



Zachry Holdings, Inc. Initiates Voluntary Court-Supervised Chapter 11 Process to Address Financial Challenges Related to Golden Pass LNG Export Terminal Site

Work Continuing Without Interruption Across All Other Projects with Highest Standards of Safety and Quality

SAN ANTONIO, May 21, 2024 – Zachry Holdings, Inc. (the “Company” or “ZHI”) today announced that ZHI and certain of its subsidiaries have initiated a voluntary court-supervised Chapter 11 process that provides them with time and flexibility to resolve issues related to the Golden Pass LNG (GPX) export terminal project in Sabine Pass, TX. This action is intended to strengthen the Company’s overall financial position as it continues to serve its customers across the energy, chemicals, power, manufacturing, and industrial industries. Work at all remaining jobsites is continuing without interruption, and ZHI remains committed to delivering outstanding execution while upholding the highest standards of safety and quality.

John B. Zachry, Chairman and CEO of ZHI said, “We have built a strong business over the last 100 years by providing our customers the highest quality turnkey engineering, construction, maintenance, turnaround, and fabrication services. Since beginning work on the Golden Pass LNG project in 2019, we have maintained our usual high standards of excellence and gone above and beyond to accommodate the schedule and demands of GPX and its shareholders, QatarEnergy and ExxonMobil. As the project’s lead contractor, we have navigated significant challenges and disruptions stemming first from the COVID-19 pandemic and, more recently, international geopolitical issues. These unforeseen disruptions have resulted in significant financial strain while meeting targets and keeping the project appropriately staffed.

He continued, “We have been transparent with GPX and its shareholders as we have attempted to reach a mutually agreeable resolution to these issues. Because we have been unable to find a path forward, we have been forced to take action to protect our business. The process we are starting today provides us mechanisms to initiate a structured exit from the GPX project. It also enables us to take certain actions that will improve our performance and better position our business for the future.”

Mr. Zachry concluded, “All other projects and company efforts continue to perform in line with expectations, and we will continue serving our customers while maintaining our commitment to quality and safety as we move through this process. We thank our customers, vendors, partners, and community stakeholders for their continued support. We are also grateful to our employees for the excellent work they perform on a daily basis and for how they represent our company.”

Additional Information About the Court-Supervised Process

ZHI and certain of its subsidiaries have filed voluntary petitions for a court-supervised restructuring under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas.

The Company expects that its cash on hand, along with cash generated from operations, will provide sufficient liquidity for the Company to meet its ongoing business obligations during the court-supervised process.

The Company has filed a number of customary motions seeking court authorization to continue to support its ongoing operations during the court-supervised process. Subject to approval of these motions, the Company does not expect this process to impact employee wages, health and welfare benefits plans, or qualified retirement savings plans. The Company expects to receive court approval for these requests. ZHI also intends to pay vendors and suppliers in full under normal terms for goods and services provided during the bankruptcy case.

Additional information regarding the Company’s court-supervised process is available at www.ZHIrestructuring.com.



Court filings and other information related to the proceedings are available on a separate website administered by the Company's claims and noticing agent KCC at www.kccllc.net/zhi, by calling KCC toll-free at (866) 479-8211 (U.S./Canada) or (781) 575-2037 (International), or by submitting an inquiry at www.kccllc.net/zhi/inquiry.

White & Case LLP is serving as legal advisor to ZHI and M3 Advisory Partners, LP is serving as financial and restructuring advisor.

About Zachry Holdings, Inc.

Zachry Holdings, Inc. is North America's pacesetter in turnkey engineering, construction, maintenance, turnaround, and fabrication services to the energy, chemicals, power, manufacturing, and industrial sectors. We work with customers to plan, build, and renew their most critical facilities, so they can achieve their immediate and long-term goals, all at the highest safety standards. Since 1924, we have been a purpose-driven organization, united by a shared set of values and the desire to deliver the very best outcome for our customers. Visit zachrygroup.com for more information.

Forward-Looking Statements

Statements in this press release that are not statements of historical or current fact constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could impact the Company's objectives and plans or cause the actual results of the Company to differ significantly from the historical results or from any future results expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include, but are not limited to, risks and uncertainties relating to the Chapter 11 process, competition in the industry, general domestic or international economic conditions, and changes in laws or regulations. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "belief," "expects," "intends," "anticipates," "plans," or similar terms to be uncertain and forward-looking.

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