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Mammoth Energy Announces Third Validation of Work Performed in Puerto Rico

OKLAHOMA CITY, Dec. 08, 2020 (GLOBE NEWSWIRE) -- Mammoth Energy Services, Inc. ("Mammoth" or the "Company") (NASDAQ:TUSK) today announced that it has received and posted to its website additional information related to its work in Puerto Rico obtained from the Federal Emergency Management Agency ("FEMA") through a Freedom of Information Act request ("FOIA"). The presentations, reports and additional data add further validation that the work performed by Cobra Acquisitions LLC ("Cobra") for the Puerto Rico Electric Power Authority ("PREPA") significantly aided the restoration of power to millions of residents of Puerto Rico under very harsh conditions.

Third Validation of Work Performed in Puerto Rico

With the release of additional information through FOIA, we feel that this is the third validation of the high-quality work Cobra performed in Puerto Rico, these three validations include the following:

- Determination Memorandum ("DM") from FEMA, dated December 23, 2017, stating that PREPA awarded the Cobra contract in compliance with the emergency procurement provisions and determined the costs under this contract to be reasonable.
- Report produced by the Rand Corporation, an independent third party, stating that the Cobra contract was procured in a reasonable procurement process and the blended rates charged fall within estimated ranges for all scenarios considered for the emergency work performed. The RAND report was commissioned by the Homeland Security Operational and Analysis Center ("HSOAC") as a result of the Office of the Inspector General ("OIG") verbally questioning FEMA's DM stating that the Cobra contract was obtained in a reasonable manner and the costs were reasonable.
- 781 pages obtained under a FOIA request which, among other things, highlights that Cobra was responsive to PREPA and the people of Puerto Rico (mobilizing faster than the U.S. Army Corps of Engineers ("USACE") or power industry), assigned some of the most difficult work and was the only company to work in all phases of recovery.

Federal Emergency Management Agency Data

Following multiple requests under the Freedom of Information Act, Mammoth recently received an additional 781 pages of information from FEMA relating to the restoration of the electric grid in Puerto Rico following Hurricane Maria. The information received includes FEMA presentations, daily status reports, restoration reports and meeting schedules with meeting notes. The entire 781 pages have been placed on the Mammoth Energy website along with the letter from FEMA and the Rand Report and are now available for review by all interested parties at <http://ir.mammothenergy.com/events-presentations>

Key findings

After evaluating the data, we believe it is clear that the Cobra team played a significant role in restoring power to millions of people in Puerto Rico. Specific data points include the following:

- The Cobra team lived on barges and was assigned the hardest-hit part of the island (Responsive Records #2 page 86).
- As of 8/31/2018, the Cobra team was assigned approximately 41% of all transmission restoration projects and as of that date had completed more than 95% of all of these assigned transmission projects (Responsive Records #2 page 70).
- Cobra was the only contractor on the island that was assigned work in all phases of restoration (Responsive Records #1 page 29).
- Cobra dispatched significant resources faster than the U.S. Army Corps of Engineers and the U.S. power industry and stayed longer than all other contractors. In total, Cobra teams represented approximately 19% of the total electrical restoration workforce (28% of contractors) during the bulk of the recovery period (November 2017 to June 2018) (Responsive Records #1 page 24).
- As of October 2018, FEMA estimated that the restoration work in Puerto Rico would cost approximately \$5.4 billion. Of this amount Cobra was expected to receive up to approximately 30% of the total, despite doing approximately 41% of the very challenging transmission work which required specialized equipment (helicopters, etc.) (Responsive Records #1 page 25).

“The information we received in response to our FOIA requests underscores the work our Cobra team performed in difficult conditions to restore power to the island. I remain deeply appreciative of the sacrifices the men and women with Cobra made to complete their task. When coupled with the Rand Report (a copy of which we filed with the Securities and Exchange Commission on June 9, 2020), this information further validates that Cobra carried out its mission and fulfilled its contractual requirements at reasonable rates. We are continuing to pursue the approximately \$293 million contractually owed to Mammoth,” commented Arty Straehla, chief executive officer, Mammoth Energy Services.

About Mammoth Energy Services, Inc.

Mammoth is an integrated, growth-oriented energy service company serving companies engaged in the exploration and development of North American onshore unconventional oil and natural gas reserves and private utilities, public investor-owned utilities and co-operative utilities through its energy infrastructure services. Mammoth’s suite of services and products include: pressure pumping services, infrastructure services, natural sand and proppant services, drilling services and other energy services.

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