



## CAPITAL SOUTHWEST

### Capital Southwest Provides a \$10 Million Split Lien Term Loan to Refinance Rock Hill Capital's Ace Energy Solutions

January 9, 2019

DALLAS, Jan. 09, 2019 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest") (Nasdaq: CSWC), an internally managed business development company focused on providing flexible financing solutions to support the acquisition and growth of middle market businesses, announced today that it supported a debt refinancing for Rock Hill Capital Group's ("Rock Hill") portfolio company Ace Gathering Holdings, LLC ("Ace"), a provider of crude oil gathering and oil recovery services to oil producers, salt water disposal operators and other service companies throughout Texas. Capital Southwest provided a \$10 million split lien term loan and will act as the sole administrative agent and lender for the term loan facility.

"We are pleased to partner with Rock Hill and Ace on this transaction. Rock Hill has extensive experience in the energy sector and, along with management, has executed on a number of strategic initiatives that have led to the company's strong performance," said Bill Ashbaugh, Managing Director of Capital Southwest. Curtis Harrison, Principal of Capital Southwest, added, "Ace has carved out meaningful market share in the gathering and reclamation industry by leveraging its attractive route network, focusing on superior customer service and utilizing Ace and Rock Hill's collective strategic and operational acumen."

Ace, founded by its management team in 2014 and headquartered in Katy, Texas, provides gathering and recovery services through two separate wholly-owned subsidiaries, Ace Gathering, Inc. and Recoil Energy Systems, LLC ("Recoil"). Ace Gathering offers crude oil gathering services with its top-of-the-line fleet of trucks and trailers as well as crude oil marketing services for customers ranging from small, independent producers to large majors. In May 2016, Ace acquired Maker's Oil Corporation ("Maker's"), a crude recovery and tank cleaning business with over two decades of operating history. Maker's offers oilfield waste cleanup and waste oil removal services for salt water disposal wells, crude oil production tanks, pipelines, and marine barges. Rock Hill made an investment in the combined business in December 2017. In March 2018, Ace completed its acquisition of Recoil, a provider of waste cleanup and tank cleaning services throughout the Permian Basin, which it subsequently merged with Maker's. The combined companies have over 140 employees operating in 7 locations throughout Texas.

#### About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company, with approximately \$308 million in net assets as of September 30, 2018. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 to \$25 million investments across the capital structure, including first lien, unitranche, second lien, subordinated debt and non-control equity co-investments. As a public company with a permanent capital base, Capital Southwest has the flexibility to be creative in its financing solutions and to invest to support the growth of its portfolio companies over long periods of time.

#### About Rock Hill Capital Group

Founded in 2007, Rock Hill Capital Group is a private equity firm based in Houston, Texas that invests in small-to-lower middle market companies located in the South and Southeast U.S. with an enterprise value of up to \$100 million. The firm is focused on industrial products and services businesses. Rock Hill collaborates with experienced entrepreneurs in search of capital and the operational expertise they need to continue growing and expanding their business. The firm commits fearlessly to building successful companies over time to maximize value for both their portfolio businesses and their investors. For more information, visit [www.rockhillcap.com](http://www.rockhillcap.com).

#### Forward-Looking Statements

This press release contains historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to future dividends, market conditions, and the business and investments of Capital Southwest. Forward-looking statements are statements that are not historical statements and can often be identified by words such as "will," "believe," "expect" and similar expressions and variations or negatives of these words. These statements are based on management's current expectations, assumptions and beliefs. They are not guarantees of future results and are subject to numerous risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement. These risks include risks related to changes in the markets in which Capital Southwest invests, changes in the financial and lending markets, regulatory changes, tax treatment and general economic and business conditions.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review Capital Southwest's Annual Report on Form 10-K for the year ended March 31, 2018 and subsequent filings with the Securities and Exchange Commission for a more complete discussion of the risks and other factors that could affect any forward-looking statements. Except as required by the federal securities laws, Capital Southwest does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or any other reason after the date of this press release.

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Source: Capital Southwest Corporation