

March 29, 2022



# Mammoth CFO Testifies At 34th Public Meeting Of Financial Oversight and Management Board

OKLAHOMA CITY, March 29, 2022 /PRNewswire/ -- Mammoth Energy Services, Inc. (NASDAQ: TUSK) ("Mammoth" or the "Company") announced that its Chief Financial officer, Mark Layton, spoke at the 34<sup>th</sup> Public Board Meeting of the Financial Oversight and Management Board for Puerto Rico ("FOMB"), which took place Friday in San Juan.

Layton stressed the importance of the Puerto Rico Electric Power Authority ("PREPA") re-paying its financial obligations to Mammoth for work conducted by its wholly owned subsidiary, Cobra Acquisitions LLC ("Cobra"), rebuilding Puerto Rico's power grid in the aftermath of Hurricane Maria in 2017.

Following Layton's remarks, Justin Peterson, a member of the FOMB, added, "These guys (Cobra) swung into action after Hurricane Maria and helped to rebuild the grid, to restore emergency power and they have been treated terribly and I think this is a horrible reflection on Puerto Rico, unfortunately – PREPA's conduct ... I think this reflects really poorly, and I don't know if anybody from PREPA is here, but I hope they're paying attention."

Below is a transcript of Layton and Peterson's remarks, and a link to the entire video exchange is available here: <https://youtu.be/WFPI31bg5Y8>

MARK LAYTON, MAMMOTH CFO: *I'm the Chief Financial officer for Mammoth Energy Services and its wholly-owned subsidiary, Cobra Acquisitions. To Justin's point, we've not been paid since May of 2019 for the work that we performed restoring power. A month ago, our representative Mr. Heimberg addressed the Oversight Board in regards to some purported directions from FEMA not to pay our invoices. Just to update the Board on that: since that time, we've not received any update from staff or anyone else in regards to support from that assertion, but most importantly, we've not seen any direction from FEMA, inside of any of PREPA's court filings, any determination memorandums from FEMA or any official document. So we believe there is an excess of \$10 million dollars that is available today for PREPA to be able to make disbursements on invoices that we've submitted and that have been fully reviewed. We continue to cooperate with that process and push it forward. As you've seen recently with the Whitefish settlement, it appears that the ratepayers will bear a significant proportion of these settlements. Time is of the essence as it continues to accrue interest at a rate in excess more than \$3.3 million dollars per month. So we would appreciate the Committee's continued oversight. We have a significant claim. We think that impacts the viability of any plan of adjustment for PREPA and would appreciate the Oversight Board's attention to that matter.*

JUSTIN PETERSON, FOMB MEMBER: *Thanks Mark. Just to review, as you said, we covered this last month, but PREPA owes these guys \$340 million dollars as of the end of*

*February, including interest, and that interest is accruing, compounding daily, as they refuse to pay. PREPA has ignored Mammoth, doesn't meet with them and right now is dragging its feet after the Court has ordered PREPA to work with FEMA on a review process – PREPA is dragging its feet on that -- and so this is important. These guys swung into action after Hurricane Maria helped to rebuild the grid, to restore emergency power and they have been treated terribly and I think this is a horrible reflection on Puerto Rico, unfortunately – PREPA's conduct. As somebody who wants Puerto Rico to grow and wants coming out of bankruptcy to mean something and for it to attract more investment and attract more companies to be here, this is not the kind of story that helps with that so I've been talking with our staff and I want to publicly thank Alejandro for his attention to this and looking into it, and I'm told there could be some progress soon, we'll see. But in the meantime, anything I can do to be of assistance I want to do it because a). you did the work, you guys deserve to be paid, and b). I think this reflects really poorly, and I don't know if anybody from PREPA is here, but I hope they're paying attention.*

QUESTION: (inaudible)

Peterson: *There was a former executive that has been dealt with, after that was surfaced PREPA continued to run the meter and order up hundreds of millions of service. So, if they thought there was an issue they should have picked another vendor but they didn't. So they're still responsible.*

Layton: *And I think additionally, you can see in Judge Swain's commentary regarding PREPA's assertions relative to that matter that those legal arguments are "strained". And that's a direct quote from Judge Swain. We continue to cooperate, to Justin's point, on inquiries from FEMA to PREPA. I believe as of Tuesday there were 49 RFIs that FEMA had sent to PREPA. PREPA had responded to 30 of those 49. But that meter continues to run, so time is of the essence, and there are undisputed amounts that are owed that should be paid in order to stop the interest.*

For more information related to the Puerto Rico situation, please go to the attached link:  
<https://puertorico.mammothenergy.com/>

### **Mammoth Energy Services, Inc.**

Mammoth is an integrated, growth-oriented energy services company focused on the construction and repair of the electric grid for private utilities, public investor-owned utilities and co-operative utilities through its infrastructure services businesses. The Company also provides products and services to enable the exploration and development of North American onshore unconventional oil and natural gas reserves. Mammoth's suite of services and products include: infrastructure services, well completion services, natural sand and proppant services, drilling services and other energy services. For more information, please visit [www.mammothenergy.com](http://www.mammothenergy.com).

#### **Contact:**

Mark Layton, Chief Financial Officer  
[mlayton@mammothenergy.com](mailto:mlayton@mammothenergy.com)  
(405) 608-6007

#### **Investors:**

Rick Black  
[rblack@dennardlascar.com](mailto:rblack@dennardlascar.com)  
(832) 435-0026

### **Forward-Looking Statements and Cautionary Statements**

*This news release (and any oral statements made regarding the subjects of this release, including on the conference call announced herein) contains certain statements and information that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts that address activities, events or developments that Mammoth expects, believes or anticipates will or may occur in the future are forward-looking statements. The words "anticipate," "believe," "ensure," "expect," "if," "intend," "plan," "estimate," "project," "forecasts," "predict," "outlook," "aim," "will," "could," "should," "potential," "would," "may," "probable," "likely" and similar expressions, and the negative thereof, are intended to identify forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include statements, estimates and projections regarding the Company's business outlook and plans, future financial position, liquidity and capital resources, operations, performance, acquisitions, returns, capital expenditure budgets, costs and other guidance regarding future developments. Forward-looking statements are not assurances of future performance. These forward-looking statements are based on management's current expectations and beliefs, forecasts for the Company's existing operations, experience and perception of historical trends, current conditions, anticipated future developments and their effect on Mammoth, and other factors believed to be appropriate. Although management believes that the expectations and assumptions reflected in these forward-looking statements are reasonable as and when made, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all). Moreover, the Company's forward-looking statements are subject to significant risks and uncertainties, including those described in its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings it makes with the SEC, including those relating to the Company's acquisitions and contracts, many of which are beyond the Company's control, which may cause actual results to differ materially from historical experience and present expectations or projections which are implied or expressed by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: the severity and duration of the COVID-19 pandemic, related global and national health concerns and economic repercussions and the resulting negative impact on demand for our services; the volatility of oil and natural gas prices and actions by OPEC members and other exporting nations affecting commodities prices and production levels; the impact of the current Russian/Ukrainian military conflict on the global energy and capital markets and global stability; operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees, remote work arrangements, performance of contracts and supply chain disruptions; the outcome of ongoing government investigations and other legal proceedings, including those relating to the contracts awarded to the Company's subsidiary Cobra Acquisitions LLC ("Cobra") by the Puerto Rico Electric Power Authority ("PREPA"); the failure to receive or delays in receiving governmental authorizations, approvals and/or payments, including payments with respect to the PREPA account receivable for prior*

*services to PREPA performed by Cobra; the Company's inability to replace the prior levels of work in its business segments, including its infrastructure and well completion services segments; risks relating to economic conditions; whether a federal infrastructure bill is implemented and the terms thereof; the loss of or interruption in operations of one or more of Mammoth's significant suppliers or customers; the loss of management and/or crews; the outcome or settlement of our litigation matters, including the adverse impact of the recent settlements with Gulfport Energy Corporation and MasTec Renewables Puerto Rico, LLC, and the effect on our financial condition and results of operations; the effects of government regulation, permitting and other legal requirements; operating risks; the adequacy of capital resources and liquidity; Mammoth's ability to continue to comply with, or if applicable, obtain a waiver of forecasted or actual noncompliance with certain financial covenants and comply with other terms and conditions under our recently amended revolving credit facility; weather; natural disasters; litigation; volatility in commodity markets; competition in the oil and natural gas and infrastructure industries; and costs and availability of resources.*

*Investors are cautioned not to place undue reliance on any forward-looking statement which speaks only as of the date on which such statement is made. We undertake no obligation to correct, revise or update any forward-looking statement after the date such statement is made, whether as a result of new information, future events or otherwise, except as required by applicable law.*

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