

October 4, 2021



Select Energy Services Closes Acquisition Of Agua Libre Midstream And Other Water Related Assets From Basic Energy Services

HOUSTON, Oct. 4, 2021 /PRNewswire/ -- Select Energy Services, Inc. (NYSE: WTTR) ("Select" or "the Company"), a leading provider of sustainable water and chemical solutions to the U.S. unconventional oil and gas industry, today announced that, effective October 1, 2021, it has successfully closed on the acquisition of substantially all of the assets of Agua Libre Midstream, LLC ("Agua Libre") and certain water-related assets and operations of Basic Energy Services, L.P. ("Basic") and assumed liabilities in connection therewith, in each case pursuant to the terms of the stalking horse asset purchase agreement previously entered into with Basic and Agua Libre and following approval by the U.S. Bankruptcy Court for the Southern District of Texas on September 23, 2021 pursuant to Section 363 of the U.S. Bankruptcy Code. As consideration for the acquisition, Select has issued 902,593 shares of Class A common stock and paid \$14.5 million in cash to Basic to close the transaction, subject to standard post-closing adjustments.

Based in Fort Worth, TX, Agua Libre is a leading provider of water midstream, logistics and production services to the oil and gas industry, including operations in Texas, New Mexico, Oklahoma and North Dakota.

John Schmitz, Chairman, President and CEO, stated, "We are very excited to execute on another accretive consolidation opportunity for Select. This acquisition significantly expands our produced water infrastructure footprint and further increases the Company's revenue weighting towards production-related services and solutions. This acquisition is a continuation of our strategic effort to improve and bolster our base business, advance our technology and diversification efforts, and execute on strategic consolidation opportunities.

"With this transaction, we will be adding more than 550,000 barrels per day of permitted daily disposal capacity in in Texas, New Mexico, Oklahoma and North Dakota, with approximately 50% of this capacity in the Permian Basin. When combined with our existing assets, this brings our company-wide permitted daily disposal capacity to approximately 2 million barrels per day.

"The Agua Libre assets add to Select's sizable existing water services and water infrastructure portfolio and expand the breadth of our water disposal service offerings into new geographic areas, including New Mexico and North Dakota. Supported by a number of of long-term contracts, approximately half of Agua Libre's daily produced water volumes are sourced via fixed gathering pipelines. This sizable contracted infrastructure footprint provides us with access to a significant amount of long-lived produced water volumes in attractive areas for development. These volumes in turn open the door for numerous new

infrastructure development opportunities, including recycling infrastructure to reuse and repurpose this waste stream for alternative beneficial uses.

"As we all know, water is vital to the health, economic, and social well-being of the communities we all live in and work in and our goal is to develop sustainable water solutions with a shared commitment to conservation. In fact, we believe that sustainable water and chemical solutions are critical to the ongoing energy transition and Select will play an important role in the advancement of solutions that are designed to meet the sustainability goals of, not only our customers, but all stakeholders. We believe the Agua Libre asset base provides a significant opportunity to continue to develop and advance these objectives," concluded Schmitz.

About Select Energy Services, Inc.

Select Energy Services, Inc. and its consolidated subsidiaries (collectively referred to as "Select" or the "Company") is a leading provider of sustainable water and chemical solutions to the oil and gas industry. Select develops, manufactures and delivers a full suite of chemical products for use in oil and gas well completion and production operations as well as integration into the full water life-cycle. These solutions are supported by the Company's critical water infrastructure assets and water treatment and recycling capabilities. As a leader in sustainable water and chemical solutions, Select places the utmost importance on safe, environmentally responsible management of oilfield water throughout the lifecycle of a well. Additionally, Select believes that responsibly managing water resources throughout its operations to help conserve and protect the environment is paramount to the continued success of the Company. For more information, please visit Select's website, <http://www.selectenergy.com>.

Cautionary Statement Regarding Forward-Looking Statements

All statements in this communication other than statements of historical facts are forward-looking statements which contain our current expectations about our future results. We have attempted to identify any forward-looking statements by using words such as "could," "believe," "anticipate," "expect," "project," "will," "estimate" and other similar expressions. Although we believe that the expectations reflected, and the assumptions or bases underlying our forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Such statements are not guarantees of future performance or events and are subject to known and unknown risks and uncertainties that could cause our actual results, events or financial positions to differ materially from those included within or implied by such forward-looking statements. Factors that could materially impact such forward-looking statements include, but are not limited to: the severity and duration of world health events, including the COVID-19 pandemic and its variants, related economic repercussions and the resulting severe disruption in the oil and gas industry and negative impact on demand for oil and gas, which is negatively impacting our business; actions by the members of OPEC+ with respect to oil production levels and announcements of potential changes in such levels, including the ability of the OPEC+ countries to agree on and comply with supply limitations; operational challenges relating to the COVID-19 pandemic and its variants 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 level of capital spending and access to capital markets by oil and gas companies, trends and volatility in oil

and gas prices, and our ability to manage through such volatility; and other factors discussed or referenced in the "Risk Factors" section of our most recent Annual Report on Form 10-K, our subsequently filed Quarterly Reports on Form 10-Q and those set forth from time to time in our other filings with the SEC. Investors should not place undue reliance on our forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, unless required by law.

WTTR-PR

Contacts: <u>Select Energy Services</u> Chris George - VP, Investor Relations & Treasurer (713) 296-1073 IR@selectenergyservices.com <u>Dennard Lascar Investor Relations</u> Ken Dennard / Lisa Elliott 713-529-6600 WTTR@dennardlascar.com
--

View original content:<https://www.prnewswire.com/news-releases/select-energy-services-closes-acquisition-of-agua-libre-midstream-and-other-water-related-assets-from-basic-energy-services-301391474.html>

SOURCE Select Energy Services, Inc.