



July 13, 2020

TO OUR VALUED CUSTOMERS

As many of you are aware, over the course of the last several months, the Hi-Crush team has been working diligently to identify opportunities in its capital structure to enable us to continue serving you, and providing all of your frac sand and logistics needs.

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.

The terms of the RSA provide for a substantial deleveraging of the Company's balance sheet by converting approximately \$450 million of the Company's funded debt into new common equity of the reorganized company while providing minimal disruption to our operations. **A key component of the Prearranged Plan is that business with our customers will continue as usual.** You can expect the same high quality service, same availability of crews and equipment, and same communication from Hi-Crush that you have come to expect from us.

We believe that this represents a positive step forward for Hi-Crush Inc. and we look forward to continuing to partner with you, our valued customers, for many years to come.

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 the Company’s operations?

No. Daily operations at the Company and ongoing operations will continue as normal. The Company anticipates no disruption to its business operations. Any operational changes will be in response to changing market needs and communicated in the ordinary course.

4. Will you have access to the same employees and resources in order to complete projects?

Yes. The Company will maintain access to its existing employee base and will continue to have the resources to complete ongoing operations in a timely manner.

5. Does the Company have adequate funding to complete projects?

Yes. Hi-Crush Inc. has ample working capital to operate throughout the restructuring process. Additionally, the Company has received commitments for \$65 million in Debtor-In-Possession and exit financing facilities (the “DIP/Exit facilities”) from its various pre-petition lenders and noteholders, subject to typical and customary terms, to meet working capital needs during the pendency of the case and long-term capital needs post emergence.

6. Will vendors continue to be paid?

As a result of the orders entered by the court, substantially all trade vendors who will have an ongoing business relationship with the Company will be paid for goods and services in the normal course of business without interruption.



7. Will you be able to continue to purchase supplies?

Yes. The Company will continue to meet customer demand and has enough working capital to operate throughout the restructuring.

8. 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 plan, but also shortens and simplifies the process, reducing uncertainty for its employees, customers and suppliers.

9. Which businesses are included in the Chapter 11 filing?

All of Hi-Crush’s wholly-owned domestic subsidiaries are included in the filing. The Canadian entities, which are non-operational, are not included in the Chapter 11.

10. 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>.