



Target Hospitality Acquires Midland, TX Community From ProPetro

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- 168-room community increases presence in the Midland Basin
- Adds 19th community to expansive Permian Basin lodging network
- Signs long-term, exclusive contract with ProPetro

THE WOODLANDS, Texas--(BUSINESS WIRE)-- Target Hospitality Corp. (Nasdaq:TH) ("Target Hospitality" or the "Company") (NASDAQ: TH), the largest provider of vertically-integrated specialty rental accommodations with premium catering and value-added hospitality services in the U.S., today announced the acquisition of a 168-room community located in Midland, TX from ProPetro Holding Corp. (NYSE: PUMP), expanding its presence in the Permian Basin to 19 communities.

The acquisition further strengthens Target Hospitality's relationship with ProPetro. In conjunction with the transaction, the Company signed a long-term, exclusive network contract with ProPetro, including a long-term agreement for the entire Midland community. This will provide ProPetro with access to Target Hospitality's full suite of turnkey services at the Midland location as well as across the Company's proprietary Permian Basin lodging network. The transaction closed on July 1, 2019.

The Permian Basin, one of the most prolific oil reserves in the world, is a key driver of energy growth and independence for the U.S. and is a vital area for capital investments by major energy companies. The Company's focus on expansion in the Permian Basin is driven by robust customer demand and activity levels, reflecting the strength and resiliency of this oil- and gas-producing region.

This acquisition of a customer-owned community advances Target Hospitality's strategy of growing its footprint in the Permian Basin and expands its presence in the growing Midland Basin, where several major and integrated producers are investing and focusing their operations. Strategically, the new community creates a new network node and extends the Company's exclusivity zone within the Northern Midland Basin, enabling yet another accommodation solution for its customers in the region.

Brad Archer, Target Hospitality's President and Chief Executive Officer, stated, "ProPetro is a recognized leader in oil field services and one of the largest and most efficient pressure pumping providers in the Permian Basin. This deal provides ProPetro with greater flexibility, efficiency, and geographic coverage through our network as their employees travel from field to field. We are pleased to strike this agreement as it is representative of the growing trend among our energy customers to invest in employee accommodations with Target, versus limiting themselves to a single location that restricts movement, costs more, and requires longer commutes for their employees."

"Target Hospitality has become synonymous with exceptional accommodations and hospitality services, and our customers understand that the mission critical services we provide through our expansive lodging network reduces

their risk, provides operational flexibility, and lowers their costs," concluded Mr. Archer.

Target Hospitality full-turnkey communities feature accommodations with private bathrooms, a state-of-the-art commercial kitchen with dining facility, on-premises laundry, and indoor and outdoor recreational areas. Guests also benefit from 24-hour culinary services, housekeeping, security, and a code of conduct program that includes a "zero tolerance" drug and alcohol policy.

To see a complete list of Target Hospitality's communities, visit www.targethospitality.com.

Cautionary Statement Regarding Forward Looking Statements

Certain statements made in this press release are "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include: the inability to recognize the anticipated benefits of the transaction; unexpected costs or liabilities related to the transaction; problems that may arise in successfully integrating the assets; operational, economic, political and regulatory risks; our ability to effectively compete in the specialty rental accommodations and hospitality services industry; effective management of our communities; changes in demand within a number of key industry end-markets and geographic regions; and our future operating results fluctuating, failing to match performance or to meet expectations. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

About Target Hospitality

Target Hospitality is the largest provider of vertically integrated specialty rental accommodations and value-added hospitality services in the United States. Target Hospitality builds, owns and operates customized housing communities for a range of end users, and offers a full suite of cost-effective hospitality solutions including culinary, catering, concierge, laundry and security services as well as recreational facilities. Target Hospitality primarily serves the energy and government sectors and its growing network of communities is designed to maximize workforce productivity and satisfaction.

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