



## Vendor Frequently Asked Questions

---

### 1. Why did Sanchez Energy file for Chapter 11?

- Over the last year, the Sanchez Energy Corporation board of directors and management team have taken proactive steps to address the challenging oil and natural gas price environment, including stabilizing its production profile, improving its capital efficiency and reducing its overall cost structure.
- To that end, Sanchez Energy and certain of its subsidiaries have voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas (the "Court").
- The Company's decision to take this action follows an extensive review of strategic alternatives to align its capital structure with the continued low commodity price environment.
- Undergoing a financial restructuring through a voluntary process represents the next phase for Sanchez Energy, as we work with our creditors on a plan to right-size our balance sheet, further invest in our assets and generate long-term value for our stakeholders.
- Importantly, Sanchez Energy has assembled a high-quality asset base and has significant liquidity, comprised of cash on hand and \$175 million of new committed financing, to operate in the normal course.
- At the same time, we intend to maintain productive relationships with our business partners and midstream counterparties.

### 2. What corporate entities are included in the filings?

- Sanchez Energy and certain of its subsidiaries have filed for Chapter 11.
- Non-recourse subsidiary SN EF UnSub, LP and certain other unrestricted subsidiaries of the Company are not included in these Chapter 11 proceedings.
- Sanchez Oil & Gas (SOG) and Sanchez Midstream Partners (SNMP) are not included in this Chapter 11 filing and did not file for bankruptcy.

### 3. How will the filing affect day-to-day operations at Sanchez Energy? Does Sanchez Energy have sufficient liquidity to continue operating throughout this process?

- Sanchez Energy has significant liquidity to operate in the normal course. Sanchez Energy is committed to operating safely and efficiently while it maintains productive relationships with our business partners and midstream counterparties.
- The Company also received commitments from certain of its senior lenders for \$175 million in new financing, which, along with cash on hand and cash flow generated by ongoing operations, will be used to support the business and fund continued capital investment throughout the restructuring process.

### 4. When will Sanchez Energy complete the restructuring process?

- It is Sanchez Energy's intent to move through this process as quickly and efficiently as possible, although there is not a definitive timeline to share today.
- We will keep you informed of important milestones as the process moves forward.

### 5. Will Sanchez Energy continue to honor its contracts?

- Sanchez Energy has significant liquidity, comprised of cash on hand and \$175 million of new committed financing, which will allow us to operate our business in the normal course and maintain productive commercial relationships with the Company's partners and midstream counterparties.

### 6. Will I be paid for goods and services provided to Sanchez Energy on or after the filing date?

- Yes. Vendors can expect to be paid in full for all goods and services provided on or after August 11, 2019, the filing date.
- Invoices for goods and services provided on or after the filing date should be submitted through the typical accounts payable channels, and payments will be processed in accordance with contract terms, if applicable.



**7. Will I be paid for goods and services provided to Sanchez Energy before the filing date?**

- Unfortunately, U.S. Bankruptcy law mandates that unpaid debts for goods and services provided to Sanchez Energy prior to the filing date, also known as “pre-petition claims,” cannot be paid without specific court approval.
- The Company has filed a number of customary motions with the Court to authorize the Company to pay certain pre-petition obligations. Among other things, these motions seek authorization for Sanchez Energy to continue to operate in the normal course of business without interruption to its relationships.
- If you provided goods or services before the filing date and have not been paid, you can file a proof of claim with the Court. To do that you can visit <https://cases.primeclerk.com/sanchezenergy>. Information is also available by calling Sanchez Energy’s information hotline at 844.232.0067 or sending an email to [sanchezinfo@primeclerk.com](mailto:sanchezinfo@primeclerk.com).

**8. Will Sanchez Energy pay invoices according to the same schedule that was used before the Chapter 11 filing?**

- Yes. Sanchez Energy expects to continue to place orders and receive goods and services as usual, and to pay all vendors in full for goods and services provided on or after the filing date.

**9. Can I take back my goods?**

- It is against the law to take back goods from a company that has filed for Chapter 11 without following the applicable procedures under the Bankruptcy Code.

**10. Can I renegotiate the terms of my contract with Sanchez Energy?**

- Sanchez Energy intends to maintain existing payment terms, and expects our vendors to continue to honor existing agreements.
- If you have a contract with Sanchez Energy, bankruptcy laws require that you continue to perform services or provide products under that agreement unless otherwise ordered by the court.
- Likewise, bankruptcy laws require that Sanchez Energy pay for all goods and services provided on or after the filing and during the restructuring process in the normal course of business.
- We are committed to the relationship we have developed with your organization and will continue to work closely with you throughout this process.
- Your cooperation will ensure that our businesses continue to operate normally and that our companies can continue working together.

**11. Why should I continue to do business with Sanchez Energy?**

- The ongoing support of our vendors is essential to the success of this process. Your cooperation will ensure that our businesses continue to operate normally and that our companies can continue working together.
- Sanchez Energy has significant liquidity, comprised of cash on hand and \$175 million of new committed financing, to operate in the normal course and maintain productive commercial relationships with the Company’s partners and midstream counterparties.
- The Company has filed a number of customary motions with the Court to authorize the Company to pay certain pre-petition obligations. Among other things, these motions seek authorization for Sanchez Energy to continue to operate in the normal course of business without interruption to its relationships.
- We believe that we will emerge from this process as a stronger partner to our vendors.
- We value our long-term relationship with you and look forward to continuing to work together.



**12. How do I file a claim?**

- If you provided goods or services before the filing date and have not been paid, you can file a proof of claim with the Court.
- Proof of claim forms and other information about the claims process will be available on the internet at <https://cases.primeclerk.com/sanchezenergy>.
- If you have any questions about filing a proof of claim, you can call Sanchez Energy's information hotline at 844.232.0067 or send an email to [sanchezinfo@primeclerk.com](mailto:sanchezinfo@primeclerk.com).

**13. Will vendors have the same points of contact?**

- Sanchez Energy is operating in the normal course, so operational contacts will be the same.
- For payment inquiries, please call the Company's information hotline at 844.232.0067 or send an email to [sanchezinfo@primeclerk.com](mailto:sanchezinfo@primeclerk.com)

**14. How can vendors get updates and additional information?**

- We are committed to keeping you informed of important events as this process moves forward.
- Please feel free to reach out to your normal Sanchez Energy contact for additional information such as court filings and information about the claims process are available on the internet at <https://cases.primeclerk.com/sanchezenergy>, by calling the Company's information hotline at 844.232.0067 or sending an email to [sanchezinfo@primeclerk.com](mailto:sanchezinfo@primeclerk.com).