



July 13, 2020

TO OUR COMMUNITY PARTNERS

As you are aware, the frac sand industry has experienced difficult market conditions for the past year and a half. These conditions were exacerbated by the outbreak of COVID-19 and the resulting collapse of global oil and gas markets. These conditions have forced us to make the difficult decision to temporarily idle certain facilities. Over the past several months, Hi-Crush has been working diligently to identify ways to better align our operating and financing costs with market realities, enhance strategic opportunities, and solidify Hi-Crush's long-term viability.

As a result of this work, on July 12, 2020, Hi-Crush (the "Company") voluntarily filed petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code to effectuate a prearranged plan of reorganization (the "Prearranged Plan"). At the same time, the Company entered into a Restructuring Support Agreement ("RSA") with certain of our noteholders collectively owning or controlling approximately 94% of the aggregate outstanding principal amount of the Company's 9.5% senior notes due 2026 in support of the Prearranged Plan.

Through the Chapter 11 process, our Company will reduce our debt, improve our competitive position, and continue to operate and serve customers. The RSA with our noteholders simplifies the process and will assist us in moving through the Chapter 11 process quickly. The RSA is an indication of the noteholders' support for our continued operations, and their commitment to our future success.

Ultimately, decisions on the status of any of our facilities is a function of future market conditions and the pace of the recovery in oil and gas markets. Hi-Crush will make every effort to ensure our filing and restructuring will have as little disruption to the community as possible.

We believe that this represents a positive step for Hi-Crush Inc. and we look forward to working with you as we overcome the challenges of the current market and position Hi-Crush for long-term success.

If you have additional questions, do not hesitate to contact your normal Hi-Crush representative. Additionally, the Company has set up a toll-free hotline to answer questions about this transaction. The hotline can be accessed by calling (866) 554-5810. You may also refer to the website maintained by the claims agent appointed in this case at <https://www.kccllc.net/hicrush>.



Frequently Asked Questions

1. What did Hi-Crush announce?

We announced that Hi-Crush voluntarily filed petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The action is supported by a Restructuring Support Agreement (“RSA”) between Hi-Crush Inc. and a majority of our noteholders. Under the RSA, we intend to restructure our balance sheet to reduce our obligations and improve Hi-Crush’s long-term competitive position. We also announced that we do not anticipate any disruptions to business operations as a result of the Chapter 11 process.

2. Hi-Crush is NOT going out of business

We are going through the restructuring process to provide us the financial flexibility to pursue our business strategy. We will continue to operate our business in the normal course. The Company has worked diligently with certain of its creditors to develop a prearranged plan to support its ongoing operations and make the reorganization process as efficient as possible.

3. Will the Prearranged Plan affect Hi-Crush operations or payment of local taxes?

No. Daily operations at the Company and ongoing operations will continue as normal. The Company anticipates no disruption to its business operations. Further, Hi-Crush received approval through the Court to preserve and pay tax claims in the ordinary course.

4. Does the announcement change your obligations under the Conditional Use, Land Use or Operating agreements or reclamation plans?

No. Nothing in the RSA or Prearranged Plan seeks to affect, terminate, or alter any of the land use, operating agreements, or reclamation plans. However, the Company may revisit terms with its community partners on a case-by-case basis as a result of changing business conditions.

5. What is a “prearranged” Chapter 11 filing?

A prearranged Chapter 11 filing is an event in which a company negotiates a plan of reorganization with key stakeholders before the company actually files for bankruptcy protection. This not only allows the company to enter into Chapter 11 with sufficient support to approve its prearranged plan, but also shortens and simplifies the process, reducing uncertainty for its employees, customers and suppliers.

6. Where can I get additional information?

Please feel free to call our toll-free restructuring hotline at (866) 554-5810 or refer the website maintained by the claims agent appointed in this case at <https://www.kccllc.net/hicrush>.