

VISTA PROPPANTS AND LOGISTICS, LLC4413 Carey Street
Fort Worth, Texas 76119

Re: Vista Proppants and Logistics, LLC
 VPROP Operating, LLC
 Lonestar Prospects Management, L.L.C.
 MAALT Specialized Bulk, LLC
 Denetz Logistics, LLC
 Lonestar Prospects, Ltd.
 MAALT, LP

TO CREDITORS AND OTHER PARTIES IN INTEREST:

On August 18, 2020, Vista Proppants and Logistics, LLC and its debtor-affiliates (collectively, “Vista” or the “Debtors”) filed the *Second Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”) and the *Second Amended Disclosure Statement in Support of the Second Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* (“Disclosure Statement”).¹ The Plan implements the restructuring of Vista’s financial affairs, and the Disclosure Statement provides background information concerning this restructuring effort. The Plan and the Disclosure Statement represent the culmination of Vista’s restructuring efforts. You are receiving this package of information in your capacity as a creditor of one or more of the Debtors, which entitles you to vote on the Plan.

Vista has received significant support for its restructuring efforts from its secured lenders, including the Term Loan Secured Parties (who hold secured debt claims against the Debtors in a face amount of approximately \$370 million) and the DIP Secured Parties (who have committed to lend up to an additional \$11.0 million to fund the Debtors’ Chapter 11 restructuring). The Plan provides for, among other things, (i) conversion of a significant amount of indebtedness related to Term Loan Secured Claims into, among other things, 100% of the reorganized Debtors’ equity, (ii) approximately \$102 million in exit financing to be provided by the Term Loan Lenders to fund emergence from Chapter 11, and (iii) the creation of a Litigation Trust for the benefit of holders of Class 6 General Unsecured Claims.

If the General Unsecured Creditors in Class 6 vote to accept the Plan, then the Litigation Trust will receive \$500,000 in cash (which will be funded from the exit financing provided by the Term Loan Secured Parties), the Term Loan Deficiency Claim will be reduced from an asserted amount in excess of \$200 million to an amount equal to all other General Unsecured Claims, and causes of action against the Term Loan Secured Parties will be released. If Class 6 does not vote to accept the Plan and the Plan is nonetheless confirmed by the Bankruptcy Court, then the Litigation Trust will not receive any cash, the Term Loan Secured Parties will assert the full amount of their Term Loan Deficiency Claim, and the causes of action against the Term Loan Secured Parties will not be released unless the Standing Motion filed by the Committee is denied.

The Debtors submit that the consideration provided in exchange for the releases set forth in Article VIII.C of the Plan includes, among other things, the DIP Facility and the Exit Facility, both of which are critical to the Debtors’ successful reorganization and emergence from Chapter 11. Furthermore, if Class 6 votes to accept the Plan, then consideration provided in exchange for the releases set forth in Article VIII.C of the Plan also includes the \$500,000 of funding for the GUC Cash Pool and the Term Loan Secured Parties’ agreement to reduce the amount of the Term Loan Deficiency Claim to the amount of all other Allowed General Unsecured Claims.

The Official Committee of Unsecured Creditors (the “Committee”) does not support the Plan and has filed the *Motion of the Official Committee of Unsecured Creditors of Vista Proppants and Logistics, LLC, et al., for Entry of an Order Converting the Debtors’ Chapter 11 Cases to Cases under Chapter 7 of the Bankruptcy Code Pursuant to 11 U.S.C. § 1112(B)* (the “Motion to Convert”). The Committee has set the Motion to Convert for hearing on the same date as the hearing at which the Bankruptcy Court will consider confirmation of the Plan. If the Plan is not confirmed and the Committee’s Motion to Convert is granted, (i) Vista will likely cease operations, (ii) all or substantially all of Vista’s employees will be terminated, (iii) all or substantially all of Vista’s remaining contracts and leases will be rejected, and (iv) the total pool of General Unsecured Creditors will be substantially increased.

Vista believes that the restructuring implemented in the Plan is in the best interest of creditors. Your vote on the Plan is important and I urge you to review the enclosed materials and vote to accept the Plan.

Yours Truly,



Gary Barton,
Chief Restructuring Officer

¹ The Plan and Disclosure Statement (and other related documents) are publicly available at <http://www.kccllc.net/Vista>. In addition, copies of the Plan and the Disclosure Statement may be obtained from the Claims and Balloting Agent, Kurtzman Carson Consultants, LLC by (i) toll-free telephone (866) 475-7847 (U.S./Canada) or (781) 575-2036 (International) or (ii) online at <http://www.kccllc.net/vista/inquiry>.

