

## **EdgeMarc Energy Initiates Sale Process**

*Expects to Implement Sale through Chapter 11 Restructuring Following Explosion of Revolution Pipeline*

*Secures Commitment of Approximately \$108 Million in Debtor-in-Possession Financing*

**CANONSBURG, PA – May 15, 2019** – EdgeMarc Energy Holdings, LLC (“EdgeMarc” or the “Company”) today announced that it has commenced voluntary Chapter 11 proceedings in the U.S. Bankruptcy Court for the District of Delaware (the “Court”), together with its subsidiaries, to facilitate a sale of substantially all of the Company’s assets.

Callum Streeter, EdgeMarc’s Chief Executive Officer, stated: “Since the explosion of the Revolution pipeline in 2018, EdgeMarc’s production has been significantly curtailed and the Company has been unable to satisfy its long-haul firm transportation contracts. Following a comprehensive review of all possible alternatives to ensure the Company’s long-term ability to develop our natural gas and NGL rich assets, the EdgeMarc Board and management team have determined that a sale is the best path forward for all stakeholders. This process will provide the necessary resources and flexibility to resume normal upstream operating activities at our well sites in Pennsylvania and Ohio.”

EdgeMarc intends to implement the sale under Section 363 of the U.S. Bankruptcy Code, which will allow the Company to provide for an orderly sale of its assets in a court-supervised environment. EdgeMarc has submitted auction procedures to the Court for approval. Under those procedures, the auction of substantially all of EdgeMarc’s assets is expected to take place on or prior to August 14, 2019, although that date is subject to change. EdgeMarc expects all of its operations and well sites that are not contracted with the Revolution pipeline to operate without disruption during the sale process. Customers, lessors and employees of those operations should see no interruption as a result of this process.

Mr. Streeter continued: “Despite the unfortunate challenges as a result of the explosion, our underlying business fundamentals remain sound. Pursuing a sale under the Court’s supervision provides the quickest and most efficient path forward so we can return to doing what we do best – safely developing our high quality assets. I want to express my gratitude to the fantastic EdgeMarc team for their unwavering dedication and hard work. We are also grateful for the ongoing support of our customers, lessors, vendors and other business partners.”

In conjunction with the proposed transaction, EdgeMarc has received a commitment for approximately \$108 million in debtor-in-possession (“DIP”) financing from KeyBank, its primary existing lender, which includes \$30 million in new money financing and approximately \$78 million of “roll up” loans to refinance all outstanding debt owed to KeyBank. Upon Court approval, the new financing and cash generated from the Company’s ongoing operations will be used to support the business throughout the Chapter 11 proceedings and sale process.

EdgeMarc has filed a number of customary motions with the Bankruptcy Court seeking authorization to support its operations during the court-supervised process, including authority to continue to pay employee wages and provide health and other benefits, and to pay vendors, lessors and other business partners. The Company expects to receive Bankruptcy Court approval for these requests.

### **Revolution Pipeline**

In 2015, Energy Transfer entered into long-term gas gathering, processing and fractionation agreements with EdgeMarc, which would provide EdgeMarc with effective gathering and processing for a significant inventory of lateral locations that would be drilled to access rich gas from the stacked Devonian and Marcellus shales in Butler County, PA. These agreements were part of Energy Transfer’s Revolution project. On September 10, 2018, an explosion occurred within a segment of the Revolution pipeline system in Beaver County, PA. Immediately following the incident, Energy Transfer shut down part of the Revolution pipeline and production from the producing wells in the area were affected.

## **Additional Information**

Court filings and information about the claims process are available at <https://cases.primeclerk.com/EdgeMarc>, by calling EdgeMarc's claims agent, Prime Clerk, at 844-217-1398 (or +1-347-859-8091 for international calls) or sending an email to [EdgeMarcinfo@primeclerk.com](mailto:EdgeMarcinfo@primeclerk.com).

## **Advisors**

Davis Polk & Wardwell LLP and Landis Rath & Cobb LLP are serving as legal advisors, Evercore is serving as investment banker and Opportune LLP is serving as financial advisor to EdgeMarc.

## **About EdgeMarc**

EdgeMarc is a locally based natural gas exploration and production company headquartered in Canonsburg, Pennsylvania. Drawing on our team's operational experience, we develop strong, long-term partnerships to safely and responsibly produce clean-burning natural gas from the Appalachian Basin. With safety at the center of our core values, all of our operations are executed with a keen focus on preserving the health, safety and wellness of our people, communities, business partners, and the environment. We believe it is a privilege to operate our business in the communities where we work. We are committed to making a positive impact in these communities through contributing to the local economies and volunteering our time.

### *EdgeMarc Highlights*

- Formed in 2012; 40 plus full-time, local employees
- 45,000 gross acres leased
- Local and experienced team with a cumulative record of developing more than 400 shale wells
- Operations in Butler County, PA, Monroe County and Washington County, OH
- Active community outreach program focused on youth educational enrichment

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