to four Sandbox crews to deliver the sand directly from the mine to customer well sites.

Construction of the mine and plant will begin immediately, and initial production is expected in March of 2018. The 3,500-acre site has over 30 years of reserves of fine grade 40/70 and 100 mesh. Besides having high quality reserves, the site has ample water supply, good transportation infrastructure and is located outside of the area in West Texas that has been identified as providing potential habitat for the Dunes Sagebrush Lizard.

"Mine location and logistics capabilities are key competitive advantages to fully serve our customers in the Permian," said Bryan Shinn, president and chief executive officer. "I believe that our new site in Lamesa, together with our Crane County facility, gives us the best West Texas mine footprint. We expect to be closer than competitors to almost half of the horizontal rigs operating today in the Permian and that should translate into better service and lower overall cost for customers." Shinn added that, "Being able to deliver a total mine to blender sand solution by utilizing our Sandbox system further extends our industry leading position."

With the addition of 2.6 million tons of capacity at Lamesa, the Company's total capital expansion program is now expected to deliver nearly 9.5 million tons of incremental annual supply, including 4 million tons at Crane County, and 2.8 million tons at our Tyler, Kosse and Pacific sites collectively.

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 200 products to customers across our end markets. The Company currently operates nine industrial sand production plants and nine 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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