
Frequently Asked Questions for Vendors

Sable Permian Resources, LLC and certain of its affiliates (“SPR”) announced today, June 25th, 2020, that, in order to facilitate a restructuring, SPR has filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

The following information is designed to answer questions that you may have regarding the Chapter 11 bankruptcy process with respect to the filing of SPR’s Chapter 11 proceedings.

1. What is Chapter 11?

Chapter 11 of the Bankruptcy Code provides a mechanism for companies to reorganize through a court-supervised proceeding while continuing to operate their businesses.

2. Why did SPR file Chapter 11?

Like many other companies in the oil and gas industry, SPR’s financial performance has been adversely impacted by the sustained downturn in commodity prices, uncertainty in the energy market, and global impact due to the COVID-19 pandemic. Despite taking actions to mitigate the impact of these factors, SPR continues to face increasing liquidity pressures as it navigates the competitive environment. SPR has chosen to voluntarily file for relief under Chapter 11 of the Bankruptcy Code to complete a restructuring while continuing to operate in the ordinary course without interruption. SPR is working with its advisors and stakeholders on a range of strategic alternatives that will maximize value for all stakeholders and will position SPR for long-term success.

3. Is SPR going out of business?

No. A Chapter 11 reorganization does not mean that SPR is going out of business. SPR’s operations are expected to continue in the ordinary course of business during the Chapter 11 proceedings. SPR intends to continue honoring its obligations in the ordinary course of business following the commencement of the Chapter 11 proceedings. With its strong operational expertise, SPR remains confident in its ability to deliver value for the benefit of its stakeholders.

4. Does SPR have sufficient funding to continue operations?

SPR expects to have sufficient liquidity to continue operations and meet its business obligations during the restructuring.

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

SPR does not expect the Chapter 11 proceedings to affect day-to-day operations. SPR will continue to operate as usual during the Chapter 11 proceedings.

6. Will vendors still be paid?

Unfortunately, U.S. Bankruptcy law mandates that unpaid debts for goods and services provided to SPR prior to the filing date, also known as “pre-petition claims,” cannot be paid without specific court approval. SPR has filed a number of customary motions with the Court to authorize SPR to pay certain pre-petition obligations. Among other things, these motions seek authorization for SPR to continue to operate in the normal course of business without interruption to its relationships. SPR expects to receive Court approval for these requests.

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/SPR>. Information is also available by calling SPR’s information hotline at (844) 627-8453 (US) or (929) 602-1722 (International) or by sending an email to SableInfo@primeclerk.com.

7. Will SPR pay post-petition invoices according to the same schedule that was used before the Chapter 11 filing?

Yes. SPR 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.

8. 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.

9. Can I renegotiate the terms of my agreement(s) with you?

SPR intends to maintain existing payment terms and expects our vendors to continue to honor existing agreements. If you have a contract with SPR, bankruptcy laws require that you continue to honor the terms of that agreement unless otherwise ordered by the court. Likewise, bankruptcy laws require that SPR 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.

10. When is SPR expected to emerge from Chapter 11?

There is no definitive time frame for how long a company remains in the Chapter 11 process. While SPR cannot estimate the amount of time the process will take, it intends to exercise its best efforts to facilitate the process as expeditiously as possible.

11. Will my contact at SPR remain the same?

Yes, SPR contacts will remain the same.

12. Where can I get additional information about the Chapter 11 proceedings?

SPR will continue to keep you informed as it moves through the restructuring process. For additional information, SPR has set up a toll-free hotline to answer questions about SPR's 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 SPR's claims agent, Prime Clerk, on a website available at <https://cases.primeclerk.com/SPR> or by sending an email to SableInfo@primeclerk.com.