

March 14, 2022



# Mammoth Energy Statement On Puerto Rico Bankruptcy Developments

OKLAHOMA CITY, March 14, 2022 /PRNewswire/ -- Mammoth Energy Services, Inc. (NASDAQ: TUSK) ("Mammoth" or the "Company") today issued the following statement in response to Puerto Rico's governor Gov. Pedro Pierluisi's attempt to terminate the \$8.3 billion dollar bankruptcy agreement that would have allowed the Puerto Rico Electric Power Authority ("PREPA") to emerge from bankruptcy and pay its creditors:

"This is yet another example of Puerto Rico and PREPA continuing their resistance to pay their bills. I commend Judge Laura Taylor Swain for directing the Puerto Rico Fiscal Management and Oversight Board ("FOMB") to advance a new deal for PREPA immediately. While PREPA has begun addressing amounts owed to post-bankruptcy creditors, Mammoth's subsidiary Cobra Acquisitions LLC ("Cobra") is still owed more than \$340 million dollars for work completed nearly three years ago. PREPA is running out of excuses, and it is well past time for them to make their creditors whole," said Arty Straehla, Chief Executive Officer of Mammoth.

During a recent meeting of the FOMB in Puerto Rico, board member Justin Peterson made the following comments on the need to hold PREPA accountable:

<https://www.youtube.com/watch?v=0p3iRwyOfs8>

*JUSTIN PETERSON: "As some of you know, who follow me on Twitter, I have called attention to this matter because I think it is important that PREPA be held accountable. Just so everybody understands that I had the opportunity to have lunch with Arty Straehla, who is the CEO of Mammoth in DC one day he came to see me. So, after the hurricane when Puerto Rico needed help, they called these guys, and they you know on a moment's notice deployed people to help bring emergency restoration to the grid and they were paid some and but not all and PREPA continued to run the meter and ask a lot of this company who swung into action and did what it was contracted to do, and they haven't been paid. And so I agree with everything our chairman said that you know we want to work with FEMA and work with the process and make sure that everything that deserves to be paid is paid but I just I just want to underscore for everybody what these guys did and I also want to underscore that something that you said which is that when Members of Congress have asked FEMA are you telling PREPA not to pay these guys and FEMA'S denied it and so again you know maybe more fake news that we have to deal with that we have to look into but thank you for your comments."*

Following Hurricane Maria (September 2017) in Puerto Rico and its complete destruction of the island's power grid, Mammoth, through Cobra, was awarded an initial \$200 million restoration contract in 2017. Through five separate amendments to the original contract, the aggregate contract amount was eventually increased to \$945 million. PREPA awarded a second contract of up to \$900 million to Cobra in response to a Request for Proposals ("RFP") process.

As of February 28, 2022, Mammoth, through Cobra, is owed \$344 million including \$117 million in interest charges, as specified in the contract, on remaining invoices for work Cobra completed nearly three years ago.

### **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).

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### **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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