



sabine oil & gas

## Supplier FAQ

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### 1. Why did Sabine file Chapter 11?

- We have taken this action to establish a sustainable capital structure and make us a stronger business partner going forward. Like many other exploration and production companies, Sabine's financial position has been significantly impacted by the recent and dramatic decline in oil prices, the continued low prices of natural gas, and general uncertainty in the energy market.
- The Court-supervised restructuring process is designed to protect the value of the Company while we address our balance sheet and put Sabine on stronger financial footing for the future.

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

- Importantly, we will continue normal business operations during this process.
- We believe we have sufficient liquidity to support the business during this process.
- We intend to continue working closely with our suppliers and paying for goods and services under normal terms on or after the date of the filing.
- We are committed to the partnership we have developed with you and your organization.
- We have taken this action to strengthen our Company's capital structure and address our balance sheet, allowing us to operate more efficiently in the future and making us a stronger business partner going forward.

### 3. How will Sabine be financed during Chapter 11?

- We believe we have sufficient liquidity to support the business during this process.
- As of the filing date, the Company had a cash balance of approximately \$253 million, which provides substantial liquidity to fund its current operations.

### 4. Will the existing leadership and Board of Directors remain in place?

- Yes, the current management team and Board of Directors will remain in place and continue to be committed to the business.

### 5. Will suppliers be paid for goods and services they provide to Sabine on or after the filing date?

- Sabine intends to pay suppliers for all goods and services received on or after the filing date of July 15, 2015 under normal terms.
- U.S. bankruptcy law affords administrative priority treatment to claims incurred after a debtor has commenced bankruptcy cases—including *during* the bankruptcy case.

**6. Will suppliers be paid for goods and services they provided to Sabine prior to the filing date?**

- U.S. bankruptcy law provides that unpaid debts for goods and services provided to Sabine prior to the filing date of July 15, 2015, also known as “pre-petition claims,” cannot be paid without specific Bankruptcy Court approval.
- However, under section 503(b)(9) of the bankruptcy code, the Company may be able to pay administrative expense claims for goods received within 20 days of the Chapter 11 filing date.
- Any claims will be addressed as part of the process moving forward.
- If you believe you have a pre-petition claim for goods and services provided to Sabine, you may need to file a proof of claim with the Bankruptcy Court to be eligible for payment on your claim. Information about the claims process will be made available at a later date.

**7. Why should I continue to provide you with goods and services?**

- All goods and services provided while Sabine is in Chapter 11 will be paid in the ordinary course of business. U.S. bankruptcy law affords administrative priority treatment to claims incurred after a debtor has commenced bankruptcy cases—including *during* the bankruptcy case.
- We value the partnership we have developed with your company and plan to work closely with you throughout this process. We have taken this action to establish a sustainable capital structure and make us a stronger business partner going forward.
- Your cooperation throughout this process will help ensure that we can continue working together for many years to come.

**8. When will Sabine complete the restructuring process? What will happen to Sabine following the restructuring process?**

- We intend to move through this process as quickly as possible.
- Sabine continues to engage in constructive discussions with its lenders and debt holders regarding the terms of a consensual financial restructuring plan and is focused on achieving a resolution as expeditiously as possible.
- We expect to emerge with increased financial flexibility and a sustainable capital structure that will enable us to grow our business in the future.

**9. How can I obtain more information?**

- If you have further questions about the restructuring, please do not hesitate to reach out to your usual contact at Sabine. Additional information is also available on our corporate website and at a website maintained by the Company’s claims agent at <https://cases.primeclerk.com/sabine>.