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## **Frequently Asked Questions for Customers**

### **1. What did Sable Permian Resources, LLC announce?**

- On June 25<sup>th</sup>, 2020, Sable Permian Resources, LLC and certain of its affiliates (collectively, the “Company”) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. This was done to facilitate a restructuring of the Company.
- The Company chose the Chapter 11 process to allow it to continue operations without interruption while completing its restructuring.
- The Company has received a commitment for \$150 million in debtor-in-possession financing from its existing senior lenders, which, subject to court approval, is expected to support the Company’s day-to-day operations during the restructuring process.

### **2. What is Chapter 11?**

- Chapter 11 is the section of the U.S. Bankruptcy Code that allows companies to implement financial restructurings through a court-supervised proceeding while continuing to operate their businesses.

### **3. Why did the Company file for Chapter 11?**

- Like many others in the industry, the Company’s financial position has been negatively impacted by the sustained downturn in commodity prices, uncertainty in the energy market, and impacts due to COVID-19.
- Despite having taken actions to mitigate the impact of these factors, the Company continues to face increasing liquidity pressures as it navigates the competitive environment.

### **4. Is the Company going out of business?**

- No. It is important to understand that the Company’s operations are expected to continue in the ordinary course of business during this court-supervised process.
- The Company has received a commitment of \$150 million in debtor-in-possession financing from certain of its existing lenders to continue financing its operations.
- Importantly, with its strong asset base and operational expertise, the Company remains confident in its ability to deliver value for the benefit of its stakeholders.

### **5. How will the restructuring process affect day-to-day operations?**

- The Company does not expect the Chapter 11 proceedings to affect day-to-day operations. The Company’s operations are expected to continue in the ordinary course of business during this court-supervised process.
- The Company intends to meet its obligations to vendors and business partners for goods and services provided after the Chapter 11 filing date.

- The Company has filed a number of customary motions with the court seeking authorization to support its operations, including to continue meeting its obligations to its royalty, working interest, and joint billing partners as well as certain vendors.

**6. How will this impact my supply relationship with the Company?**

- Customers will continue to receive their supply as normal. The Company will continue to operate as usual while we work to effectuate the reorganization.

**7. Does the Company have sufficient liquidity to meet its business obligations?**

- The Company expects to have sufficient liquidity to continue operations and meet its business obligations during the financial restructuring.
- The Company has received a commitment of \$150 million in debtor-in-possession financing from certain of its existing lenders, which, subject to court approval, is expected to support the Company's day-to-day operations during the restructuring process.

**8. When is the Company expected to emerge from Chapter 11?**

- There is no definitive time frame for how long a company remains in Chapter 11. However, the Company intends to move through this restructuring process as quickly as possible.

**9. Will my company contact remain the same?**

- Yes, company contacts will remain the same.

**10. Where can I get updates and additional information?**

- The Company will continue to keep you informed as it moves through the restructuring process. For additional information, the Company has set up a toll-free hotline to answer questions about its restructuring. The hotline can be accessed by calling (844) 627-8453 (US) or (929) 602-1722 (International). Court filings and information about the claims process may be obtained free of charge from the Company's claims agent, Prime Clerk, on a website available at <https://cases.primeclerk.com/SPR> or by sending an email to [Sableinfo@primeclerk.com](mailto:Sableinfo@primeclerk.com).