NEWS RELEASE

TETRA TECHNOLOGIES, INC. ANNOUNCES COMPLETION OF DEFINITIVE FEASIBILITY STUDY FOR THE ARKANSAS BROMINE PROJECT AND UPGRADE OF PREVIOUSLY ANNOUNCED BROMINE RESOURCES TO RESERVES

2024-08-07

THE WOODLANDS, Texas, Aug. 7, 2024 /PRNewswire/ -- TETRA Technologies, Inc. ("TETRA" or the "Company") (NYSE: TTI) today released on its investor relations website an S-K 1300 Bromine Definitive Feasibility Study ("DFS") containing positive results including certain financial information on the development of TETRA's Arkansas bromine assets in the Evergreen Unit based on engineering studies, reservoir analysis, certain cost and revenue assumptions, plus quotes received on major components received or completed to date. The Technical Report Summary ("TRS") was prepared to update the previously reported resources presented by RESPEC Company, LLC ("RESPEC") and incorporates the results of the definitive feasibility study, including bromine reserve determinations.

TETRA currently sources elemental bromine from a combination of long-term supply agreements and open-market purchases. TETRA uses this third-party sourced elemental bromine to manufacture at its West Memphis, Arkansas facility, offshore completion fluids for the oil and gas industry and ultra-high purity zinc bromide (TETRA PureFlow) utilized in battery electrolytes for long-duration energy storage ("LDES"). TETRA's facility uses proprietary processes for reacting elemental bromine with various other raw materials and refining the resultant brominated products. Development of its Arkansas bromine assets will allow TETRA to become vertically integrated (referred to herein as the "Vertically Integrated Production Case") for its future elemental bromine requirements and is expected to allow TETRA to phase out third-party purchases of elemental bromine over time.

The highlights of the DFS report are as follows:

- Vertically Integrated Production Case Net Present Value ("NPV"), at a 10% discount rate, of $710 million and is based on the current bromine business plus the proposed investment in this bromine project allowing TETRA to phase out third-party sourced elemental bromine. This case compares to TETRA's current bromine business with third-party purchases of elemental bromine

of NPV $337 million ("Third-Party Bromine Purchase Only Case"), also at a 10% discount rate. This project is projected to create an incremental NPV of $374 million.[1]

- Internal Rate of Return ("IRR") of 62% for the Vertically Integrated Production Case. [1]
- 744 ktons of measured and indicated bromine resources have been upgraded to proven and probable reserves. In addition to proven and probable reserves, the Evergreen Unit is estimated to contain an additional 158 ktons of measured and indicated resources and 541 ktons of inferred resources of bromine.
- 40-year projected operating life. Proven and probable bromine reserves of 744 ktons plus measured and indicated bromine resources of 158 ktons support at least 40 years of operations based on reservoir studies completed by TETRA's advisors and consultants. [1]
- Phase I plant processing is expected to have a capacity of 75 million lbs of bromine per year. The project economics reflect initial production volumes of only 48 million pounds of elemental bromine per year, increasing the volumes currently being sourced by TETRA under long-term contract by over 50%.
- Post Final Investment Decision ("FID") capital expenditures of $270 million assumes that 35% of the upstream capital expenditures are absorbed by TETRA's partner in the Evergreen Brine Unit and does not assume a lithium project is constructed at the same time as the bromine project. If the lithium project is constructed, certain upstream, common and shared capital expenditures have the potential to be allocated to the lithium project, materially improving the overall economics of the bromine project. Costs incurred prior to FID are not reflected in these economics as they are viewed as sunk costs.
- The increased volumes and enhanced margins from TETRA moving from a Third-Party Bromine Purchase Only Case to a Vertically Integrated Production Case are expected to position TETRA to increase revenue from bromine-related product by between $200 million to $250 million when the bromine plant is in full production. Adjusted EBITDA is expected to increase by between $90 million to $115 million as a result of the higher sales volumes for the offshore oil and gas sector, long-duration energy battery storage, and the lower production costs of those products from being vertically integrated when compared against third-party purchases of elemental bromine. [1] Once a FID is made, plant construction is expected to be approximately 24 months.
- Payback of post-FID capital expenditures is expected to be 5.7 years reflecting the higher volumes available to TETRA from insourcing all its elemental bromine requirements at costs lower than what the Company is procuring today.[1]
- TETRA's approximately $400 million of United States tax loss carryforward are expected to be utilized for this project and are reflected in the economics.
- TETRA is expected to fund this project from borrowing under credit facilities currently available to the Company, which includes a $75 million delayed draw facility, and from cash flow from the existing business. The timing of this project will be aligned to ensure the base business free cash flow is available to the Company. TETRA intends to maintain a net leverage target of less than 2.5 times adjusted EBITDA on a trailing twelve-month basis.

Because this investment is expected to enable TETRA to vertically integrate its elemental bromine supply, the following benefits to TETRA are anticipated:

- Enhanced Margins: TETRA expects to eventually replace the purchase of elemental bromine from third party suppliers with lower cost insourced elemental bromine as a result of the investment in this project. The volatility of open market elemental bromine purchases are also expected to be reduced from the prices TETRA pays third parties, allowing TETRA to bid for long-term contracts with greater certainty of input costs. Increased production volumes manufactured through TETRA's West Memphis plant allows for greater utilization and better plant costs absorption.

- Provide Higher Volumes of Cost-Effective Bromine: In recent years, TETRA has had to purchase more elemental bromine at spot-market prices because the volumes available from TETRA's long-

term supply agreement have not been sufficient to meet overall demand for a growing offshore oil and gas market. This increase in offshore deepwater demand combined with an expected growth in demand for TETRA PureFlow ultra-high purity zinc bromide-based electrolyte will exceed TETRA's currently available third-party supply volumes. This project is expected to allow TETRA to meet those requirements.

TETRA Bromine Products Business

TETRA has long used elemental bromine as part of its high-value completion fluids business, primarily in offshore applications and especially in deepwater where TETRA estimates that approximately 70% of the Gulf of Mexico development wells use elemental bromine-based fluids for well completions. The offshore and deepwater markets continue to show signs of expansion and in 2024 the Company is expected to again exceed the elemental bromine volumes available under its long-term supply agreement. TETRA has been supplementing its elemental bromine supply agreement with open-market spot purchases at costs higher than its current long-term supply agreement. The demand in 2024 and beyond is expected to exceed prior year levels assuming relatively constant commodity prices reflecting the strong growth in the deepwater offshore markets.

In addition to the traditional oil and gas bromide fluids market, in 2021 TETRA announced the introduction of a ultra-high purity zinc bromide TETRA PureFlow fluids ("PureFlow") for use as a key component to the full electrolyte needed to enable long-duration energy storage. TETRA has qualified sales of PureFlow with three zinc bromide-based electrolyte long-duration energy storage companies based on their evaluation of the product and to date has delivered commercial orders to Eos Energy Enterprises with an additional customer expected in 2025. The combined existing and potential demand for elemental bromine-based products from a recovering offshore market and an emerging long-duration energy storage market represents significant growth opportunities for the Company.

(1)The economics discussed in this release are based on a number of key assumptions, which are further discussed in the DFS. Please read the DFS and the assumptions discussed therein for further information. Such assumptions are based on information known to RESPEC and TETRA as of the date of the DFS, are subject to change and actual results may differ materially from the economics and assumptions presented in the DFS.

S-K 1300 Definitive Feasibility Study

TETRA has published on its web site a report titled "S-K 1300 Technical Report Summary for TETRA Technologies, Inc. Bromine Brine Definitive Feasibility Study for the TETRA Evergreen Brine Unit in Arkansas, United States". The study has been prepared, reviewed and certified by RESPEC, subject to the qualifications contained in the report. The S-K 1300 Definitive Feasibility Study can be located on TETRA's web site: https://ir.onetetra.com/presentations

There is no certainty that the economics contained in the S-K 1300 Definitive Feasibility Study will be realized. These economics are preliminary in nature and include proven and probable reserves. Mineral resources that are not mineral reserves have not demonstrated economic viability. Additional technical work and/or production history will be required to convert remaining measured and indicated mineral resources to reserves.

Company Overview

TETRA Technologies, Inc. is an energy services and solutions company focused on developing environmentally conscious services and solutions that help make people's lives better. With operations on six continents, the Company's portfolio consists of Energy Services, Industrial Chemicals, and

Lithium Ventures. In addition to providing products and services to the oil and gas industry and calcium chloride for diverse applications, TETRA is expanding into the low-carbon energy market with chemistry expertise, key mineral acreage, and global infrastructure, helping to meet the demand for sustainable energy in the twenty-first century. Visit the Company's website at www.onetetra.com for more information.

Cautionary Statement Regarding Forward Looking Statements

This news release includes certain statements that are deemed to be forward-looking statements. Generally, the use of words such as "may," "see," "expectation," "expect," "intend," "estimate," "projects," "anticipate," "believe," "assume," "could," "should," "plans," "targets" or similar expressions that convey the uncertainty of future events, activities, expectations or outcomes identify forward-looking statements that the Company intends to be included within the safe harbor protections provided by the federal securities laws. These forward-looking statements include statements concerning measured, indicated and inferred mineral resource estimates and proven and probable reserve estimates, the potential extraction of bromine and lithium from the leased acreage, the economic viability thereof, the demand for such resources, the volumes to be produced and the timing and costs of such activities, the assumptions contained in the Definitive Feasibility Study, the ability to obtain the required capital to develop the project, economic and operating conditions that are outside of our control, including statements concerning demand for our products in the oil and gas industry; potential revenue associated with prospective long duration energy storage projects; the ability and timing necessary to obtain an initial economic assessment regarding our bromine and lithium acreage; the ability to obtain contractual consents in certain circumstances; projections concerning the Company's business activities, financial guidance, capital expenditures, profitability, estimated revenues, estimated adjusted EBITDA, and statements regarding the Company's beliefs, expectations, plans, goals, future events and performance, and other statements that are not purely historical. With respect to the Company's disclosures of measured, indicated and inferred mineral resources, uncertainty exists regarding whether such resources will ever be economically developed. Investors are cautioned that mineral resources do not have a demonstrated economic value and further exploration may not result in the estimation of a mineral reserve. Therefore, it cannot be assumed that all or any part of our resources can be economically or legally commercialized. These forward-looking statements are based on certain assumptions and analyses made by the Company, input received from outside expertized service providers, as well as its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a myriad of risks and uncertainties, many of which are beyond the control of the Company. Investors are cautioned that any such statements are not guarantees of future performance or results and that actual results or developments may differ materially from those projected in the forward-looking statements. Some of the factors that could affect actual results are described in the section titled "Risk Factors" contained in the Company's Annual Reports on Form 10-K, as well as other risks identified from time to time in its reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.

SOURCE TETRA Technologies, Inc.