

General Vendor/Supplier FAQ

1. Why did the Company file for chapter 11?

A series of factors contributed to the need to file for chapter 11. The chapter 11 cases are the result of the Company's liquidity constraints caused by volatility in the oil and gas sector and falling sand prices and demand which significantly impacted the Company's balance sheet. Further, the liquidity constraints impaired the Company's ability to grow, hampered the Company's ability to improve existing customer relationships, and limited the Company's opportunities to successfully refinance or restructure their indebtedness. Due to these challenges the Company was unable to refinance or otherwise service certain prepetition loan obligations. As such, after a thorough analysis of our businesses and careful consideration of our options, it was determined that a Chapter 11 filing provides the most expeditious path for restructuring the Company's balance sheet.

2. How will the chapter 11 process work?

Under the protections of Chapter 11 of the Bankruptcy Code, the Company may continue managing and operating its businesses while prohibiting creditors from taking recourse against the Company for amounts owed prior to the filing date of July 11, 2019.

3. Do you have cash to pay for goods and services received during the bankruptcy?

Yes! The Debtors expect to be able to continue accessing their existing funds to continue operations during the proceeding. In addition, our senior lender has committed to providing \$16.6 million in debtor-in-possession financing, which we may also use to support operations during the course of the proceeding.

4. When will I be paid?

You will be paid for goods and services received postpetition—from July 11, 2019 onward—in a timely fashion as required under the Bankruptcy Code. This means that **you will receive payment** for postpetition goods and services on the same terms that existed when we filed. Unfortunately, federal law prohibits payment for goods and services received before the July 11, 2019 Chapter 11 filing date.

5. Will I be paid the full amount owed for prepetition goods and services?

Unfortunately, we are not able to provide you an estimate at this time. It is necessary for the Company to collect all potential claims prior to determining recovery.

6. Will suppliers continue to be paid for goods and services they provide after July 11, 2019?

Absolutely. The Company intends to pay suppliers under normal terms for goods received and services rendered postpetition—July 11, 2019 and onward.

7. I have unpaid invoices dated before the filing date (i.e., prepetition invoices). What should I do?

Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof-of-claim form and instructions on how to file the form. If you need assistance completing and filing the proof-of-claim, you should seek legal counsel.

8. Will checks issued prior to July 11, 2019 still be good?

No. Under the Bankruptcy Code, we are unable to issue payments for goods or services received prior to our July 11, 2019 filing date, even if the check was already issued. If you have a check dated prior to July 11, 2019 that has not been deposited or has not cleared your bank account, it will not go through, and unfortunately, we will not be able to re-issue the check at this time.

9. Will I need a claim form, or will I automatically be paid for the outstanding, prepetition amount owed to me?

Early in the bankruptcy case, the Company will file a schedule of all known creditors and the amount the Company believes each creditor is owed. If you appear on the schedules and agree with the scheduled claim amount, and such claim is not listed as disputed, contingent, or unliquidated, you do not need to submit a claim. If you do not appear on the schedules, you are scheduled with a disputed, unliquidated or contingent claim, or if you disagree with the scheduled amount of your claim, then you **will need to** submit a claim.

You will receive a claim form in the mail in the coming weeks with instructions from the Court about how to submit a claim. The Bankruptcy Court will eventually set a deadline for all claims to be filed. This deadline is known as the “Claims Bar Date.” You will receive notice of this deadline once it is set.

10. Why can't the Company pay me now for past invoices?

Federal bankruptcy laws generally prohibit the payment of all unpaid invoices incurred before the Company files for bankruptcy. This means that payments for prepetition claims will not be made at this time. Additionally, any payment on prepetition claims will be subject to the approval of the Bankruptcy Court.

11. Why should I continue to provide you with goods and services if I have prepetition claims?

As required by the U.S. Bankruptcy Code, you will be paid in full for all goods and services provided after the filing date.

12. What if I wait to submit an invoice until after the filing date?

Goods delivered and/or services provided before the filing date will be considered prepetition and are subject to what is referred to as the “automatic stay,” which is triggered by the Chapter 11 filing regardless of when you submit your invoice. Waiting to submit an invoice until after the filing date will not allow you to be paid for the work performed or goods delivered prepetition.

13. Can a supplier re-submit past invoices and get paid for them now?

No, the provisions of the Bankruptcy Code prohibit that, and filing for protection under Chapter 11 automatically triggers the “automatic stay,” which bars, among other things, all collection actions against the Company for monies past due.

14. Is it true that suppliers with outstanding prepetition claims only get a few cents on the dollar for unpaid invoices?

At this time we are not able to make payments for prepetition claims and we do not know how much will be paid for each claim. We sincerely regret the hardship or inconvenience that this may cause your company.

15. Will you attempt to negotiate new terms given the filing?

No. However, the Company will continue to review the benefits and opportunities it has to improve its overall supplier relationships in the normal course of business. This will depend on the goods or services individual suppliers provide and the terms in place at the time of filing. The Company anticipates that all supplier terms will be at normal market levels.

16. Given the uncertainties of the situation, can I renegotiate my terms with the Company?

The Company cannot pay more for goods and/or services at this time. Its ability to purchase from you on favorable terms and at competitive prices is critical.

17. When will I receive payment for goods and services delivered after the bankruptcy date?

All goods and services delivered on and after July 11, 2019 will be paid according to established terms.

18. What if I only want to be paid cash on delivery?

The Company will continue to pay supplier invoices under normal terms. The Company believes it is in the best interests of its suppliers to maintain business as usual.

19. Can I take back my goods?

No. We understand your frustration, but the Bankruptcy Code generally prohibits a seller from repossessing goods after a purchaser has filed. The Company recommends that you consult with your legal counsel before taking any such action.

20. Someone called me and offered to pay me for part of my invoice. Who are they? What happens if I agree?

There are companies who specialize in buying pre-petition invoices (incurred prior to the Chapter 11 filing) or claims. These companies are not affiliated with us in any way. Because our liabilities are public record, they are able to gather to whom we owe money and the amounts. If you sell your claim to them, any Bankruptcy Court approved monetary recovery for your claim would go to them and not you. We cannot advise in this regard.

21. Where can I find additional information?

For more information, please visit www.donlinrecano.com/ssgh.

22. Who should my lawyer contact if he/she has questions for counsel?

Kristen M. Jacobsen
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23. If I have additional questions, whom should I contact?

You may contact the Debtors' claims and noticing agent Donlin, Recano & Company, Inc. toll free at 1 (866) 521-4424 or submit an inquiry via e-mail to ssghinfo@donlinrecano.com.