

July 22, 2024



COBRA ACQUISITIONS LLC ANNOUNCES SETTLEMENT AGREEMENT WITH PREPA

Total Settlement Proceeds Expected to be Approximately \$188 Million

OKLAHOMA CITY, July 22, 2024 /PRNewswire/ -- Cobra Acquisitions LLC ("Cobra"), a wholly owned subsidiary of Mammoth Energy Services, Inc., ("Mammoth" or the "Company") (NASDAQ: TUSK) today announced that it has entered into a release and settlement agreement with the Puerto Rico Electric Power Authority ("PREPA") and the Financial Oversight and Management Board for Puerto Rico, in its capacity as Title III representative for PREPA ("FOMB"), to settle all outstanding matters between Cobra and PREPA (the "Settlement Agreement").

Arty Straehla, Chief Executive Officer, commented, "We are pleased to have reached this resolution with PREPA and look forward to receiving the money for work we concluded over five years ago. We plan to use a portion of the \$188.4 million in settlement proceeds to pay off our term credit facility, which had a balance of approximately \$49.3 million as of June 30, 2024. The remaining amount of approximately \$139.1 million will be cash on our balance sheet to be used to invest back into our business and for general corporate purposes."

Cobra and PREPA previously entered into two agreements to aid in the restoration and reconstruction of Puerto Rico's power grid in response to damage caused by Hurricane Maria in 2017. PREPA is currently subject to bankruptcy proceedings, which were filed in July 2017 and are currently pending in the United States District Court for the District of Puerto Rico (the "Title III Court"). As a result, PREPA's ability to meet its payment obligations under the above-referenced agreements is largely dependent upon funding from the Federal Emergency Management Agency ("FEMA") or other sources. Since September 30, 2019, Mammoth has been pursuing litigation in the Title III Court and other dispute resolution efforts seeking recovery of the amounts owed to Cobra by PREPA for restoration services in Puerto Rico, which proceedings are discussed in more detail in Mammoth's filings with the Securities and Exchange Commission (the "SEC"). As of June 30, 2024, Cobra had remaining receivables due from PREPA totaling approximately \$359.1 million in relation to these agreements. PREPA is currently holding approximately \$18.4 million in funds (the "Withheld FEMA Funds") received from FEMA for purported garnishments in this amount asserted by three Puerto Rican municipalities (the "Specified Municipalities") for certain municipal tax claims discussed in Mammoth's filings with the SEC and for which Cobra disputes any valid garnishment.

Under the terms of the Settlement Agreement, Cobra will have an allowed administrative expense claim against PREPA of \$170.0 million (plus the \$18.4 million in the Withheld FEMA Funds). Cobra's allowed claim will be paid through three installments: (i) \$150.0 million on the later of (A) ten business days following approval of the Settlement Agreement by the Title III Court and (B) August 31, 2024; (ii) \$20.0 million within seven days following the effective date of PREPA's plan of adjustment; and (iii) \$18.4 million in the Withheld

FEMA Funds within either (A) ten business days after the deadline for appealing the entry of the settlement order by the Title III Court under the applicable bankruptcy rules of procedure if no such appeal is filed, or (B) if the provisions of the settlement order allowing PREPA to release the Withheld FEMA Funds to Cobra without retaining any liability to the Specified Municipalities are appealed by the Specified Municipalities, within ten business days of the filing of the notice of such appeal.

The Settlement Agreement was approved by the Company's Board of Directors on July 22, 2024, and was also approved by the PREPA Board and by the FOMB. The Settlement Agreement remains subject to approval by the Title III Court, which is expected to hear the motion relating to the Settlement Agreement at either a non-omnibus hearing to be held in August of 2024 or at the next omnibus hearing to be held on September 18, 2024.

As a result of the Settlement Agreement, the Company will record a non-cash, pre-tax charge of approximately \$170.7 million in the second quarter of 2024 to reduce its accounts receivable balance from PREPA to the amount expected to be received from the Settlement Agreement.

About Mammoth Energy Services, Inc.

Mammoth is an integrated, growth-oriented energy services company focused on the providing products and services to enable the exploration and development of North American onshore unconventional oil and natural gas reserves as well as the construction and repair of the electric grid for private utilities, public investor-owned utilities and co-operative utilities through its infrastructure services businesses. Mammoth's suite of services and products include: well completion services, infrastructure services, natural sand and proppant services, drilling services and other energy services. For more information, please visit 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 news 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, plans for stock repurchases under its stock repurchase program, 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: 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 war in Ukraine and the Israel-Hamas war on the global energy and capital markets and global stability; performance of contracts and supply chain disruptions; inflationary pressures; high interest rates and their impact on the cost of capital; instability in the banking and financial services sectors; the outcome of ongoing government investigations and other legal proceedings, including those relating to the contracts awarded to the Company's subsidiary Cobra by PREPA; the failure to receive or delays in receiving the Title III Court approval relating to the Settlement Agreement to settle all outstanding matters between Cobra and PREPA and/or payments thereunder discussed in this news release; 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, including concerns over a potential economic slowdown or recession; impacts of the recent federal infrastructure bill on the infrastructure industry and our infrastructure services business; 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 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 comply with the applicable financial covenants and other terms and conditions under Mammoth's revolving credit facility and term loan; 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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