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**BROWNWOOD CLAY
HOLDINGS, LLC**

Brownwood Clay Holdings announces successful testing of new ceramic proppant using natural resources available near active shale plays

New formulations will increase availability of proppant and decrease costs and production delays associated with transporting proppant from distant locations

AUSTIN, TX (December 6, 2012) – Brownwood Clay Holdings, LLC (BCH) today announced a revolutionary development that will significantly expand source minerals from which ceramic proppants can be produced and the locations in which they can be manufactured. With the introduction of formulations for [TEXFloat™](#), [TEXLite™](#), [TEXRes™](#) and [TEXProp™](#), ceramic proppant – which is used in hydraulic fracturing – can now be manufactured near the shale plays where it is used, increasing availability and decreasing the time and expense associated with transporting the product.

Working in partnership with proppant consultants OPF Enterprises, BCH has created and successfully tested various formulations of a ceramic proppant that is produced with predominately natural mineral resources available near oil and gas shale plays. In addition, third-party testing conducted by Stim-Lab, Inc., of Duncan, OK, and PropTester Inc., in Houston, TX, concluded that BCH proppants perform comparably to other proppants in the market.

“The limited availability of ceramic proppant manufactured in the U.S. and the expense of transporting it from other countries negatively affects oil and gas operators,” said Gary Davis, co-operating manager of Brownwood Clay Holdings. “By using suitable clay as the significant constituent material in our formulations – which is naturally occurring near shale plays around the world and more effective than sand – we’ve created a way for oil and gas companies to achieve the same results in conductivity, permeability and crush resistance achieved by other ceramic proppants, without the cost or production delays associated with shipping proppant from distant locations.”

Previously, successful ceramic proppant materials have only been produced out of clay minerals classified as kaolin or bauxitic clays, or by sintering bauxite, all of which are costly. The BCH innovation has now overcome this barrier by utilizing suitable clay minerals for manufacturing ceramic proppant that are in closer proximity to shale deposits.

The path to create this innovation began in 2010. Additional core testing completed earlier this year on BCH's Texas land holdings confirmed a 408-acre deposit containing more than 100 million tons of inferred clay mineral resources of several classifications, per laboratory chemical analysis conducted by The Bishop Materials Laboratory at Clemson University. To leverage this resource, the company partnered with the ceramic manufacturing experts of On The Plant Floor (OPF) Enterprises and invested more than two years of research and development, establishing its Houston-based laboratory in January. The resulting proprietary formulations successfully converted globally available mineral clays into lightweight ceramic proppants. Additionally, through third-party testing, the proppants were shown to meet the American Petroleum Institute's published specifications and to rival the strength and uniformity of kaolin- and bauxite-based products.

With the logistical advantages of a Texas location and the documented performance of the clay minerals in the recent ceramic proppant formulations, BCH is currently offering manufacturers, operators, mineral owners and other investors an opportunity to license or acquire their proprietary formulations and clay mineral resources. More information can be found at www.brownwoodclayholdings.com.

About Brownwood Clay Holdings, LLC

Brownwood Clay Holdings, an Austin-based investment company, was formed by businessmen Gary Davis and Richard "Sandy" Watkins to consolidate ownership interests of nearly 476 acres of land near Brownwood, Texas. Following geologic research and testing of mineral clays found on the property, a substantial deposit of millions of tons of *proppant grade* inferred clay mineral resources was confirmed. Realizing the opportunity to leverage this abundant resource to meet the growing demand for ceramic proppants in North America, the company transformed the minerals into highly effective ceramic beads. Additional information about the company and its unique offering is available at www.brownwoodclayholdings.com.

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