



# Regional Sands

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**Don Weinheimer**  
Senior Vice President &  
President, Oil & Gas

**Bryan Shinn**  
President & CEO



## A Resilient and Growing Market

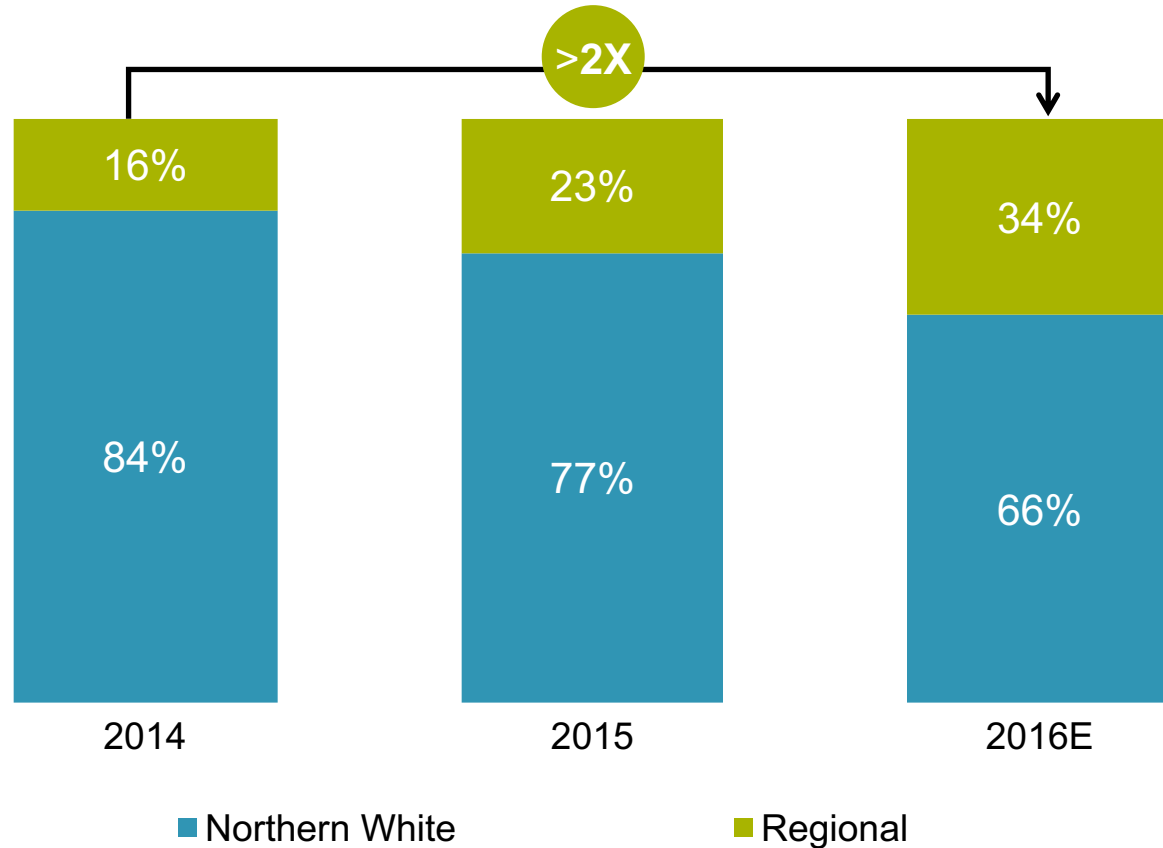
Advantages of Regional Sands

Well-Positioned to Meet Demand



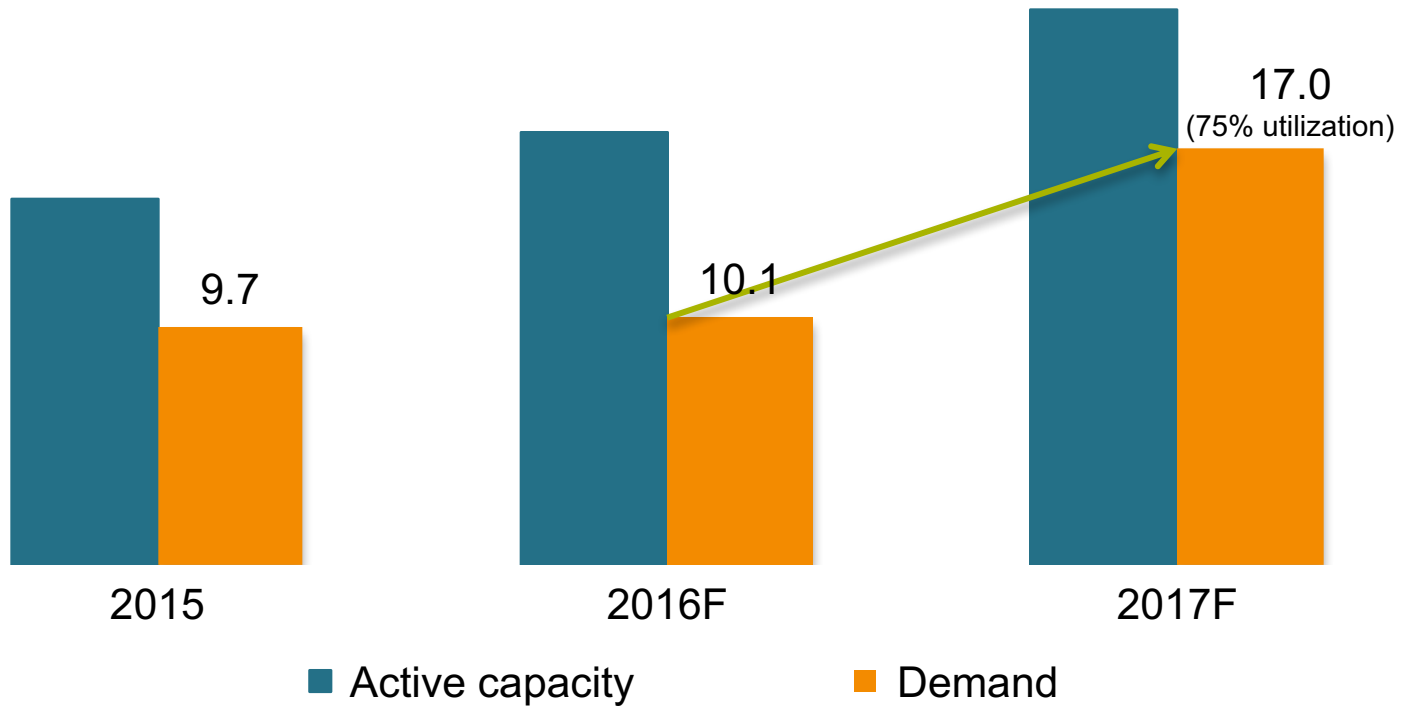
# Regional Sand Market Share Doubled Since 2014

## Sand Demand



Lower delivered cost to the wellhead

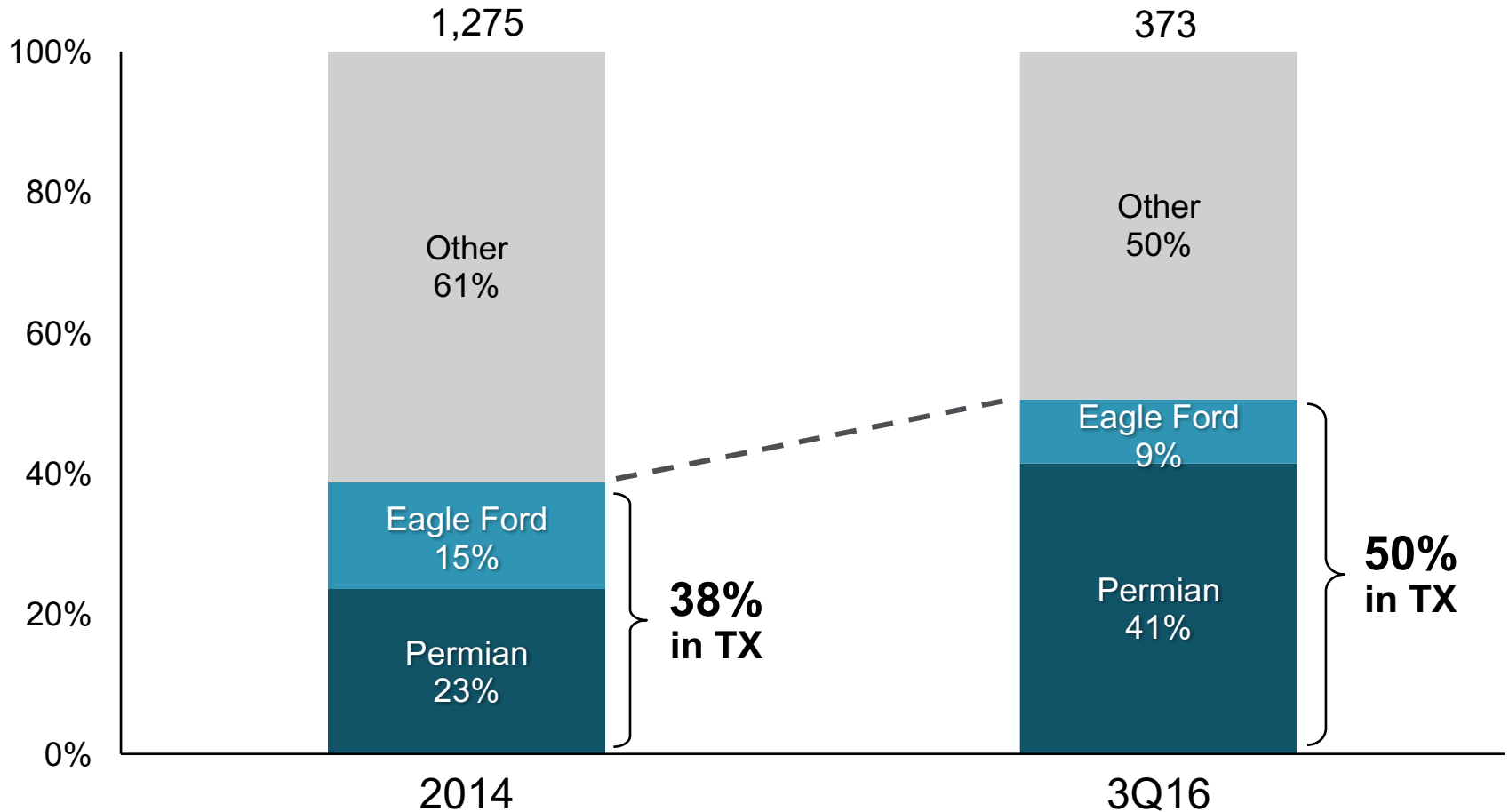
# Regional Sand Demand Forecast 68% Growth in 2017



Source: Energent, Public Earnings, SLCA estimates

# Texas Rig Counts have Proven the Most Resilient Through the Cycle

## U.S. Horizontal Rig Count

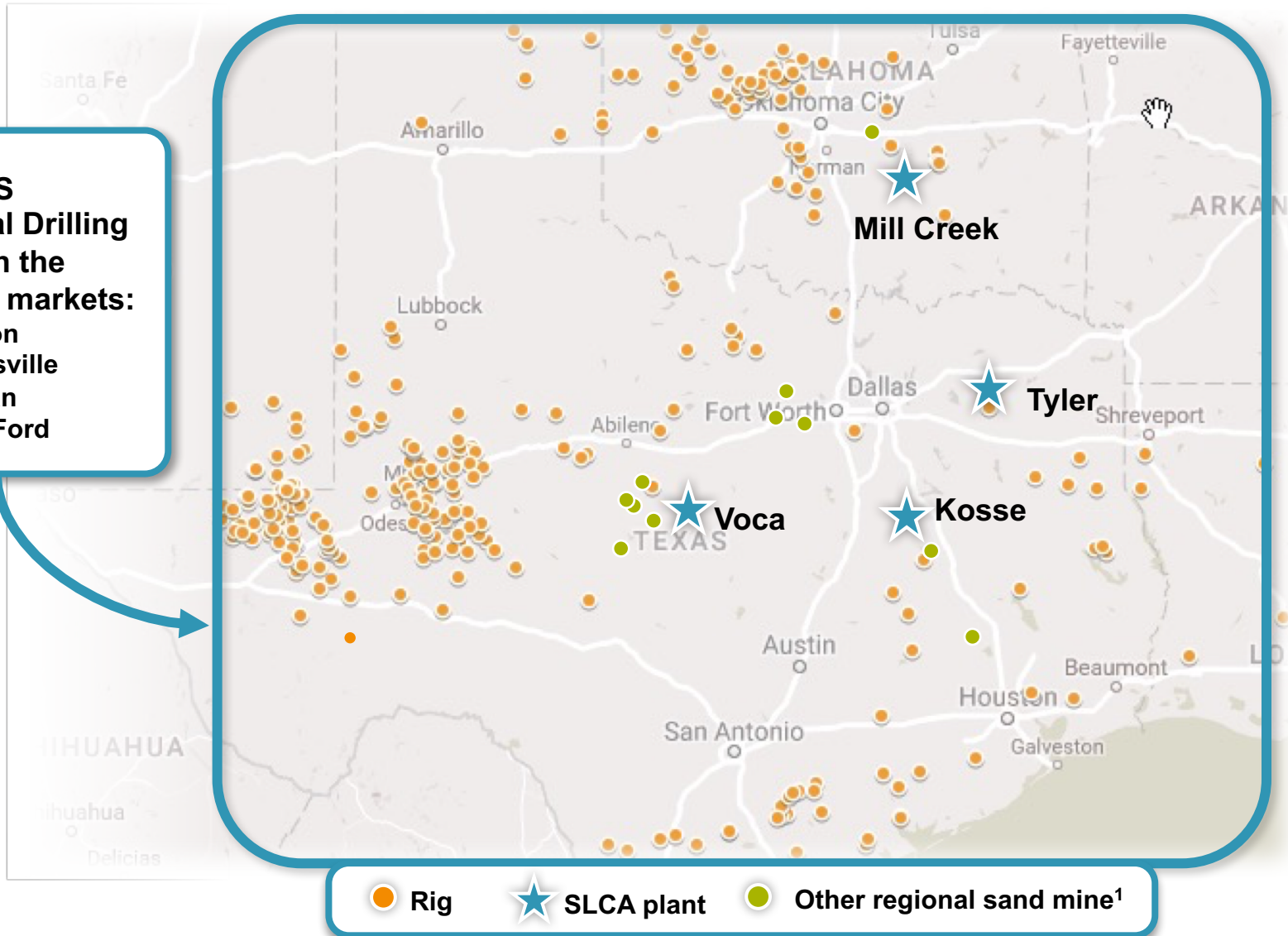


Source: Baker Hughes

# SLCA Well Positioned to Serve

65% of US Horizontal Drilling rigs are in the following markets:

- Mid-Con
- Haynesville
- Permian
- Eagle Ford



1. Includes plants with nameplate capacity >500K tons

## A Resilient and Growing Market

### Advantages of Regional Sands

## Well-Positioned to Meet Demand



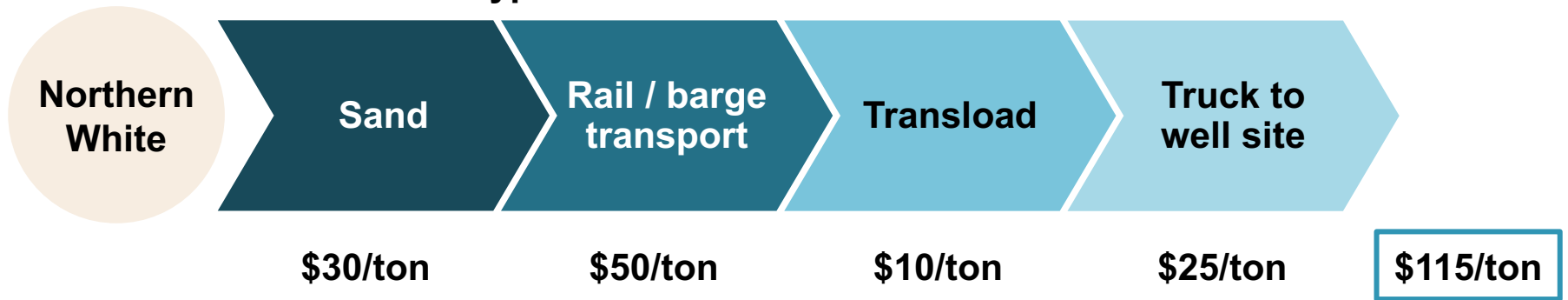


# Strong Value Proposition for Regional vs. White

## Frac Sand Value Chain

### Typical Low Cost White Sand Costs

Total:



### Typical Regional Sand Costs



# Significant Barriers to Entry

- ✓ Small and inconsistent deposits
- ✓ Poor reserve quality
- ✓ Lack of rail access
- ✓ Too far to truck
- ✓ Limited access to water
- ✓ Good sand and good shale rarely proximate

# Regional Sands are Here to Stay

## Advantages

- ✓ Lower cost at the well
- ✓ Logistics flexibility
- ✓ Proven results
- ✓ Finer grades
- ✓ Resilient through cycle

## Leading Operators Pumping

Southwestern  
Energy

Pioneer Natural  
Resources

EOG Resources

A Resilient and Growing Market

Advantages of Regional Sands

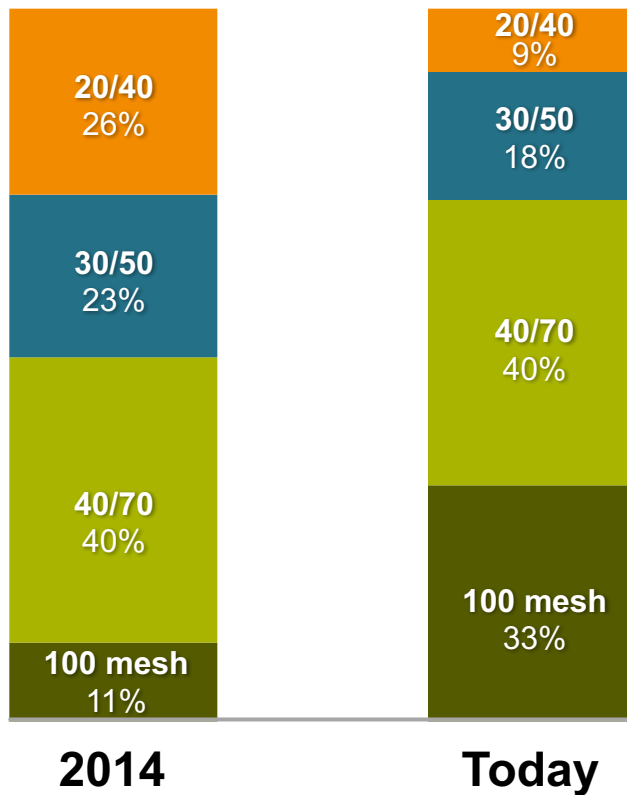
Well-Positioned to Meet Demand



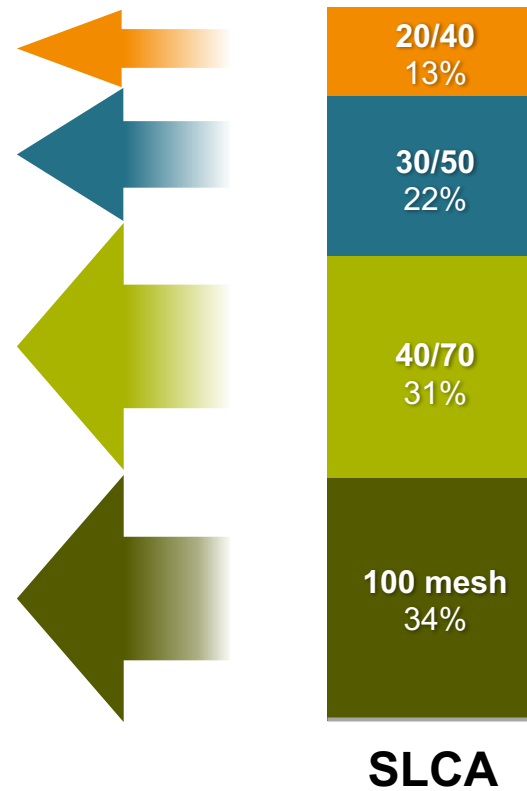


# SLCA Well-Positioned to Meet Demand as a Result of Regional Acquisitions

### Proppant Demand by Mesh Size



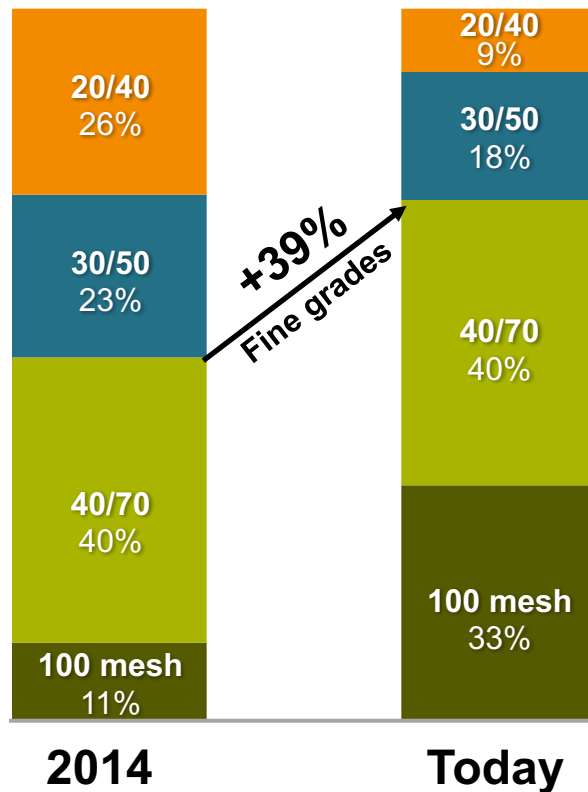
### SLCA O&G Capacity by Mesh Size



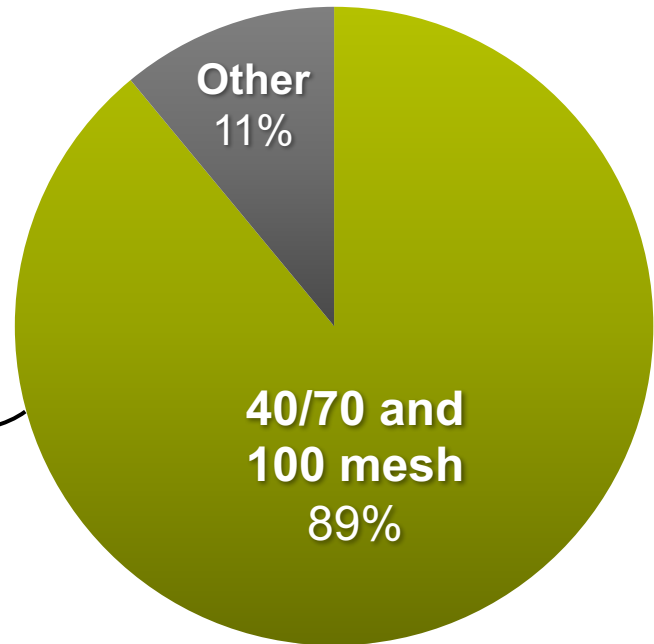
Source: PacWest, IHS, management estimates

# SLCA Regional Capacity ~90% Fine





**Proppant Demand by Mesh Size**



**SLCA Regional Capacity by Mesh Size**



# Strong Regional Mine Capabilities

	Kosse	Tyler	Voca	Mill Creek
				
<b>Capacity (Tons)</b>	500K	2.2MM	1.2MM	1.2MM
<b>Products</b>	100 Mesh	40/70, 100 Mesh	20/70, 100 Mesh	100 Mesh
<b>Logistics</b>	Truck	Truck & Rail (UP)	Truck	Truck & Rail (BNSF)
<b>Markets</b>	East, South, West Texas	East, South, West Texas, N. Louisiana	West, South Texas	West, South Texas, Mid Con



# Regional Sands – A Growing and Attractive Market

## Growth Segment



- Most resilient through the cycle
- Proven results



## Significant Advantages



- Proximity to shale basin activity
- Lower delivered cost to the wellhead
- Trend toward more finer proppant



## What's Next for SLCA



- Expand permitted capacity at Tyler
- Potential Greenfield(s)
- Potential M&A

