

U.S. Silica Investor Day

May 15, 2013



WELCOME

Mike Lawson

Director of Investor Relations & Corporate Communications

Legal/Disclaimer

This presentation contains forward-looking statements that reflect, when made, our current views with respect to current events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to our operations and business environment, which may cause our actual results to be materially different from any future results, express or implied, by such forward-looking statements. All statements that address future operating, financial or business performance or our strategies or expectations are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “outlook” or “continue,” and other comparable terminology. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, those discussed in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except to the extent required by law.

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA and Segment Contribution Margin. These measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP and may differ from similarly titled measures used by others. For a reconciliation of such measures to the most directly comparable GAAP term, please see Appendix A to this presentation.

Today's Agenda

• **SLCA Overview and Strategy**	**Bryan Shinn**	*President & CEO*
• **Operations**	**Mike Winkler**	*Vice President of Operations*
• **Oil & Gas**	**Don Weinheimer**	*Vice President & General Manager, Oil & Gas*
• **Supply Chain & Logistics**	**Jason Tedrow**	*Vice President of Supply Chain*



Bryan Shinn

President & CEO



U.S. Silica: A Unique Value Proposition

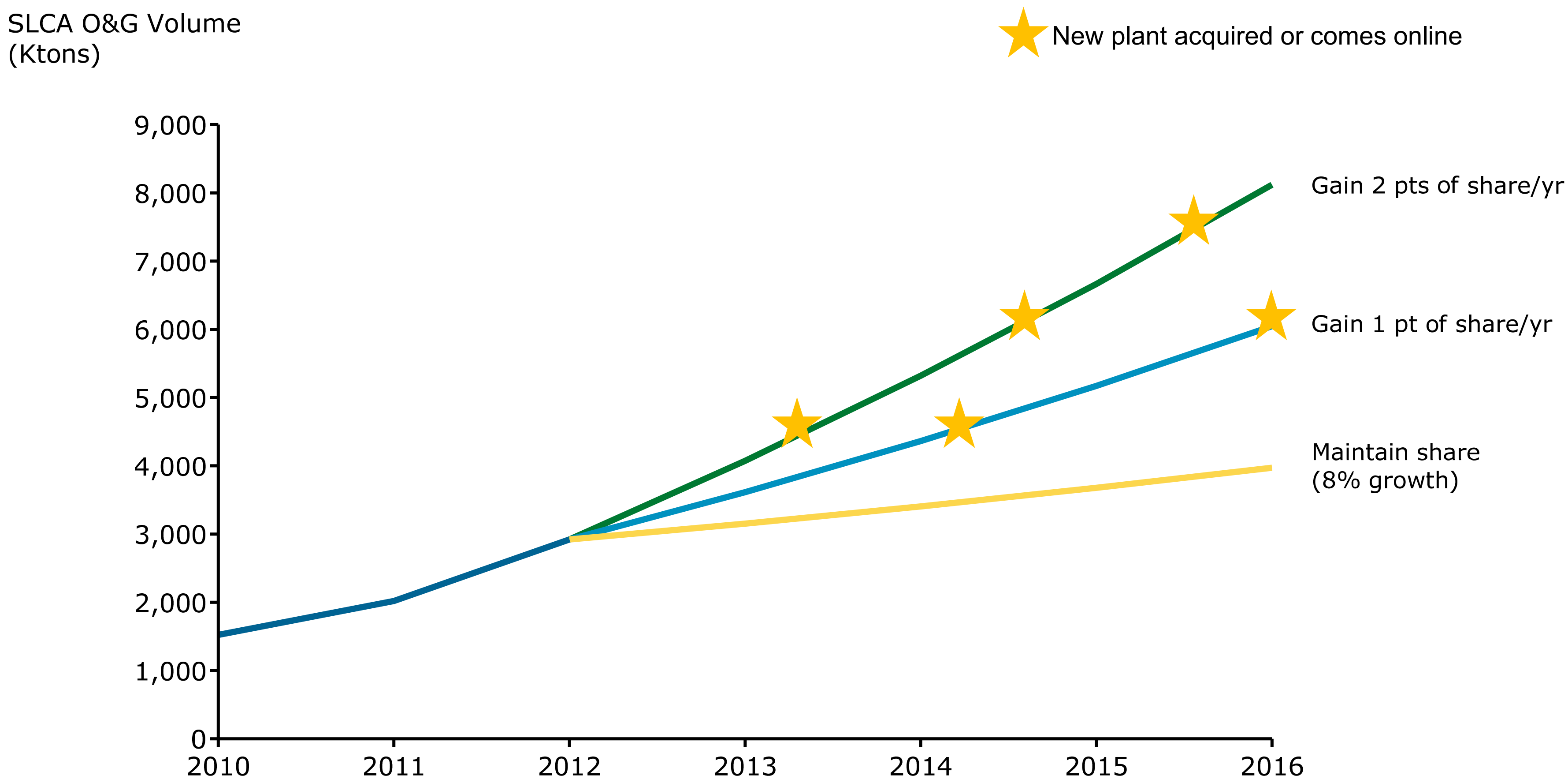
A Balanced Mix of Stable and Growing Markets	→	Better Insulated From Market Forces and Entrants
Sustainable Competitive Advantages	→	Grow Faster Than the Market
Intense Focus on Creating Best-in-Class Total Shareholder Return	→	Optimal Mix of Growth, M&A and Cash Back to Shareholders

2016 Adj. EBITDA[1] Goal of $250M-$300M

Segment	Strategic Goal	Key Actions & Triggers	Role of M&A
Oil & Gas	Increase share	*Build new mines*	Accelerate growth through ‘scale’ acquisitions
		Add new transloads	
	Earn a ‘premium’ on each ton sold	*Grow value added products and services*	
Industrial & Specialty Products	*Industrial:* Protect the core	*Remain the supplier of choice for glass, foundry & building products*	Accelerate growth by acquiring new capabilities
	Specialty: Shift from $ per ton to $ per kilo	*Forward integrate into downstream high value add processes*	
		Develop ‘new to the world’ products and applications	

(1) See Appendix A for reconciliations to GAAP

Base market growth and share gains will drive the pace of plant additions



Sources: 8% growth rate based on Freedonia October 2012 *World Industrial Silica Sand* report estimate of 2011-2016 NAm Hydraulic Fracturing demand for silica sand. 2012 market size based on management estimates

Translating 'gain 1 share point per year' into specific actions

<table>
<tr><th>Segment</th><th>Strategic Goal</th><th>Specific actions through 2016</th><th>Role of M&A</th></tr>
<tr><td rowspan="3">Oil & Gas</td><td>Increase share</td><td>Build new mines
• Sell out Sparta – 1.7M tons
• Add and sell-out an additional greenfield mine – 1.5M tons
• Gain 1 point of share per year</td><td rowspan="3">Assumes no acquisitions</td></tr>
<tr><td rowspan="2">Earn a 'premium' on each ton sold</td><td>Add new transloads
• Add 10-20 new transloads</td></tr>
<tr><td>Grow value added products and services
• Sell out current RCS capacity at Rochelle (200K tons)
• Maintain our value-added in-basin position</td></tr>
<tr><td rowspan="3">Industrial & Specialty Products</td><td>Industrial:
Protect the core</td><td>Remain the supplier of choice for glass, foundry & building products
• Grow the base business by 4% per year</td><td rowspan="3">Assumes no acquisitions</td></tr>
<tr><td rowspan="2">Specialty:
Shift from $ per ton to $ per kilo</td><td>Forward integrate into downstream high value add processes
• Add $5M in Adj. EBITDA[1]</td></tr>
<tr><td>Develop 'new to the world' products and applications
• Add $5M in Adj. EBITDA[1]</td></tr>
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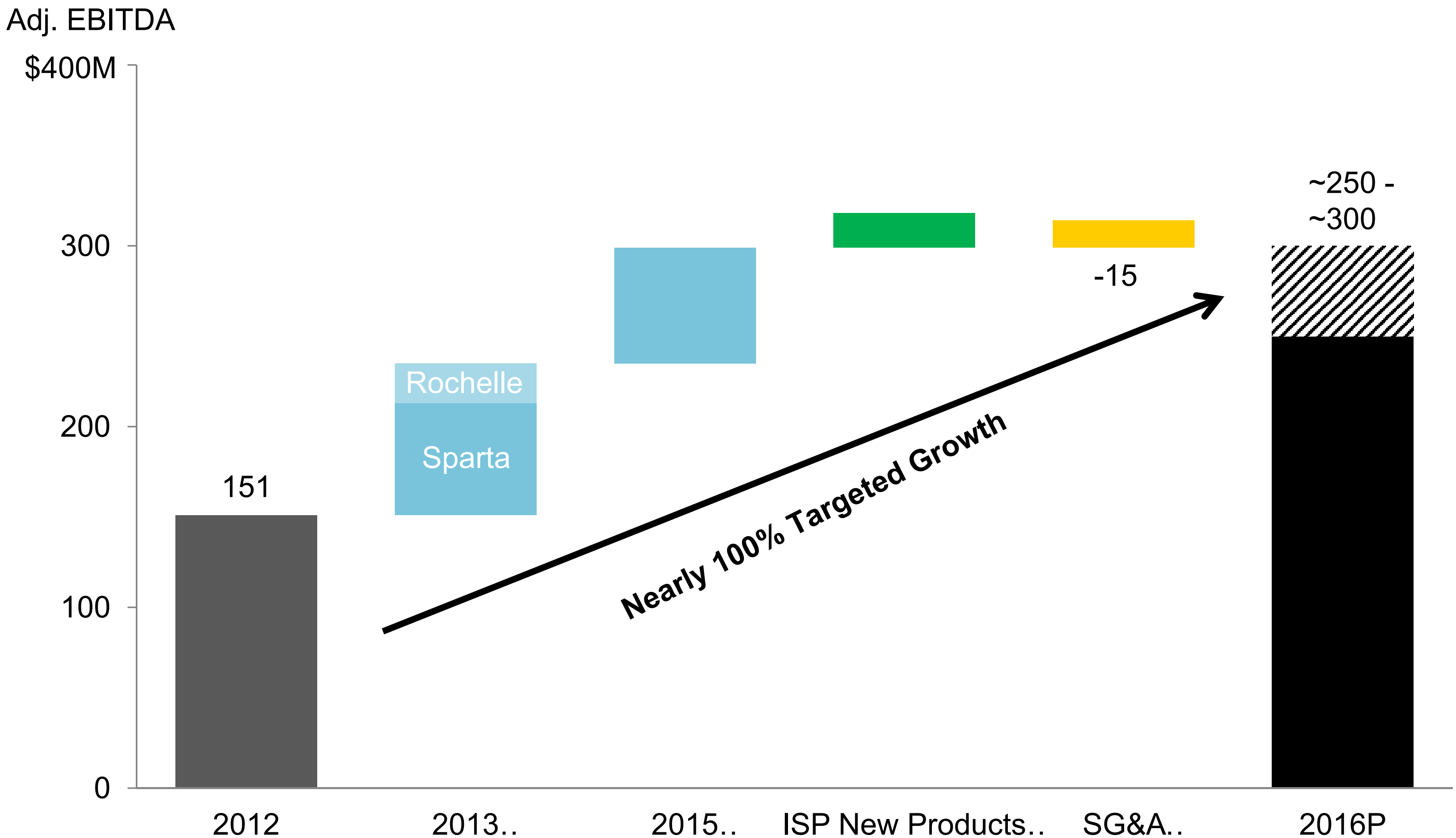
Collectively, these actions would double Adj. EBITDA[1] from 2012 to 2016

(1) See Appendix A for reconciliations to GAAP

How We'll Reach our Goal of Growing EBITDA by 2016 by Nearly 100%



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Balanced Mix: Established Markets with Strong Cash Flow… & Growth Markets with Strong Investment Opportunities

Industrial & Specialty Products (ISP)

Foundational business with strong, consistent free cash flow, a hard-to-beat market position, hard-to-replicate competitive advantages

Glass
- Smartphones
- Tablets
- Containers
- Automotive glass
- Fiberglass

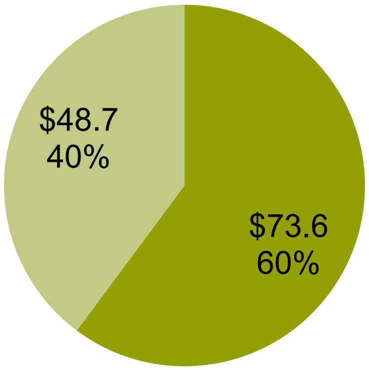
Building Products
- Mortars & grouts
- Specialty cements
- Roofing shingles
- Insulation

Foundry
- Molds for high-temp castings
- Metal casting products

Silicon-Based Chemicals Used In:
- Food processing
- Detergents
- Polymer additives

Fillers & Extenders
- Performance coatings
- Architectural, industrial and traffic paints
- Silicone rubber

Revenue by Segment 1Q-13 ($M)

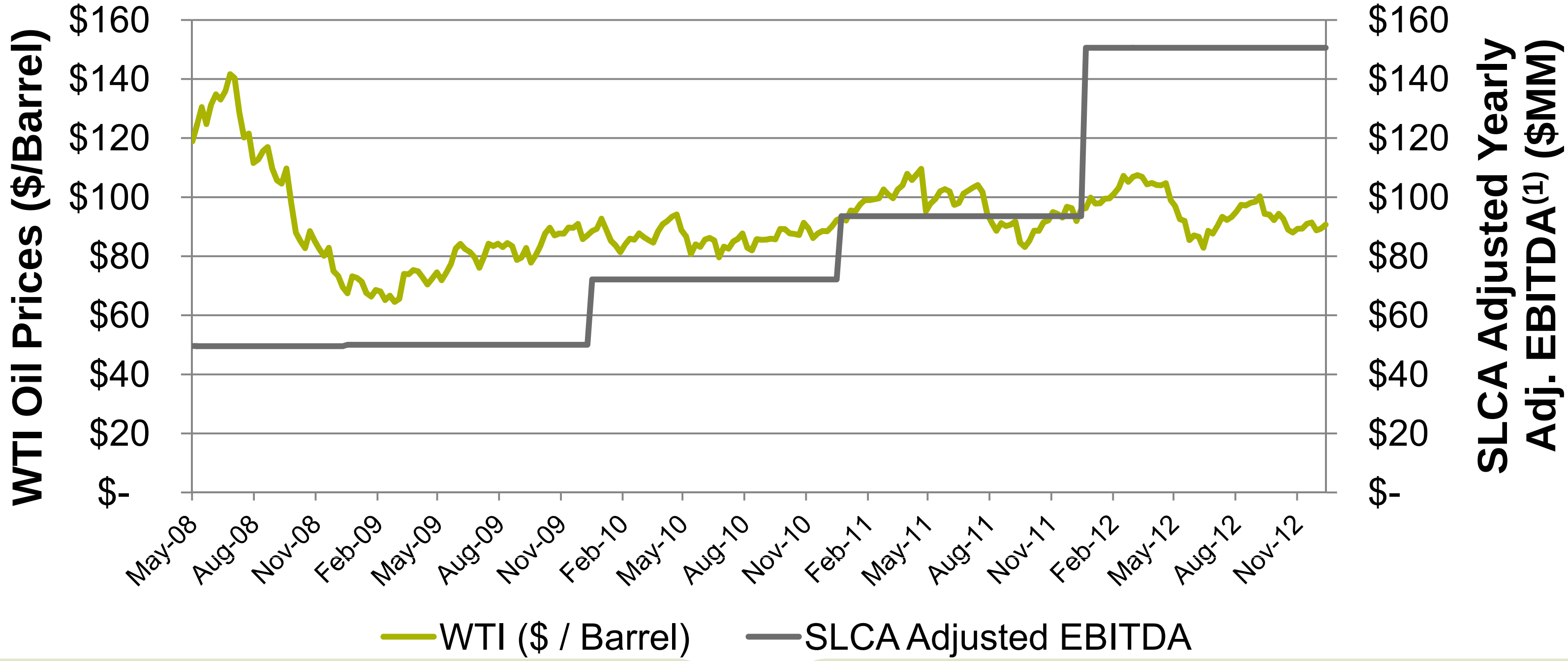


Oil & Gas (O&G)

Newer business with exceptional growth characteristics that delivers essential sand proppants for hydraulic fracturing, a significant and growing market. We are the largest publicly traded sand producer.

✓ Forward staged inventory,
✓ …from multiple plants,
✓ …on multiple rails,
✓ …to multiple transloads,
✓ …and in multiple basins.

Margins & Revenues Attractive in Wide Range of Oil Pricing Environments



Margins Protected By Solid Defensive Characteristics:

- Extensive logistics and transport network → Major cost advantages
- High barriers to entry
- Long lead time for competitors to find, permit and build new mines (1-3 year approval process)

Revenues Protected By:

- Superior product offering
- Diversified ISP business
- Long-standing, sticky customer relationships
- 100-year history drives know-how and expertise

(1) See Appendix A for reconciliations to GAAP

Why We Can Win in the Growth Markets

Unique Advantages Position SLCA to Grow Share

Stable & Reliable	• Multi-plant network allows for supply diversity
Lower Cost	• Low cost model difficult to replicate: plants located on mine sites and near key transportation
Scale	• 307 million tons of high quality reserves and growing capacity to meet future demand
Flexible	• Able to store adequate inventory at key points near fast and reliable transit to respond quickly to customer needs
Attractive Locations	• Key points near transit, with access to all major basins to efficiently serve broad customer base

Translating Growth Into Shareholder Value

We are investing a portion of EBITDA in growth initiatives

- Capital improvements to expand on competitive advantages
- Acquisitions largely inside our core businesses

Strategic plan anticipates returning to shareholders a sustainable portion of cash flows

- **History of repurchasing stock**
  - In June 2012, Board authorized the Company to repurchase up to $25 million of stock, funded over 18 months using available cash
- **History of returning cash directly to stockholders**
  - Declared a special cash dividend of $0.50 per share in December 2012
  - Initiated a regular quarterly cash dividend of $0.125 per share to be paid initially in July 2013

Committed to sustainable shareholder returns and prudent cash-flow management

Compelling Investment Opportunity

Proven Results

- 2x Revenue over last 3 years
- 3x Adj. EBITDA[1] over last 3 years
- Strong operating cash flows

Unique Option to Play NA Shale Growth

- Economically irreplaceable ingredient
- Strong long-term demand projections
- Not tied to specific basins or service companies

Industry Leader for More Than a Century

- Top market positions in most segments
- Low cost operations with industry leading logistics
- Complimentary industrials business

Clear Growth Opportunities

- Increase share of rapidly growing proppant segment
- Introduce new, value added products
- Highly accretive M&A opportunities

(1) See Appendix A for reconciliations to GAAP

US SILICA™

Mike Winkler

Vice President of Operations

Mike Winkler - VP of Operations

- Vice President of Operations – U.S. Silica
- Vice President of Operations, Campbell Soup Company, 2007 to 2011
- Director of Industrial Engineering and Plant Manager, Mars Inc., 1996 to 2007
- BS in Industrial Engineering, University of Wisconsin-Platteville MBA, University of North Texas

U.S. Silica Operations Overview

U.S. Silica Overview

- 15 facilities and over 100 years of history
- Flagship Ottawa site home of ‘Ottawa White’
- 307 million tons of high quality reserves
- 7.2 million tons sold in 2012
- 785 employees

Product line

- 250 products for 1800 customers
- Minerals include silica, aplite and kaolin (clay)
- Advanced processing:
  - Grinding (5-250 micron)
  - Purification (99.5%)
  - Resin coating
  - Calcining

Operations Footprint

Operational Excellence

Lean operations:
- **5S**
- **Daily direction setting**

Continuous Improvement
- Six Sigma
- Group problem solving
- 5 Whys

Total Productive Maintenance
- Planned maintenance
- Critical preventative maintenance
- Stockroom management

Rigorous Standards
- Centerlining
- Quick changeover
- Standard operating procedures

Using *operational excellence* to improve:
- Safety
- Engagement
- Plant bottleneck efficiency
- Energy efficiency

Experienced Miners Backed by Centralized Resources

Name	Position	Tenure
Operations	VP of Operations	2
	Director of Engineering	30
	Director of Operations	16
	Director of Purchasing	1
	Director of Ops Excellence	1
	Director of Mine Planning	1
Average		**9**
Plant Managers	Ottawa	8
	Pacific	8
	Mill Creek	12
	Rockwood	1
	Sparta	27
	Rochelle	2
	Berkeley Springs	1
	Columbia	14
	Dubberly	12
	Jackson	8
	Kosse	31
	Mapleton	17
	Mauricetown	10
	Montpelier	14
Average		**12**

Focus on Sustainability

People

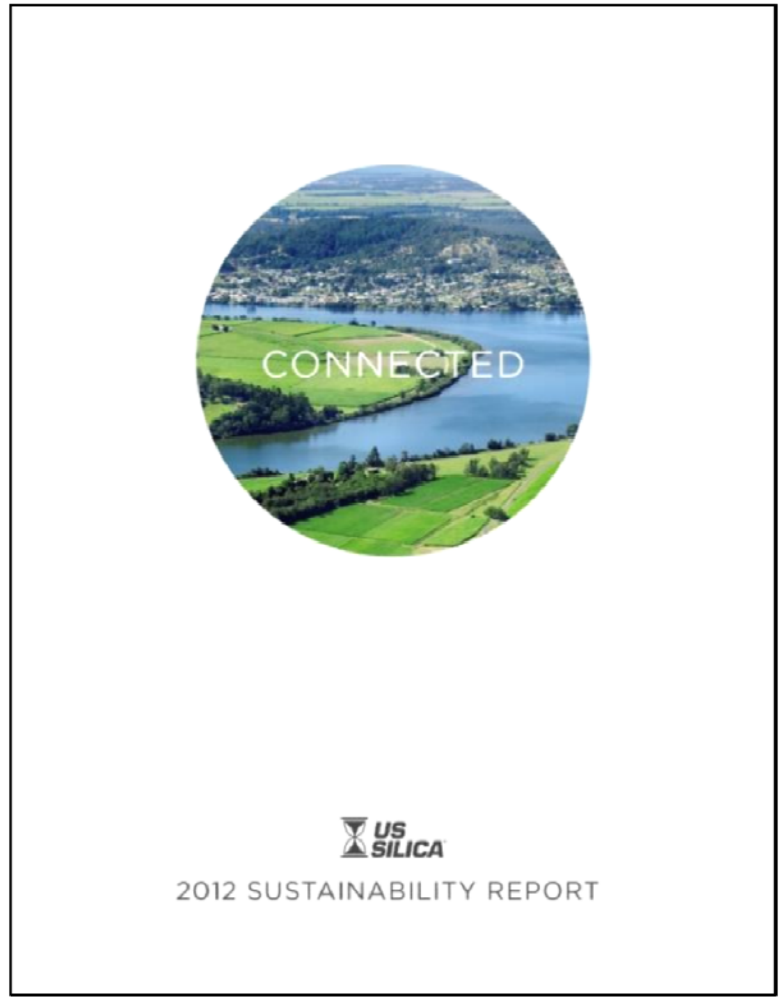
- Reduced our lost time incident rate by 55%
- Donated $309K+ to local charities and communities
- Expanded the Community Outreach Programs and enhanced the program's structure to engage 80+ stakeholders

Planet

- GHG emissions were reduced by 4%
- Founding member of WISA (Wisconsin Industrial Sand Association)
- Increased rail and barge shipments for a decreased carbon footprint

Prosperity

- Sales growth of 50%
- Commissioned 2 production facilities



Mining & Processing

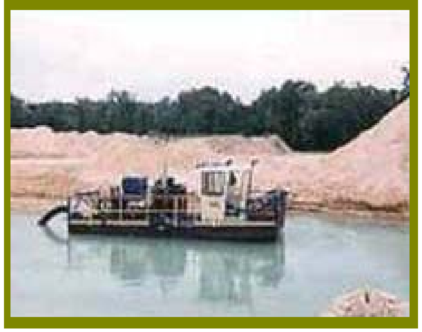
Industrial silica can be mined through relatively simple surface methods, but requires sophisticated processing before shipment to customers

Mining Methods

Open-Pit

Hydraulic

Dredge



Hard Rock

Processing Steps

1. Washing
   - Washing tanks cleanse the silica to remove clay and other fine materials
2. Hydro-sizing
   - Water-based equipment separates silica by grain size
3. Drying
   - Fluid bed dryer removes moisture
4. Sizing
   - Separation into different size grades as necessary
   - Uses mineral separators or screeners
5. Grinding
   - Highest-value fine products are mechanically ground to further decrease particle size
6. Sequencing and Blending
   - Complex staging by customer, destination, and product type before railcars are loaded
7. Shipping
   - Trucks, railcars, or barges take bulk shipments directly from storage silos
   - Packaged product ships in 50lb – 2 ton bags

US SILICA

Don Weinheimer

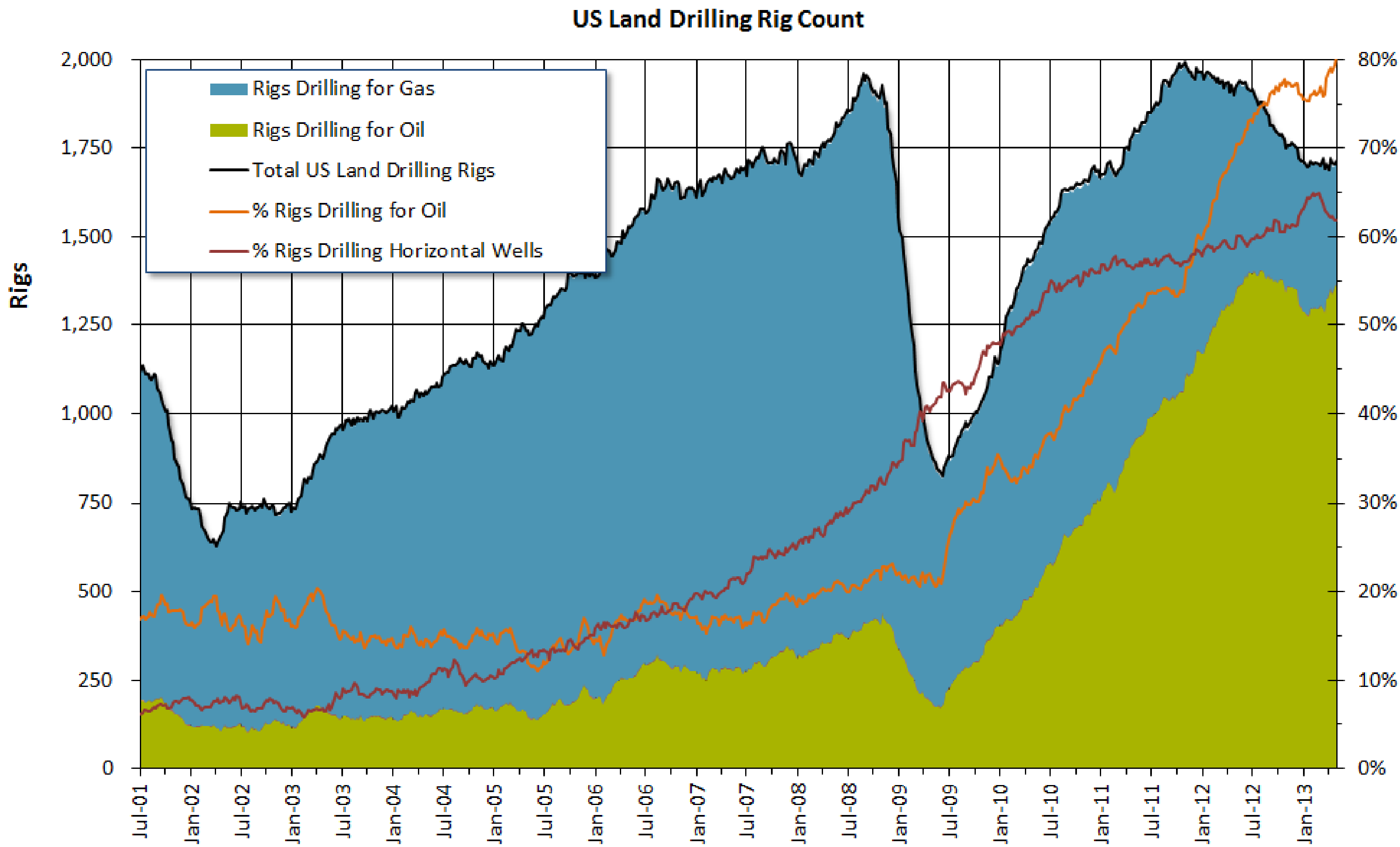
Vice President & General Manager, Oil & Gas

Don Weinheimer – VP and GM, Oil & Gas

- Vice President and General Manager, Oil & Gas – U.S. Silica
- Senior Vice President, Strategy, Markets and Technology, Key Energy Services, 2006 - 2012
- Vice President of Technology Globalization, Halliburton Energy Services Group (25 years at HAL)
- BS in Agricultural Engineering, Texas A&M University

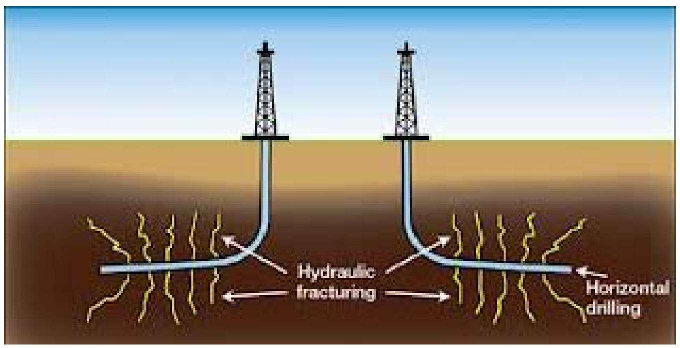
Oil & Horizontal Drilling

Source: Baker Hughes



Drivers of Proppant Demand

Horizontal Rig Count ✖ Wells per Rig ✖ Lateral Length ✖ Stages per Lateral ✖ Proppant per Stage = Proppant Demand

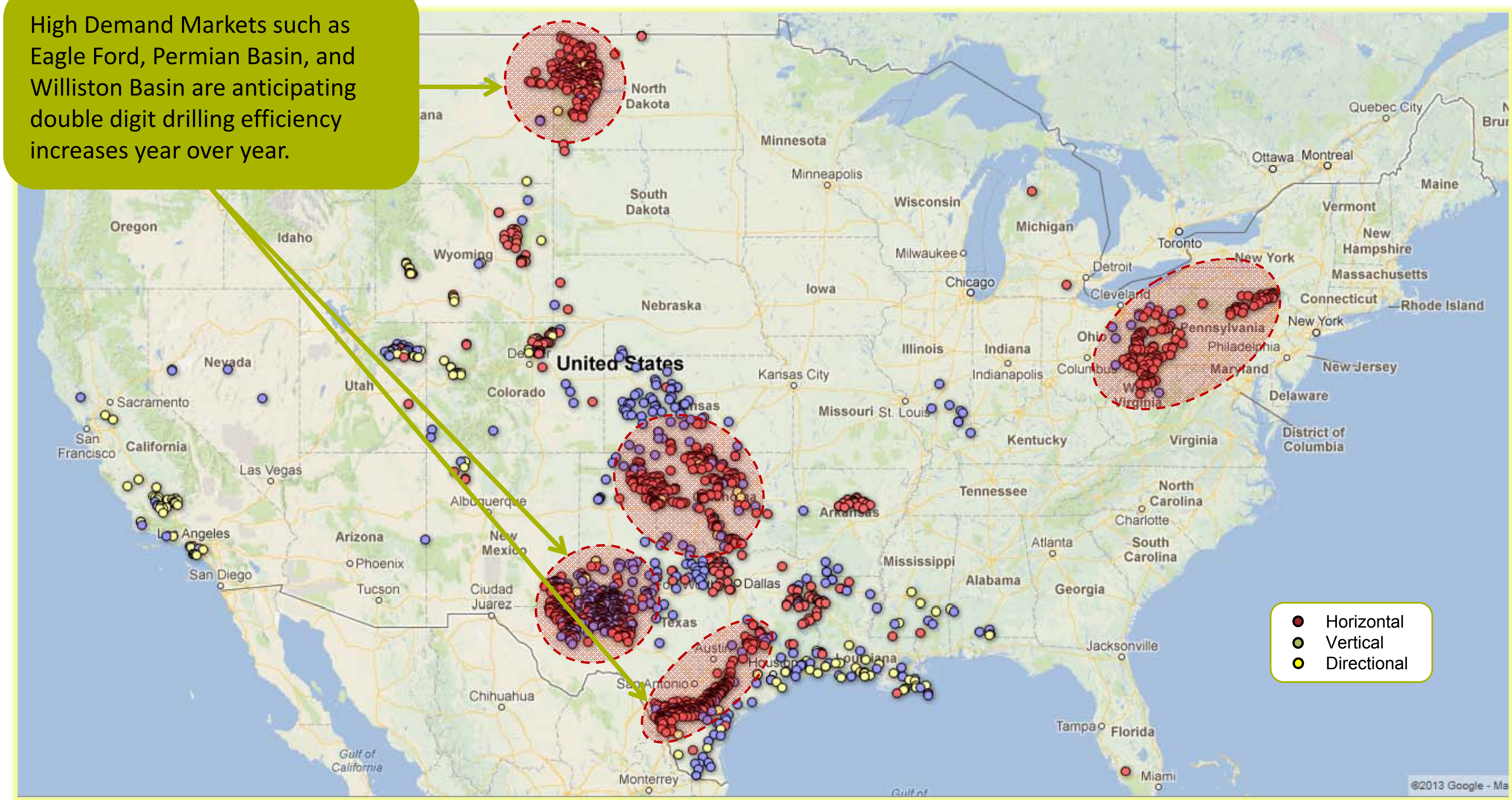


Growth Drivers

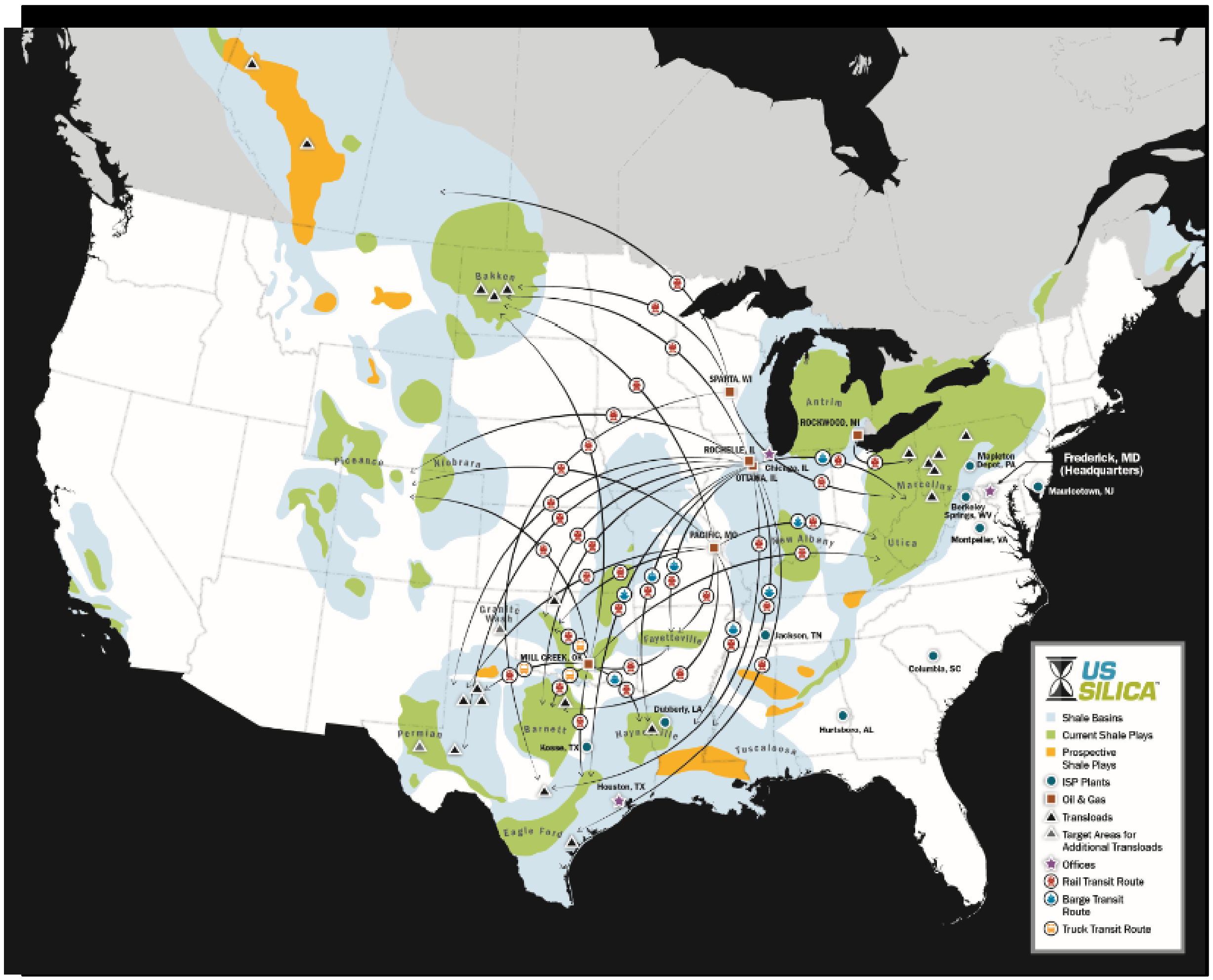
- Proppant growth has outpaced rig count growth due to higher service intensity and increase horizontal drilling
- Pressure pumpers are increasing fracing efficiencies and completing jobs faster
- Wells per rig increased as operators found new drilling efficiencies
- Stage concentration within the laterals has increased as downhole technology advances
- Proppant per stage has increased as operators experiment with and evolve new completion designs

High Demand Markets

High Demand Markets such as Eagle Ford, Permian Basin, and Williston Basin are anticipating double digit drilling efficiency increases year over year.

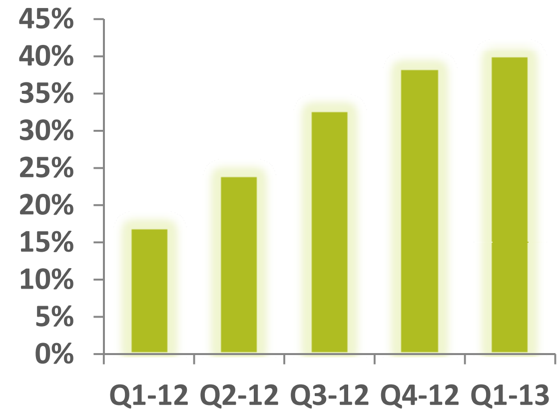


Going to the Customer



Right Product, Right Place, Right Time

Percent Transload Sales



Network Footprint

- Railroad access on BNSF, Union Pacific, CN, CP and CSX
- Barge access
- 22 in-basin transloads, many of which can be turned ‘on’ or ‘off’ to meet demand
- Anticipate 25 to 30 transloads by the end of 2013

Sparta and Rochelle Milestones

Rochelle Plant

Resin-Coated Proppant (RCS)

- **Phase I Capacity: 200k tons**
- Pre-cured product developed and tested
- Client testing / evaluation underway
- Building inventory at plant and staging inventory at various transloads
- Curable product under development

Sparta Plant

Greenfield Mine

- **Phase I Capacity: 850k tons**
  Phase II Capacity: 850k tons
- Shipping and selling into Canada
- Distributing product throughout transload network
- Establishing direct plant purchase customer base
- Preparing for first unit train distribution

Jason Tedrow

Vice President of Supply Chain

Jason Tedrow
VP of Supply Chain

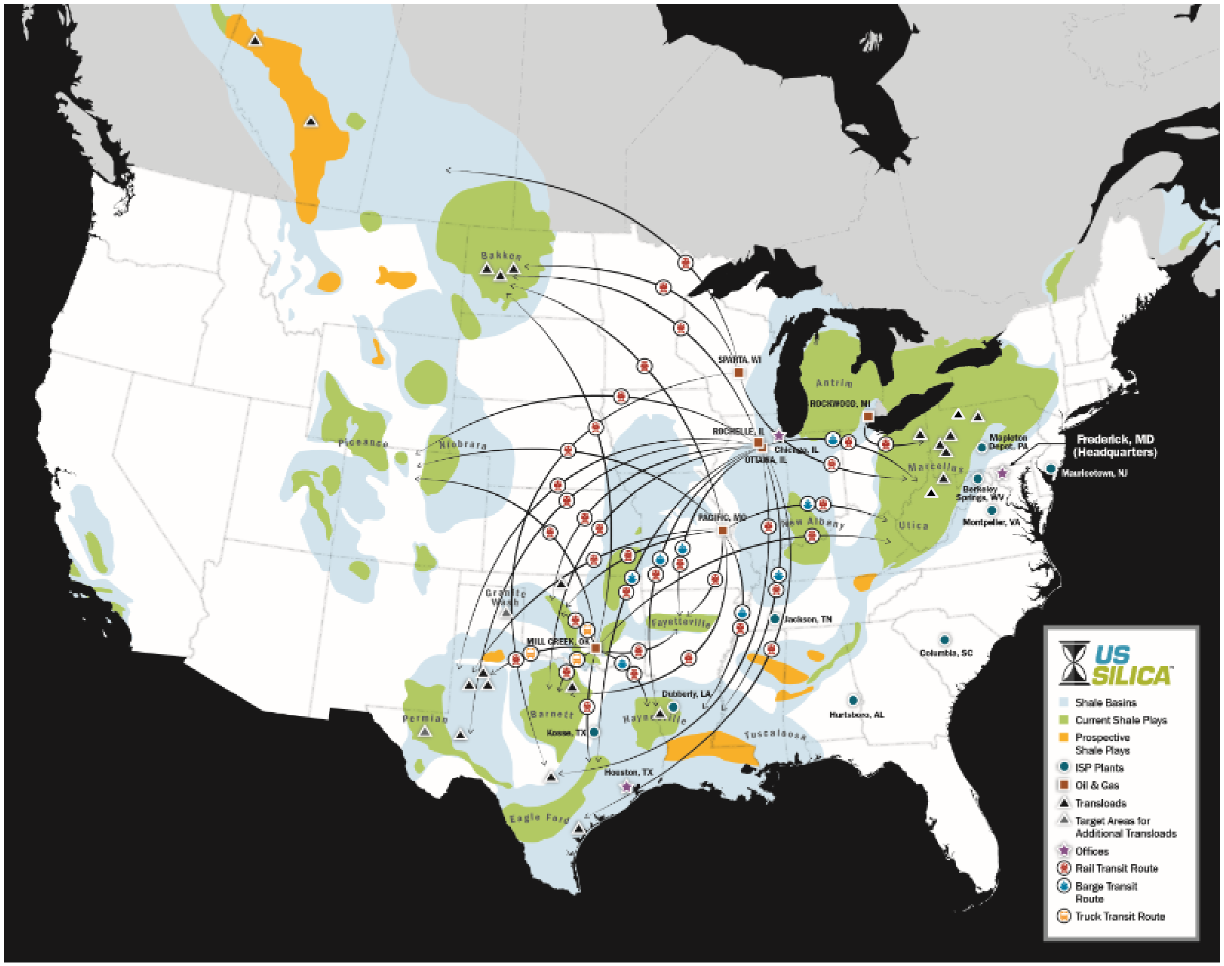
- Vice President of Supply Chain - U.S. Silica
- Director of Distribution, Logistics Manager, Distribution Operations Manager, Lafarge Cement 2006 - 2011
- Engineering and supply chain management, ConAgra Foods and Amway Corporation
- BS in industrial Engineering, Western Michigan University, MBA, University of Chicago Booth School of Business

Supply Chain

Supply, Service and Solutions

Planning	• Sales and Operations Planning, balancing supply and demand
Transportation & Logistics	• Truck, barge and rail shipments, rail fleet management
Customer Service	• Ownership of order to cash process; Customer account management
Transload Operations	• Downstream transload operations, Operator relationship management

Differentiated Footprint and Logistics Capability



Right Product, Right Place, Right Time

Transportation Assets

- Railroad access on BNSF, Union Pacific, CN, CP and CSX
- Barge access
- 22 in-basin transloads, many of which can be turned ‘on’ or ‘off’ to meet demand
- Anticipate 25 to 30 transloads in 2013

U.S. Silica Advantages

- Scale
- Reliability
- Flexibility
- Cost effectiveness

Transload Facility Options

Silo

Flat Storage

Rail to Truck

U.S. Silica's Highly Efficient Logistic Solutions

Plant → Unit Train → Transload → Well Head

What is a unit train?

- Consists of 70-100 cars (8k -11k tons) that are shipped direct from origin to destination
- Streamlines shipping process by sending railcars in an express loop and reducing railcar cycle time by 75%
- Reduces cost and ensures higher quality control

Challenges of running unit trains

- Only works for high volume plants that can fill all cars in a short time and without incurring demurrage
- Must have a destination capable of quickly unloading and storing large volumes, such as our San Antonio transload

What is a transload?

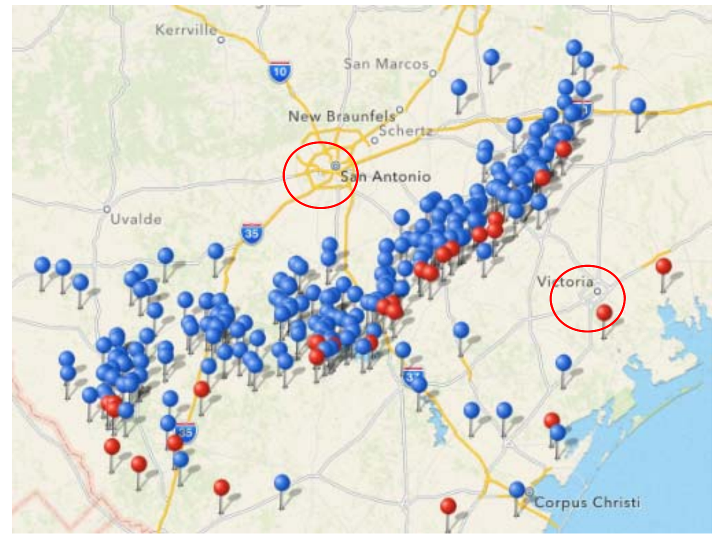
- Rail terminal located in the basin
- Proppant is unloaded from railcars and stored for trucking to the wellhead
- Includes storage silos, equipment for loading/unloading and local staff

Our design offers key advantages

- Dedicated storage allows us to control quality further into the supply chain
- Vertical silos, gravity fed loadout and automated billing drive a 6-8 minute turnaround time for trucks
- Track length allows unit train deliveries
- Large storage capacity enables high margin 'spot sales'

San Antonio
Unit Train Transload Facility

- **15,000 ton Unit Train Facility in Eagle Ford Basin ($8-10M)**
- **Built in partnership with the BNSF Railroad**



Transload Strategy

- Goal: Increase network throughout 2013
  - Become the logistics and Supply Chain arm of customers
  - Have product available where and when needed
- Design parameters
  - Not all transloads are created equal
  - Multiple models to add new transload capacity
  - Flexible network mitigates risks as basins shift
- Tough to replicate. A successful transload strategy dependent on
  - Diverse railroad network
  - Multiple mine locations
  - Scale and size to support in basin inventory
  - Volume that is attractive to transload operators

US SILICA™

Appendix A

US SILICA

Adjusted EBITDA Q1

The following table sets forth a reconciliation of net income, the most directly comparable GAAP financial measure, to Adjusted EBITDA.

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Net income	$ 17,277	$ 19,113
Total interest expense, net of interest income	3,552	3,763
Provision for taxes	6,486	7,032
Total depreciation, depletion and amortization expenses	8,278	5,978
EBITDA	35,593	35,886
Non-recurring expense (income) (1)	—	(439)
Transaction expenses (2)	—	156
Non-cash incentive compensation (3)	678	654
Post-employment expenses (excluding service costs) (4)	586	605
Other adjustments allowable under our existing credit agreements (5)	1,930	125
Adjusted EBITDA	$ 38,787	$ 36,987

(1) Includes the gain on sale of assets for the three months ended March 31, 2013, and 2012, respectively.

(2) Includes fees and expenses related to the January 27, 2012 amendment of our Term Loan and Revolver.

(3) Includes vesting of incentive equity compensation issued to our employees.

(4) Includes net pension cost and net post-retirement cost relating to pension and other post-retirement benefit obligations during the applicable period, but in each case excluding the service cost relating to benefits earned during such period. See Note Q to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(5) Reflects miscellaneous adjustments permitted under our existing credit agreements, including such items as expenses related to a secondary stock offering by Golden Gate Capital and reviewing growth initiatives and potential acquisitions.