



# Ultra Petroleum Corp.

## Vendor FAQ

### **1. Why did Ultra file Chapter 11?**

- After careful consideration, we took this action to create a sustainable capital structure and make us a stronger business partner going forward. The entire petroleum industry has been affected by the severe and protracted downturn in oil and natural gas prices, and general uncertainty in the market, and Ultra is no exception.
- The Court-supervised restructuring process is designed to protect the value of the Company, for all stakeholders, while we work to address our balance sheet and put Ultra 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 the restructuring process.
- We believe we have sufficient liquidity to support the business through the restructuring process.
- We intend to continue working closely with our suppliers and paying for goods and services under normal terms and conditions on or after the filing date.
- We have taken this action to strengthen Ultra's capital structure and address our balance sheet, which we believe will make us a stronger business partner going forward.

### **3. How will Ultra be financed during and after the Chapter 11 process?**

- We believe we have sufficient liquidity to support the business through the restructuring process.
- In addition to cash on hand, the Company has secured commitments for financing of up to \$25 million DIP from certain Term Loan lenders, which will provide Ultra with sufficient liquidity to fund current operations.
- The Chapter 11 plan contemplates the elimination of nearly \$2.0 billion of indebtedness. Combined with cash on hand, a \$60 million credit facility, and cash flows from operations, we believe we will have adequate liquidity after exit from bankruptcy.

### **4. Will the existing leadership remain in place?**

- The current management team has worked closely with our lenders, shareholders, and advisors over the past years to guide the company through various challenging headwinds. We expect they will stay in their current roles throughout the Chapter 11 process.

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

- Ultra intends to pay suppliers for all goods and services received on or after the filing date of May 14, 2020, 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 Ultra before the filing date?**

- U.S. bankruptcy law provides that unpaid debts for goods and services provided to Ultra prior to the filing date of May 14, 2020, also known as "pre-petition claims," cannot be paid without specific Bankruptcy Court approval.
- 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 Ultra, 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. Can I re-submit past invoices and get paid for them now?**

- You should not re-submit invoices as doing so will only cause further delays. The Company is in the process of reviewing all of its records and separating pre- and post-petition invoices. Ultra will be filing a “Schedule of Assets and Liabilities” with the court. In this document, the Company will list balances it believes are owed to its creditors. If you have further questions about this, please consult with your own legal counsel.

**8. Can suppliers take back goods?**

- No. Chapter 11 prohibits this kind of action. It is illegal to take back goods from a company that has filed for Chapter 11. You should consult with your legal counsel before attempting to remove any goods.

**9. Why should I continue to provide Ultra with goods and services?**

- All goods and services provided while Ultra 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.
- For vendors who perform services on our job sites, you can be assured the Company will continue to prioritize safety and environmental stewardship. We will also continue to hold our vendors to our same high-standards of performance in these matters.

**10. Do suppliers need to submit invoices in a different manner going forward in order to get paid?**

- No. Suppliers should continue to submit invoices as they do currently. Ultra will continue to trade with suppliers under current contractual terms as normal.

**11. When will Ultra complete the restructuring process? What will happen to Ultra following the restructuring process?**

- We intend to move through this process as quickly as possible.
- Ultra 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.

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

- If you have further questions about the restructuring, please reach out to your usual contact at Ultra. Additional information is also available on our corporate website and at a website maintained by the Company’s claims agent at <http://cases.primeclerk.com/ultrapetroleum> or by calling 1-877- 606-3608.