

MAMMOTH ENERGY SERVICES, INC.

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): January 28, 2018

MAMMOTH ENERGY SERVICES, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37917
(Commission File Number)

32-0498321
(I.R.S. Employer
Identification Number)

14201 Caliber Drive, Suite 300
Oklahoma City, Oklahoma
(Address of principal
executive offices)

73134
(Zip code)

(405) 608-6007
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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Item 1.01. Entry into a Material Definitive Agreement.

Information disclosed in Item 8.01 below with respect to the Initial PREPA Contract and the Amendment (each as defined in Item 8.01) is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On January 29, 2018, Mammoth Energy Services, Inc. (the “Company”) issued a press release providing an update on the services performed by its wholly-owned subsidiary, Cobra Acquisitions LLC (“Cobra”), in Puerto Rico relating to the restoration of the Puerto Rican electric power grid and announcing an increase in the value of Cobra’s contract for services in Puerto Rico. A copy of the press release is attached hereto as Exhibit 99.1

Item 8.01. Other Events.

On September 20, 2017, Hurricane Maria struck Puerto Rico, inflicting catastrophic damage on the island’s electric power grid. In October 2017, Cobra, in coordination with the Company’s logistics and remote accommodations teams, presented the Puerto Rico Electric Power Authority (“PREPA”) with a self-contained plan to provide both storm restoration services and related housing, security, medical and food services to alleviate additional pressure on an already strained infrastructure in Puerto Rico. The Company’s energy infrastructure segment is led by a professional electric infrastructure management team with an average of over 25 years of experience in the electrical transmission and distribution business. This team has extensive experience in storm and disaster mitigation, including repair and restoration efforts following Hurricanes Sandy, Katrina, Harvey and Irma and the earthquake in Haiti. In addition, the Company currently provides infrastructure services in the Northeast, Southeast and Midwest portions of the United States and has agreements in place with private utilities, public investor owned utilities (“IOUs”) and co-operative utilities (“Co-Ops”).

As previously announced, effective October 19, 2017, Cobra entered into an emergency master services agreement with PREPA (such agreement, as subsequently amended by three technical amendments, is hereinafter referred to as the “Initial PREPA Contract”). Harnessing the Company’s internal resources and industry relationships, within two weeks following the effective date of the Initial PREPA Contract, Cobra had approximately 515 experienced transmission and distribution workers and mobilized to Puerto Rico approximately 400 pieces of equipment and two berthing barges with accommodations for approximately 550 people. In addition to adding employees, Cobra also subcontracted additional resources to assist in its repair efforts, including helicopters and pilots to erect towers and pull wire for reconnection, steel workers to fix transmission poles and rework steel damaged in the storm, road equipment and operators to carve access to work sites, tree services to clear brush and trees and security teams.

The Initial PREPA Contract has a one-year term and provided for up to \$200.0 million of services which was initially expected to be fully utilized within a 120-day period. The scope of the work provided for in the Initial PREPA Contract included labor, supervision, tools and equipment to perform the storm repairs at various locations in Puerto Rico. The specific repair projects that Cobra works on, including power lines, towers and overall infrastructure, are assigned by PREPA. Once assigned, Cobra, together with PREPA and other governmental agencies, undertake an assessment of the project, which includes an evaluation of the severity of the damage, the work to be performed, the issues anticipated to be encountered during the restoration of the power to the applicable substations, transmission and/or distribution lines and the estimated timeline for completion of the work. Cobra is in communication with PREPA and other governmental agencies as it performs its work and also provides PREPA and other governmental agencies a written report on the status of each project on a daily basis to maintain an open line of communication, make modifications to the scope, timing and performance requirements and ensure compliance with its contract with PREPA. Cobra is paid a daily blended rate that covers, among other things, lineman, equipment, lodging, power, water, meals, laundry, security and management. Accordingly, revenue is recognized on a daily basis as it is time-based rather than based on completion of work or other milestones.

Subsequent to Cobra’s initial mobilization to Puerto Rico, PREPA asked Cobra to increase its staffing on multiple occasions. As a result of the increased services performed by Cobra, the \$200.0 million allocation under the Initial PREPA Contract was fully applied to services performed by Cobra during the fourth quarter of 2017. Due to the continuing need for Cobra’s services, on January 28, 2018, Cobra and PREPA amended the Initial PREPA

Contract to increase the total contract amount by an additional \$245.4 million to a total of \$445.4 million (the “Amendment”). Under the terms of the Amendment, the number of workers requested by PREPA and provided by Cobra increased to at least 882, up from 434 in the Initial PREPA Contract, and the billable daily rate for those workers was decreased. Based on the current level of services provided, Cobra anticipates the additional amount specified in the Amendment will fund an additional 77 days of its services.

PREPA’s ability to meet its payment obligations under the Initial PREPA Contract and the Amendment is largely dependent upon funding from the Federal Emergency Management Agency (“FEMA”). By letter dated December 23, 2017, FEMA notified the Puerto Rico Governor’s authorized representative that, at the request of PREPA, FEMA reviewed the Initial PREPA Contract with Cobra and rates for service. In its letter, FEMA stated that “[u]nder the exigent circumstances after Hurricane Maria, PREPA awarded this contract in compliance with the emergency procurement provisions of the Government of Puerto Rico and Executive Orders issued as a result of the disaster ... [and] FEMA has also determined the costs under this contract to be reasonable.”

Cobra intends to seek additional repair and restoration work for PREPA’s electric grid beyond the service period provided for in the Amendment, as well as work rebuilding and modernizing PREPA’s electrical grid once the repair and restoration phase is complete. However, there can be no assurance that Cobra will be successful in securing this additional work.

The descriptions of the Initial PREPA Contract and the Amendment contained herein are modified in their entirety by reference to the Initial PREPA Contract, including three technical amendments thereto, and the Amendment, incorporated by reference to Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5, respectively, to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Emergency Master Service Agreement for PREPA’s Electrical Grid Repairs-Hurricane Maria, executed on October 19, 2017, by the Puerto Rico Electric Power Authority (PREPA) and Cobra Acquisitions LLC (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q (File No. 001-37917), filed with the SEC on November 14, 2017).</u>
10.2	<u>Amendment No. 1 to Emergency Master Service Agreement for PREPA’s Electrical Grid Repairs-Hurricane Maria, executed on November 1, 2017, by the Puerto Rico Electric Power Authority (PREPA) and Cobra Acquisitions LLC (incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q (File No. 001-37917), filed with the SEC on November 14, 2017).</u>
10.3*	<u>Amendment No. 2 to Emergency Master Service Agreement for PREPA’s Electrical Grid Repairs-Hurricane Maria, dated as of December 8, 2017, between the Puerto Rico Electric Power Authority (PREPA) and Cobra Acquisitions LLC.</u>
10.4*	<u>Amendment No. 3 to Emergency Master Service Agreement for PREPA’s Electrical Grid Repairs-Hurricane Maria, dated December 21, 2017, between the Puerto Rico Electric Power Authority (PREPA) and Cobra Acquisitions LLC.</u>
10.5*	<u>Amendment No. 4 to Emergency Master Service Agreement for PREPA’s Electrical Grid Repairs-Hurricane Maria, dated as of January 28, 2018, between the Puerto Rico Electric Power Authority (PREPA) and Cobra Acquisitions LLC.</u>
99.1**	<u>Press Release, dated January 29, 2018, entitled “Cobra’s Puerto Rico Contract Increased to Approximately \$445 million; Update on Puerto Rico Activities.”</u>

* Filed herewith.

**Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAMMOTH ENERGY SERVICES, INC.

Date: January 31, 2018

By: /s/ Mark Layton

Mark Layton
Chief Financial Officer and Secretary

EXHIBIT 10.3

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

AMENDMENT NO. 2 TO EMERGENCY MASTER SERVICE AGREEMENT FOR
PREPA'S ELECTRICAL GRID REPAIRS – HURRICANE MARIA

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended, represented in this act by its Executive Director, Justo Luis González Torres, of legal age, married, engineer and resident of Juana Díaz, Puerto Rico.

AS SECOND PARTY: Cobra Acquisitions LLC, a limited liability company organized and existing under the laws of the State of Delaware with a place of business at 14201 Caliber Drive, Suite 300, Oklahoma City, Oklahoma 73134, herein represented by Arty Straehla, of legal age, married, and a resident of Oklahoma City, Oklahoma (hereinafter referred to collectively as the "Contractor") whose authority of representation is evidenced by corporate resolution.

WHEREAS: On October 19, 2017, PREPA and the Contractor entered into an Emergency Master Service Agreement for PREPA's Electrical Grid Repairs – Hurricane Maria (the "Original Contract"), as amended by Amendment No. 1. to the Original Contract entered into on November 1, 2017 (as so amended, the "Contract").

WHEREAS: PREPA and the Contractor agree that a new Article 71 needs to be added to the Contract.

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree as follows:

TERMS AND CONDITIONS

1. PREPA and Contractor agree that a effective December 8, 2017 new Article 71 is hereby added to the Contract to read as follows:

ARTICLE 71: AD 17-28.

Pursuant to Administrative Determination No. 17-28, issued by the Puerto Rico Department of Treasury on November 10, 2017, Contractor and PREPA both hereby acknowledge that Contractor is engaged in a trade or business in Puerto Rico as a foreign company and is providing an essential service to the Government of Puerto Rico under the Contract; namely, Contractor is engaged in the repair, rebuilding, and re-construction of the electrical grid throughout the Commonwealth of Puerto Rico.

Pursuant to the provisions of Administrative Determination No. 17-28, Contractor hereby elects to be treated, for purposes of income tax, as engaged in/dedicated to a trade or business in Puerto Rico with respect to providing essential services rendered in Puerto Rico. Contractor will thereby file a Puerto Rico corporation income tax return and comply with the requirements of Administrative Determination No. 17-28.

2. Except as set forth herein, the Contract remains in full force and effect in accordance with its terms including, for the avoidance of doubt, the terms set forth in Exhibit B to the Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the 8th day of December, 2017.

Puerto Rico Electric Power Authority

Cobra Acquisitions LLC

/s/ Justo Luis González Torres

/s/ Arty Straehla

Justo Luis González Torres

Arty Straehla

Executive Director

Chief Executive Officer

Employer Social Security xx-xxxxxxx

Employer Social Security xx-xxxxxxx

EXHIBIT 10.4

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

AMENDMENT NO. 3 TO EMERGENCY MASTER SERVICE AGREEMENT FOR
PREPA'S ELECTRICAL GRID REPAIRS - HURRICANE MARIA

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended, represented in this act by its Executive Director, Justo Luis González Torres, of legal age, married, engineer and resident of Juana Díaz, Puerto Rico.

AS SECOND PARTY: Cobra Acquisitions LLC, a limited liability company organized and existing under the laws of the State of Delaware with a place of business at 14201 Caliber Drive, Suite 300, Oklahoma City, Oklahoma 73134, herein represented by Arty Straehla, of legal age, married, and a resident of Oklahoma City, Oklahoma (hereinafter referred to collectively as the "Contractor").

WHEREAS: On October 19, 2017, PREPA and the Contractor entered into an Emergency Master Service Agreement for PREPA's Electrical Grid Repairs-Hurricane Maria (the "Original Contract").

WHEREAS: On November 1, 2017 PREPA and the Contractor executed an Amendment No. 1 to the Original Contract,

WHEREAS: On December 8, 2017 PREPA and the Contractor executed and Amendment No. 2 to the Original Contract, as amended.

WHEREAS: PREPA and the Contractor agree that further amendments to the Original Contract are necessary, specifically to Article 59 as such article was amended by Amendment No. 1.

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree as follows:

TERMS AND CONDITIONS

1. PREPA and Contractor agree that effective as of October 17, 2017 Article 59(1) of the Original Contract as amended by Amendment No. 1 is hereby further amended by striking the words “and for up to three (3) years after Contractor’s receipt of final payment under the Contract” and replacing them with the words “and for up to three (3) years from the date of submission of the final expenditure report provided to FEMA.”
2. PREPA and Contractor agree that Article 59 of the Original Contract is further amended by adding a clause (3):
 - 3) Consistent with Article 9(2) of this Contract the Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.
3. Except as set forth herein, the Original Contract as amended remains in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on this 21 day of December, 2017.

Puerto Rico Electric Power Authority

Cobra Acquisitions LLC

/s/ Justo Luis González Torres

/s/ Arty Straehla

Justo Luis González Torres

Arty Straehla

Executive Director

Chief Executive Officer

Employer Social Security xx-xxxxxxx

Employer ID Number xx-xxxxxxx

EXHIBIT 10.5

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

AMENDMENT NO. 4 TO EMERGENCY MASTER SERVICE AGREEMENT FOR
PREPA'S ELECTRICAL GRID REPAIRS - HURRICANE MARIA

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended, represented in this act by its Executive Director, Justo Luis Gonzalez Torres, of legal age, married, engineer and resident of Juana Díaz, Puerto Rico.

AS SECOND PARTY: Cobra Acquisitions LLC (Contractor), a limited liability company organized and existing under the laws of the State of Delaware with a place of business at 14201 Caliber Drive, Suite 300, Oklahoma City, Oklahoma 73134, herein represented by Arty Strachla, of legal age, married, and a resident of Oklahoma City, Oklahoma.

WHEREAS: On October 19, 2017, PREPA and the Contractor entered into an Emergency Master Service Agreement for PREPA's Electrical Grid Repairs – Hurricane Maria (the “Original Contract”).

WHEREAS: PREPA and the Contractor executed an Amendment No. 1 to the Original Contract dated November 1, 2017, an Amendment No. 2 to the Original Contract dated as of December 8, 2017 and an Amendment No. 3 to the Original Contract dated December 21, 2017 (the Original Contract, as so amended, the “Contract”).

WHEREAS: PREPA and the Contractor agree that a further amendment to the Contract is necessary, including to Article 3.

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree as follows:

TERMS AND CONDITIONS

1. PREPA and the Contractor agree that Article 3 of the Original Contract is hereby amended by striking the dollar amount of “\$200,000,000 (Contract Amount)” appearing on the seventh (7th) line of such article and replacing it with the following dollar amount: “\$445,429,800 (Contract Amount)”.

2. PREPA and the Contractor agree that Article 39 of the Original Contract is hereby amended by striking the third paragraph thereof.
3. As further required by Section XI of Joint Memorandum 2017-001 by the Governor's Chief of Staff (the "Chief of Staff") and the Office of Management and Budget, the Parties agree to insert the following Article 72 to the Contract:

ARTICLE 72: Interagency Services

Both contracting Parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with which the contracting entity enters into an interagency agreement with or as determined by the office of the Chief of Staff. These services shall be rendered under the same terms and conditions with respect to work hours and compensation, as set forth in this agreement. For purposes of this provision, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico as well as all instrumentalities and public corporations and the Office of the Governor.

4. As further required by Section XI of Joint Memorandum 2017-001 by the Governor's Chief of Staff and the Office of Management and Budget, the Parties agree to insert the following Article 73 to the Contract:

ARTICLE 73: Termination by Chief of Staff

The office of the Chief of Staff shall have the authority to terminate this Contract at any time. In the event the Chief of Staff exercises this authority, such termination shall be deemed a termination by PREPA under Articles 14 and 15.

5. A new exhibit is hereby added to the Contract in the form of Exhibit B-1 attached hereto, such Exhibit B-1 to be effective on January 1, 2018.
6. The Parties agree that PREPA will make payment for the work performed under this Amendment on a Time and Material basis at the rates set forth in Exhibit B-1, and the total amount to be paid under this Amendment shall not exceed the Contract Amount. PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract Amount. The Contractor will be the only one responsible for any work it or any of its subcontractors, if any, does in excess of the Contract Amount.

7. Within 10 days of the execution of this Amendment the Contractor shall obtain and submit the following documents and certifications, provided, however, that if Cobra provides evidence that it submitted a timely request for a document or certification from the applicable government office and said office is unable to provide the document or certification in time for Cobra to meet the 10 day deadline, such circumstances shall constitute an excusable delay and Cobra shall submit the document or certification immediately upon receipt from the government office:
 - A. The Contractor shall submit the following certifications issued by the Treasury Department of Puerto Rico: (a) a Certification which indicates that the Contractor does not owe taxes to the Commonwealth of Puerto Rico, or is paying such taxes by an installment plan and is in full compliance with its terms; (b) an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed his Income Tax Return for the last five (5) years; (c) a Sales and Use Tax Filing Certificate assuring that the Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods; (d) a Certificate of Merchant's Registration;
 - B. Certifications issued by the Municipal Revenues Collection Center (MRCC): (a) a Certification assuring that the Contractor does not owe any tax accruing during the last five (5) years to such governmental agency or other documentation acceptable to PREPA providing evidence that any taxes allegedly owed are currently under administrative review, and; (b) a Personal Property Tax Filing Certification that indicates that the Contractor has filed their Personal Property Tax Return for the last five (5) contributory terms.
 - C. The Contractor also certifies it does not have outstanding debts regarding its treatment of unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs in Puerto Rico.
 - D. The Contractor shall submit a Certification issued by ASUME assuring that the Contractor is in compliance with the withholdings required by law as an employer.
 - E. Contractor shall submit a Certificate issued by the Department of Labor and Human Resources of Puerto Rico assuring that the Contractor has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms.

- F. Contractor shall submit a Good Standing Certificate issued by the Department of State of Puerto Rico.
- G. Contractor shall provide a Certificate of Incorporation or Certificate of Organization or Certificate of Authorization to do Business in Puerto Rico issued by the Puerto Rico Department of State; and Good Standing Certificate issued by the Puerto Rico Department of State.
- H. Contractor shall submit a sworn statement whereby it shall inform whether it or any president, vice-president, director, executive director or member of a board of officials or board of directors, or persons that or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.

It is expressly acknowledged that the certifications provided by the Contractor, pursuant to this Article 7 of this Amendment, are essential conditions of this Contract, and if these certifications are incorrect, Contractor shall be in breach of the Contract. If the status of the Contractor with regards to the charges previously mentioned in this Clause H should change at any time during the term of the Contract, the Contractor shall notify PREPA promptly. The failure to comply with this responsibility constitutes a violation of this section and a breach of the contract.

- 8. Anti-corruption Code for a New Puerto Rico: Contractor agrees to comply with the provisions of Act 2-2018, known as the Anti-Corruption Code for a New Puerto Rico, as the same may be amended from time to time.
- 9. Government Ethics Act: The Contractor hereby certifies that it is in compliance with Act 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which, stipulates that, no employee or executive of the Contractor, nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the Services to be rendered under this Agreement, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government.

10. Certification as to No Conviction: Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico. PREPA shall have the right to terminate the agreement in the event Contractor is convicted in Puerto Rico or United States Federal court for any of the crimes specified in this paragraph. Contractor shall promptly inform PREPA of any conviction or guilty plea for any of the aforementioned crimes during the term of this Contract.
11. Certification of Government Agreements: The Contractor hereby certifies that, at the time of execution of this Agreement, it does not have any other material agreement for services with any agency, public corporation, municipality, or instrumentality of the Government of Puerto Rico.
12. Employees not to Benefit: The Parties hereby declare that, to the best of their knowledge, no public officer or employee of the Commonwealth of Puerto Rico, its agencies, instrumentalities, public corporations or municipalities or employee of the Legislative or Judicial branches of the Government has any direct or indirect interest in the present Agreement. The Contractor certifies that neither it nor any of its partners, directors, executives, officers, and employees receives salary or any kind of compensation for the delivery of regular services by appointment in any agency, instrumentality, public corporation, or municipality of the Commonwealth of Puerto Rico.
13. Equal Opportunity: Contractor certifies that it will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, veteran status or in any way otherwise prohibited by law and will indemnify PREPA against any claims arising from such unlawful discrimination by Contractor.
14. Contractor warrants that the scope of work as provided pursuant to the Contract, including this and all Amendments is performed consistent with all applicable FEMA laws, regulations, and eligibility guidelines and only includes work which is eligible for FEMA reimbursement assistance.

15. Any financial records, supporting documents, and statistical records in relation with the Contract and this Amendment Four must be retained according to PREPA's Policy for Conservation and Retention of Documents (Revised 2012) that establishes a period of retention (15 years, of which the last five will be after the audit of the Office of the Inspector General) greater than that required by FEMA and the 2 CFR §200. The 2 CFR §200.333 will apply to any record or document not mentioned or covered in PREPA's Policy.
16. PREPA and the Contractor agree that Article 14(1) of the Original Contract is hereby amended by striking "thirty (30)" on the fourth (4th) line of such article and replacing it with "ten (10)".
17. The Parties agree that this Contract as amended is not a professional service contract and that no professional services will be rendered by Contractor hereunder.
18. Except as set forth herein, the Contract remains in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on and effective as of this 28 day of January, 2018.

Puerto Rico Electric Power Authority

Cobra Acquisitions LLC

/s/ Justo L. González Torres

/s/ Arty Straehla

Justo Gonzalez

Arty Straehla

Executive Director

Chief Executive Officer

Employer Social Security xx-xxxxxxx

Employer ID Number xx-xxxxxxx

EXHIBIT B-1

Contractor's Rate Schedule

<u>Line Item</u>	<u>QTY</u>	<u>Billable Daily Rate</u>	<u>Extended Daily billable rate</u>	<u>77 days</u>
Blended rate, skilled linemen and equipment, Transmission/Distribution/Substation	662	\$ 3,760.00	\$2,489,120.00	\$191,662,240.00
550 Man Camp, All inclusive/lodging, power, water, meals, laundry	1.8	\$ 142,600.00	\$ 256,680.00	\$ 19,764,360.00
Security Team	140	\$ 1,840.00	\$ 257,600.00	\$ 19,835,200.00
Logistics team (Island)	50	\$ 2,300.00	\$ 115,000.00	\$ 8,855,000.00
Management Team, Operations & Safety	30	\$ 2,300.00	\$ 69,000.00	\$ 5,313,000.00
Total of Minimum requirements	882.8		\$3,187,400.00	\$245,429,800.00

Mobilization/Demobilization shall be reimbursed at cost
All reimbursable shall be reimbursed at cost

Contemporaneously with the execution of the Original Contract, PREPA paid to Contractor a lump sum payment in the amount of \$15,000,000 (the "Deposit"), to be applied to the final invoices.

All amounts due to the Contractor under this Contract will be paid by wire transfer in U.S. Dollars in immediately available funds to the account provided to PREPA in writing unless and until PREPA receives written notice in accordance with the terms of this Contract of a change in such account instructions.

Any expenses of Contractor that are not specifically listed in this Exhibit B-1 shall be subject to a specific work order to be provided to PREPA by Contractor for approval before such expenses are incurred by Contractor.

In the event that any amounts to be paid to Contractor under this Contract are subject to any taxes (including withholding) imposed by any governmental authority of Puerto Rico in excess of 8.5% and Contractor has not obtained an exemption from such taxes, the amount to be paid to Contractor shall be increased by an amount that, after the payment of such taxes, leaves Contractor with the amount that Contractor would have received if Contractor had been exempt from all such taxes.



January 29, 2018

Cobra's Puerto Rico Contract Increased to Approximately \$445 million; Update on Puerto Rico Activities

Oklahoma City, January 29, 2018 (GLOBE NEWSWIRE) — Mammoth Energy Services, Inc. (“Mammoth”) (NASDAQ:TUSK) today announced that its wholly owned subsidiary, Cobra Acquisitions LLC (“Cobra”), has executed an amendment to its existing contract to assist in the restoration of the utility infrastructure on the island of Puerto Rico. In the amendment, the original \$200 million award has been expanded to approximately \$445 million.

Contract Increase

On January 28, 2018, the Puerto Rico Electric Power Authority (“PREPA”) and Cobra executed a contract amendment that expanded the aggregate contract amount by approximately \$245 million to address work requirements. The original \$200 million contract value was effective on October 19, 2017 and fully utilized during the fourth quarter of 2017 due to the substantially greater deployment of resources. This contract amendment allows for continued deployment of resources into 2018.

Under the terms of the amended contract, the number of skilled workers requested by PREPA and provided by Cobra has increased to at least 880, up from 434, and the billable daily rate of those workers has been decreased. A copy of the amendment will be filed as an exhibit to the Form 8-K that will be filed with the Securities and Exchange Commission (“SEC”) in conjunction with this release.

Arty Straehla, Mammoth's Chief Executive Officer, stated, “We are proud that through our team's hard work and professionalism PREPA has elected to increase the value of our contract. Our team is working closely with PREPA, FEMA, the US Army Corps of Engineers and other governmental agencies and, together, we are making significant progress to restore power to the affected areas in an orderly fashion. Furthermore, at the request of PREPA, FEMA reviewed our original contract with PREPA and our rates of service. In a letter dated December 23, 2017, FEMA determined that PREPA awarded our contract in compliance with emergency procurement provisions of the Commonwealth of Puerto Rico and Executive Orders issued as a result of the disaster, and also determined the costs under the contract to be reasonable.”

Cobra Energy Progress

Cobra offers a full complement of infrastructure services and continues to expand from its initial base of operations in Kentucky and Texas and now operates across the majority of the Northeast, Southeast and Midwestern portions of the United States. The company has agreements in place with private utilities, public Investor Owned Utilities (IOUs), Co-Operative utilities (Co-Op) and PREPA.

Earnings Release and Conference Call Schedule

Mammoth intends to release financial results for the fourth quarter and full year of 2017 after the market close on Wednesday, February 21, 2018. A conference call to discuss the results has been scheduled for the following day, Thursday, February 22, 2018, at 10:00 a.m. Central Time (11:00 a.m. Eastern Time).

Individuals wishing to participate in the conference call should dial (844) 265-1561 or (216) 562-0385 for international callers, and use the passcode 1276679. The conference call will also be webcast and can be found at www.mammothenergy.com in the “Investors” section of the company’s website.

About Mammoth Energy Services, Inc.

Mammoth is an integrated, growth-oriented energy service company serving companies engaged in the exploration and development of North American onshore unconventional oil and natural gas reserves and energy infrastructure. Mammoth’s suite of services and products include: pressure pumping services, electrical utility construction services, natural sand and proppant services, well services, contract and directional drilling services and other energy services.

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Forward-Looking Statements and Cautionary Statements

This news release (and any oral statements made regarding the subjects of this release) contains certain statements and information that include “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. 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 may include statements, estimates and projections regarding Mammoth’s business outlook and plans, future financial position, liquidity and capital resources, operations, performance, including under Cobra utility infrastructure restoration contract in Puerto Rico, 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 Mammoth’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, these forward-looking statements are subject to significant risks and uncertainties, including those described in Mammoth’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings Mammoth makes with the Securities and Exchange Commission, which may cause actual results to differ materially from its 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 failure to receive or delays in receiving governmental authorizations, approvals and/or payments; risks relating to economic conditions; delays in or failure of delivery of current or future orders of specialized equipment; the loss of or interruption in operations of one or more key suppliers or customers; the effects of government regulation, permitting and other legal requirements; operating risks; the adequacy of our capital resources and liquidity; weather; natural disasters; litigation; competition in the energy industry; and costs and availability of resources.

Readers 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. Mammoth undertakes 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 .