UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ULTRA PETROLEUM CORP., *et al.*,[1]	)	Case No. 16-32202 (MI)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT FOR DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number (if any), are: Ultra Petroleum Corp. (3838); Keystone Gas Gathering, LLC; Ultra Resources, Inc. (0643); Ultra Wyoming, Inc. (6117); Ultra Wyoming LGS, LLC (0378); UP Energy Corporation (4296); UPL Pinedale, LLC (7214); and UPL Three Rivers Holdings, LLC (7158).

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS AND INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE *DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION*. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE X HEREIN.

THE PLAN IS SUPPORTED BY THE DEBTORS, THE CONSENTING HOLDCO NOTEHOLDERS, AND THE CONSENTING HOLDCO EQUITYHOLDERS. THE DEBTORS URGE HOLDERS OF CLAIMS OR INTERESTS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE DEBTORS' CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS OR INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AND INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

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EXHIBITS

I. INTRODUCTION.

The Debtors submit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code to holders of Claims against and Interests in the Debtors in connection with the solicitation of acceptances with respect to the ***Debtors' Joint Chapter 11 Plan of Reorganization*** (the "Plan"), dated December 6, 2016.[1] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

THE DEBTORS BELIEVE THAT THE SETTLEMENT CONTEMPLATED UNDER THE PLAN IS FAIR AND EQUITABLE, MAXIMIZES THE VALUE OF THE DEBTORS' ESTATES AND PROVIDES THE BEST RECOVERY TO HOLDERS OF CLAIMS AND INTERESTS. AT THIS TIME, THE DEBTORS BELIEVE THIS IS THE BEST AVAILABLE ALTERNATIVE FOR COMPLETING THE CHAPTER 11 CASES. THE DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

II. PRELIMINARY STATEMENT.

The Debtors are a publicly-traded, independent oil and natural gas exploration and production ("E&P") enterprise headquartered in Houston, Texas. Over the years, the Debtors have consistently demonstrated that they are one of the leanest and most efficiently-operated E&P companies in the industry. The Debtors' principal assets are their Pinedale Field properties in Wyoming, which primarily produce natural gas. The Debtors also own properties in Utah, which produce primarily crude oil, and interests in properties in Pennsylvania, which produce natural gas. The Debtors manage their operations from an operations office in Denver, Colorado and two field offices, located in Pinedale, Wyoming and Vernal, Utah.

Prior to the filing of the Chapter 11 Cases, unexpected and historic declines in natural gas and crude oil prices as well as worsening conditions in capital markets serving the oil and gas industry created a challenging environment for all oil and gas companies, including the Debtors, and ultimately caused the Debtors' capital structure to become unsustainable.

Prepetition, the Debtors undertook a series of operational and financial actions in an attempt to improve their liquidity position and stabilize their capital structure. These actions included significantly reducing their capital expenditures, negotiating material cost reductions from key vendors, pursuing capital markets or asset sales transactions, and revising incentive compensation programs to emphasize debt reduction as a performance goal. Although the Debtors were successful at reducing their capital expenditures and negotiating material cost reductions from key vendors, due to the continued deterioration of commodity prices and market conditions in the oil and gas industry, the Debtors were unsuccessful at consummating suitable capital markets or asset sale transactions. As a result, on the Petition Date, the Debtors commenced the Chapter 11 Cases to effectuate a comprehensive balance sheet restructuring pursuant to chapter 11 of the Bankruptcy Code.

Since filing the Chapter 11 Cases, the Debtors and their advisors continued to engage the Debtors' key stakeholders regarding various possible restructuring alternatives to strengthen the Debtors' balance sheet and create a sustainable capital structure to position the Debtors for long-term success. More specifically, in July 2016, the Debtors presented a revised business outlook that set forth a strategy to invest in and provided an overview of the Debtors' core natural gas exploration and production business. Following the rollout of the Debtors' revised business outlook, the Debtors entered into informal discussions with two key stakeholders, the HoldCo Noteholder Committee and the Equityholder Committee, regarding a possible reorganization premised upon a new-money investment in the Debtors' business enterprise backstopped by certain of the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders, including their successors and assigns to the extent permitted under the Backstop Commitment Agreement, and a substantial deleveraging. On October 17, 2016, the Debtors determined

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[1] Capitalized terms used but not otherwise defined in this Disclosure Statement will have the meaning ascribed to such terms in the Plan. **The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern**.

that it was appropriate to enter into the next phase of their restructuring discussions and entered into confidentiality agreements with the members of the HoldCo Noteholder Committee and the Equityholder Committee to permit the parties to discuss and develop the terms of the Debtors' reorganization strategy.

The Debtors' discussions with their stakeholders during this period were ultimately successful. After extensive negotiations, on November 21, 2016, the Debtors and entities holding a majority of HoldCo's common stock and a substantial majority of HoldCo's outstanding unsecured notes agreed to the terms of the restructuring set forth in the Plan Support Agreement.[2] The transaction memorialized in the Plan contemplates a $580 million rights offering backstopped by certain of the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders, the equitization of nearly $1.3 billion in HoldCo Notes, a significant recovery to holders of Existing HoldCo Common Stock in the form of equity, the satisfaction of all of OpCo's Allowed funded indebtedness, Allowed General Unsecured Claims against OpCo (including trade creditor claims), Allowed Administrative Claims, and Allowed Priority Claims. In the face of unprecedented upheaval in the E&P segment as well as the numerous filings by other E&P companies, there is no doubt that the bargain struck by the Debtors—which will result in a significant recovery to common stockholders—is unprecedented and will maximize value for the Debtors' economic stakeholders.

Since executing the Plan Support Agreement, the Debtors have documented the terms of the restructuring contemplated thereby—including the Plan and this Disclosure Statement. The key terms are summarized as follows.

Settlement Plan Value. Under the Plan, the Settlement Plan Value of the Ultra Entities will be $6.0 billion; provided, that if the average closing price of the 12-month forward Henry Hub natural gas strip price during the seven (7) trading days preceding the commencement of the Rights Offering solicitation is: (i) greater than $3.65/MMBtu, the Plan Value will be $6.25 billion; or (ii) less than $3.25/MMBtu, the Plan Value will be $5.5 billion.

Existing HoldCo Common Stock. Assuming a Settlement Plan Value of $6 billion, holders of Existing HoldCo Common Stock shall receive their Pro Rata share of 41 percent of the New Common Stock on the Effective Date, subject to adjustment as provided in the Plan if the Settlement Plan Value is $6.25 billion or $5.5 billion, and subject to dilution on account of the Management Incentive Plan, and rights to participate in the Rights Offering for 5.4 percent of the New Common Stock, exclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan.

HoldCo Note Claims. Assuming a Settlement Plan Value of $6 billion, holders of Allowed HoldCo Note Claims shall each receive their Pro Rata share of 36.2 percent of the New Common Stock on the Effective Date, subject to adjustment as provided in the Plan if the Settlement Plan Value is $6.25 billion or $5.5 billion, and subject to dilution on account of the Management Incentive Plan, and the right to participate in the Rights Offering for 16.1 percent of the New Common Stock, exclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan.

OpCo Note Claims; OpCo RCF Claims. Holders of Allowed OpCo Note Claims and Allowed OpCo RCF Claims shall receive their Pro Rata share of $2.0 billion of New OpCo Notes ***plus*** Cash in an amount equal to the difference between the aggregate Allowed amount of their respective OpCo Note Claims or Allowed OpCo RCF Claims, as applicable, and the amount of New OpCo Notes distributed to such holders. Holders of Allowed OpCo Note Claims and Allowed OpCo RCF Claims may elect into a distinct Class under which such holders may receive a larger share of their recovery in Cash in the event that the Class of such electing holders votes to accept the Plan, as set forth below.

OpCo Note Makewhole Claims. Holders of Allowed OpCo Note Makewhole Claims (if any) shall receive an amount of Additional New OpCo Notes equal to the amount of Allowed OpCo Note Makewhole Claims held by such holders.

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2 The Debtors subsequently announced that the Holders of more than 66.67 percent in principal amount of the HoldCo Notes had agreed to support the Plan Support Agreement.

General Unsecured Claims. Holders of Allowed General Unsecured Claims shall, depending on the entity against which such General Unsecured Claim is Allowed and the nature of such General Unsecured Claim, be paid in full in Cash on, or in some circumstances within six (6) months of, the Effective Date, or in some circumstances shall receive such other treatment rendering certain claims Unimpaired.

Rights Offering. Holders of Existing HoldCo Common Stock and Allowed HoldCo Note Claims shall also be entitled to participate in the Rights Offering in accordance with the Backstop Commitment Agreement, the Plan Support Agreement, the Plan, and the Rights Offering Procedures.

Management Incentive Plan. Under the Plan, 7.5 percent of the fully-diluted, fully-distributed shares of Reorganized HoldCo will be reserved for issuance to management under the Management Incentive Plan. Forty percent of such reserve will be granted to members of management identified by the pre-Effective Date HoldCo Board in the form of full shares (or equivalent) vesting on or after the Effective Date in accordance with certain time and/or valuation thresholds. The balance of such reserve will be available to be granted by the New Board from time to time to management in accordance with the Management Incentive Plan, which shall be included as part of the Plan Supplement.

Secured Non-Tax Claims. Holders of Allowed Secured Non-Tax Claims shall receive such treatment as to render their claims Unimpaired.

Other Priority Claims. Holders of Allowed Other Priority Claims shall receive such treatment as to render their claims Unimpaired.

Intercompany Claims; Intercompany Interests. Intercompany Claims and Intercompany Interests shall be reinstated, canceled, or treated in such other manner as determined by the Debtors or the Reorganized Debtors.

Other Existing HoldCo Equity Interests. All Other Existing HoldCo Equity Interests shall be canceled and of no further force and effect, and the holders thereof shall not receive or retain any distribution on account of their Other Existing HoldCo Equity Interests.

In short, the Plan Support Agreement and the Plan provide the Debtors with the resources and flexibility to maximize the value of the Estates. In addition, the compromises and settlements embodied therein, and to be implemented pursuant to the Plan, preserve value and avoid potential litigation with the Equityholder Committee and HoldCo Noteholder Committee over potential recoveries. Certain members of the Equityholder Committee and HoldCo Noteholder Committee have elected to enter into the Plan Support Agreement with the Debtors and to backstop the Rights Offering. As of the date hereof, holders of approximately [●] percent in principal of HoldCo Note Claims and approximately [●] percent of Existing HoldCo Equity Interests have agreed to support the restructuring contemplated by the Plan Support Agreement and Plan. In addition, holders of approximately [●] percent of OpCo's funded indebtedness have signed the Plan Support Agreement.

The formulation of the Plan Support Agreement and Plan is a significant achievement for the Debtors in the face of historic commodity price declines and a depressed operating environment. The Debtors strongly believe that the Plan is in the best interests of the Estates, represents the best available alternative, and significantly deleverages the Debtors' consolidated balance sheet at a critical time after the commodity cycle downturn has negatively affected many companies within the oil and natural gas industry. Given the Debtors' core strengths—including their experienced management team and the strategic location of their assets—the Debtors are confident that they can implement the Plan's balance sheet restructuring to ensure the long-term viability of their businesses.

III. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN.

A. What is chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a plan of reorganization is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

B. Why are the Debtors sending me this Disclosure Statement?

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan. This Disclosure Statement is being submitted in accordance with these requirements.

C. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan (if any) depend on what type of Claim or Interest you hold. Each category of holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below.

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Secured Non-Tax Claims	Unimpaired	Presumed to Accept
3	HoldCo Note Claims	Impaired	Entitled to Vote
4	Non-Election OpCo Note Claims and Non-Election OpCo RCF Claims	Impaired	Entitled to Vote
5	Election OpCo Note Claims and Election OpCo RCF Claims	Impaired	Entitled to Vote
6	OpCo Note Guarantee Claims and OpCo RCF Guarantee Claims	Unimpaired	Presumed to Accept
7	OpCo Note Makewhole Claims	Impaired	Entitled to Vote
8	OpCo Subsidiary General Unsecured Claims	Unimpaired	Presumed to Accept
9	OpCo Trade General Unsecured Claims	Impaired	Entitled to Vote
10	Other OpCo General Unsecured Claims	Impaired	Entitled to Vote
11	Other General Unsecured Claims	Impaired	Entitled to Vote
12	Intercompany Claims	Impaired or Unimpaired	Presumed to Accept or Presumed to Reject
13	Intercompany Interests	Impaired or Unimpaired	Presumed to Accept or Presumed to Reject

14	Existing HoldCo Common Stock	Impaired or Unimpaired[3]	Entitled to Vote
15	Other Existing HoldCo Equity Interests	Impaired	Deemed to Reject

D. What will I receive from the Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to holders of Claims and Interests under the Plan. Any estimates of Claims and Interests in this Disclosure Statement may vary from the final amounts Allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to cause the Effective Date to occur.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.[4]

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims**	**Projected Recovery Under the Plan**
Unclassified Non-Voting Claims Against the Debtors				
N/A	Administrative Claims	Except with respect to Administrative Claims that are Professional Fee Claims and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a holder of an Allowed Administrative Claim and the applicable	$[●]	100%

3 As provided under Section 3.2(n) of the Plan, the Debtors reserve the right to dilute the holders of Existing HoldCo Common Stock by issuing additional Existing HoldCo Common Stock rather than cancelling the Existing HoldCo Common Stock. To the extent the Debtors determine to issue additional Existing HoldCo Common Stock, Class 14 will be Unimpaired under the Plan, though the Debtors will still solicit the votes of Holders of Class 14 Existing HoldCo Common Stock.

4 The recoveries set forth below may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Debtors' business operations and general economic conditions. "Allowed" means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the Claims Bar Date or a request for payment of an Administrative Claim Filed by the Administrative Claims Bar Date, as applicable (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order, a Proof of Claim or request for payment of Administrative Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; provided, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim has been Allowed by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt, a Proof of Claim Filed after the Claims Bar Date or a request for payment of an Administrative Claim Filed after the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim. "Allow" and "Allowing" shall have correlative meanings.

		Debtor agrees to less favorable treatment, each holder of an Allowed Administrative Claim shall be paid in full in Cash on the unpaid portion of its Allowed Administrative Claim on the latest of: (a) on the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; provided, that Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements and/or arrangements governing, instruments evidencing, or other documents relating to such transactions. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.		
N/A	Priority Tax Claims	Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. In the event an Allowed Priority Tax Claim is also a Secured Tax Claim, such Claim shall, to the extent it is Allowed, be treated as an Secured Claim if such Claim is not otherwise paid in full.	$[●]	100%
Classified Claims and Interests of the Debtors				
1	Other Priority Claims	Each holder of an Allowed Other Priority Claim shall receive payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim on the latest of: (i) on or as soon as reasonably practicable after the Effective Date if such Allowed Other Priority Claim is Allowed as of the Effective Date; (ii) on or as soon as reasonably practicable after the date such Other Priority Claim is Allowed; and (iii) the date such Allowed Other Priority Claim becomes due and payable, or as soon thereafter as is reasonably practicable.	$[●]	100%

2	Secured Non-Tax Claims	Each holder of an Allowed Secured Non-Tax Claim shall receive, at the Debtors' option, either (i) Reinstatement of its Allowed Secured Non-Tax Claim or (ii) payment in full, in Cash, of the unpaid portion of its Allowed Secured Non-Tax Claim on the latest of: (a) on or as soon as reasonably practicable after the Effective Date if such Allowed Secured Non-Tax Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Secured Non-Tax Claim is Allowed; and (c) the date such Allowed Secured Non-Tax Claim becomes due and payable, or as soon thereafter as is reasonably practicable.	$[●]	100%
3	HoldCo Note Claims	On the Effective Date, each holder of an Allowed HoldCo Note Claim shall receive its Pro Rata share of the HoldCo Noteholder New Common Stock Distribution. In addition, each holder of an Allowed HoldCo Note Claim as of the Rights Offering Record Date shall receive its Pro Rata share of the HoldCo Noteholder Subscription Rights.	[$1.34 billion]	100%
4	Non-Election OpCo Note Claims and Non-Election OpCo RCF Claims	On the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Class 4 Claim shall receive: (a) its Pro Rata share of the New OpCo Notes; and (b) Cash in an amount equal to the difference, if any, between (x) the amount of such holder's Allowed Class 4 Claim and (y) the amount of New OpCo Notes distributed to such holder under the preceding clause (a); provided, that in no event shall a holder of an Allowed Class 4 Claim receive under the preceding clause (a) an amount of New OpCo Notes that is greater than such holder's Allowed Class 4 Claim.	$0 to $[2.523 billion]	100%

5	Election OpCo Note Claims and Election OpCo RCF Claims	If Class 5 votes to accept the Plan then, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Class 5 Claim shall receive no later than six (6) months after the Effective Date (a) a Cash payment equal to [between [20% and 100%] of such holder's Allowed Class 5 Claim] and (b) New OpCo Notes in an amount equal to the difference between (x) the amount of such holder's Allowed Class 5 Claim and (y) the amount of Cash distributed to such holder under the preceding clause (a); provided, that the Debtors shall consult with the Required Consenting Parties with respect to the size of the Cash payment made pursuant to the preceding clause (a). If Class 5 votes to reject the Plan, then on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Class 5 Claim shall receive (a) its Pro Rata share of the New OpCo Notes and (b) Cash in an amount equal to the difference, if any, between (x) the amount of such holder's Allowed Class 5 Claim and (y) the amount of New OpCo Notes distributed to such holder under the preceding clause (a); provided, that in no event shall a holder of an Allowed Class 5 Claim receive under the preceding clause (a) an amount of New OpCo Notes that is greater than such holder's Allowed Class 5 Claim..	$0 to $[2.523 billion]	100%
6	OpCo Note Guarantee Claims and OpCo RCF Guarantee Claims	On the Effective Date or as soon as reasonably practicable thereafter, Reorganized HoldCo and Reorganized UP Energy shall guarantee the New OpCo Notes and the Additional New OpCo Notes, if any, on the same terms (except as to amount) as the current guarantees of the OpCo Notes and OpCo RCF.	$[2.523 billion] to $[2.725 billion]	100%
7	OpCo Note Makewhole Claims	As soon as reasonably practicable after a determination by the Bankruptcy Court with respect to the Allowed amount of any OpCo Note Makewhole Claims, if any, each holder of an Allowed OpCo Note Makewhole Claim, if any, shall receive an amount of Additional New OpCo Notes equal to the amount of the Allowed OpCo Note Makewhole Claims held by such holder.	$0 to $[202] million	100%
8	OpCo Subsidiary General Unsecured Claims	On the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed OpCo Subsidiary General Unsecured Claim shall either (a) be paid in full in Cash or (b) receive such other treatment rendering such Claim Unimpaired.	$[●]	100%

9	OpCo Trade General Unsecured Claims	Each holder of an Allowed OpCo Trade General Unsecured Claims shall receive: (i) on the later of (a) six (6) months after the Effective Date and (b) as soon as reasonably practicable after an OpCo Trade General Unsecured Claim becomes Allowed, payment in in full in Cash; or (ii) such other treatment as may be provided by the settlement agreement related to such OpCo Trade General Unsecured Claim.	$[●]	100%
10	Other OpCo General Unsecured Claims	On the later of (i) six (6) months after the Effective Date and (ii) as soon as reasonably practicable after an Other OpCo General Unsecured Claim becomes Allowed, each holder of an Allowed Other OpCo General Unsecured Claim shall be paid in full in Cash.	$[●]	100%
11	Other General Unsecured Claims	On the later of (i) six (6) months after the Effective Date and (ii) as soon as reasonably practicable after an Other General Unsecured Claim becomes Allowed, each holder of an Allowed Other General Unsecured Claim shall be paid in full in Cash.	$[●]	100%
12	Intercompany Claims	Each Intercompany Claim shall be, at the option of the Debtors or Reorganized Debtors, either (a) Reinstated as of the Effective Date; (b) cancelled, in which case no distribution shall be made on account of such Intercompany Claims; or (c) treated in such other manner as determined by the Debtors or Reorganized Debtors.	$[●]	100%
13	Intercompany Interests	Each Intercompany Interest shall be, at the option of the Debtors or Reorganized Debtors, either (a) Reinstated as of the Effective Date or (b) cancelled, in which case no distribution shall be made on account of such interests.	N/A	100%
14	Existing HoldCo Common Stock	On the Effective Date, each holder of Existing HoldCo Common Stock shall receive its Pro Rata share of the HoldCo Equityholder New Common Stock Distribution. In addition, each holder of Existing HoldCo Common Stock as of the Rights Offering Record Date shall receive its Pro Rata share of the HoldCo Equityholder Subscription Rights.	N/A	N/A
15	Other Existing HoldCo Equity Interests	On the Effective Date, each Other Existing HoldCo Equity Interest shall be cancelled and of no further force and effect, and the holders thereof shall not receive or retain any distribution on account of their Other Existing HoldCo Equity Interests.	N/A	N/A

E. What will I receive from the Debtors if I hold an Allowed Administrative Claim or a Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III of the Plan. Administrative Claims will be satisfied as set forth in Article II.1 of the Plan, and Priority Tax Claims will be satisfied as set forth in Article II.3 of the Plan.

F. Are any regulatory approvals required to consummate the Plan?

Other than approvals which may be required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, there are no known regulatory approvals that are required to consummate the Plan.

G. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not Confirmed or the Effective Date does not occur, there is no assurance that the Debtors will be able to reorganize their businesses. It is possible that any alternative transaction may provide holders of Claims and Interests with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a liquidation scenario, *see* "*Confirmation of the Plan - Best Interests of Creditors/Liquidation Analysis*," which begins on page 49 of this Disclosure Statement, and the Liquidation Analysis attached as **Exhibit F**.

H. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"Confirmation" of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. Initial distributions to holders of Allowed Claims and Existing HoldCo Common Stock will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as practicable thereafter, as specified in the Plan. *See* "*Confirmation of the Plan*," which begins on page 49 of this Disclosure Statement, for a discussion of the conditions precedent to consummation of the Plan.

I. What are the sources of Cash and other consideration required to fund the Plan?

The Debtors intend to fund distributions under the Plan with: (a) the Debtors' Cash on hand; (b) Reorganized HoldCo's issuance of the New Common Stock; (c) Reorganized OpCo's issuance of the New OpCo Notes and Additional New OpCo Notes, if any; and (d) the proceeds of the Rights Offering.

J. Are there risks to owning the New Common Stock upon emergence from chapter 11?

Yes. *See* "Risk Factors," which begins on page 36 of this Disclosure Statement. The Debtors will use commercially reasonable efforts to cause the New Common Stock to become publicly traded and listed on the Nasdaq Stock Market (the "Nasdaq"), the New York Stock Exchange (the "NYSE"), or another comparable national securities exchange on or as soon as reasonably practicable after the Effective Date.

K. Will the final amount of Allowed General Unsecured Claims affect my recovery under the Plan?

The Debtors do not anticipate at this time that Allowed General Unsecured Claims total will affect the ultimate distribution to any holder of an Allowed General Unsecured Claim given the valuation contemplated by the Plan. Although the Debtors' estimate of General Unsecured Claims is the result of the Debtors' and their advisors' careful analysis of available information, the Allowed amount of General Unsecured Claims actually asserted against the Debtors may be higher or lower than the Debtors' estimate provided herein, which difference could be material. Moreover, the Debtors may in the future reject certain Executory Contracts and Unexpired Leases, which may result in additional rejection damages claims not accounted for in this estimate. Further, the Debtors or other parties in interest may object to certain Proofs of Claim, and any such objections could ultimately cause the total amount of General Unsecured Claims to change.

L. Will there be releases and exculpation granted to parties in interest as part of the Plan?

Yes, Article VIII of the Plan proposes to release the Released Parties and to exculpate the Exculpated Parties. The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and were an essential element of the Plan.

All of the Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the Debtors for the benefit of all parties in interest. Accordingly, each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions.

All holders of Claims or Interests that (1) vote to accept or are deemed to accept the Plan or (2) are in voting Classes who abstain from voting on the Plan and either opt in or do not opt out of the release provisions contained in Article VIII of the Plan will be deemed to have expressly, unconditionally, generally, individually, and collectively released and discharged all Claims and Causes of Action against the Debtors and the Released Parties.

Based on the foregoing, the Debtors believe that the releases and exculpations in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Fifth Circuit. Moreover, the Debtors will present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions.

M. What impact does the Claims Bar Date have on my Claim?

The Bankruptcy Court has established September 1, 2016, as the general Claims bar date and October 26, 2016, as the governmental Claims bar date (collectively, the "Bar Date") in the Chapter 11 Cases. The following Entities holding Claims against the Debtors that arose (or that are deemed to have arisen) prior to the Petition Date must file a Proof of Claim on or before the Bar Date: (1) any Entity whose Claim against a Debtor is not listed in the applicable Debtor's schedules of assets and liabilities ("Schedules") or is listed in the applicable Debtor's Schedules as contingent, unliquidated, or disputed if such Entity desires to participate in any of the Chapter 11 Cases or share in any distribution in any of the Chapter 11 Cases; (2) any Entity that believes its Claim is improperly classified in the Schedules or is listed in an incorrect amount and desires to have its Claim allowed in a different classification or amount from that identified in the Schedules; (3) any Entity that believes its Claim as listed in the Schedules is not an obligation of the specific Debtor against which the Claim is listed and that desires to have its Claim allowed against a Debtor other than that identified in the Schedules; and (4) any Entity that believes its Claim against a Debtor is or may be an administrative expense pursuant to section 503(b)(9) of the Bankruptcy Code (but not any Entity that believes it holds an Administrative Expense Claim under section 503(b)(1) of the Bankruptcy Code).

In accordance with Bankruptcy Rule 3003(c)(2), if any person or entity that is required, but fails, to file a Proof of Claim on or before the Bar Date: (1) such person or entity will be forever barred, estopped, and enjoined from asserting such Claim against the Debtors (or filing a Proof of Claim with respect thereto); (2) the Debtors and their property may be forever discharged from any and all indebtedness or liability with respect to or arising from such Claim; (3) such person or entity will not receive any distribution in the Chapter 11 Cases on account of that Claim; and (4) such person or entity will not be permitted to vote on any plan or plans of reorganization for the Debtors on account of these barred Claims or receive further notices regarding such Claim.

As described in this Disclosure Statement, the distribution you receive on account of your Claim (if any) may depend, in part, on the amount of Claims for which proofs of claim are filed on or before the Bar Date.

N. What is the deadline to vote on the Plan?

The deadline to vote on the Plan under the order approving the Disclosure Statement is February 23, 2017, at 4:00 p.m. (prevailing Central Time).

O. How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to holders of Claims and Interests that are entitled to vote on the Plan. For your vote to be counted, your ballot must be completed and signed so that it is **actually received** by February 23, 2017, at 4:00 p.m. (prevailing Central Time) at the following address: Ultra Ballot Processing, c/o Epiq Bankruptcy Solutions, LLC, 777 Third Avenue, 3rd Floor, New York, NY 10017 (or returned in accordance with the instructions otherwise set forth on your ballot). *See* Article XI of this Disclosure Statement, which begins on page 47 of this Disclosure Statement.

P. Why is the Bankruptcy Court holding a Confirmation Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan.

Q. When is the Confirmation Hearing set to occur?

The Bankruptcy Court has scheduled the Confirmation Hearing for March 6, 2017, at 9:00 a.m. (prevailing Central Time). The Confirmation Hearing may be adjourned from time to time without further notice.

Objections to Confirmation of the Plan must be filed and served on the Debtors, and certain other parties, by no later than February 3, 2017, at 4:00 p.m. (prevailing Central Time) in accordance with the notice of the Confirmation Hearing that accompanies this Disclosure Statement and the Disclosure Statement Order attached hereto as **Exhibit C** and incorporated herein by reference.

The Debtors will publish the notice of the Confirmation Hearing, which will contain the deadline for objections to the Plan and the date and time of the Confirmation Hearing, in *The Houston Chronicle* and the *USA Today* to provide notification to those persons who may not receive notice by mail. The Debtors may also publish the notice of the Confirmation Hearing in such trade or other publications as the Debtors may choose.

R. What is the purpose of the Confirmation Hearing?

The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a plan of reorganization, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before the confirmation of such plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

S. What is the effect of the Plan on the Debtors' ongoing business?

The Debtors are reorganizing under chapter 11 of the Bankruptcy Code. As a result, Confirmation means that the Debtors will not be liquidated or forced to go out of business. Following Confirmation, the Plan will be consummated on the Effective Date, which is a date selected by the Debtors that is the first business day after which all conditions to Consummation have been satisfied or waived. *See* Article IX of the Plan. On or after the Effective Date, and unless otherwise provided in the Plan, the Reorganized Debtors may operate their businesses and, except as otherwise provided by the Plan, may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the Effective Date, all actions contemplated by the Plan will be deemed authorized and approved.

T. Will any party have significant influence over the corporate governance and operations of the Reorganized Debtors?

The Reorganized HoldCo Board shall have seven (7) members. The five (5) members of the Board of HoldCo as of the date prior to the Effective Date shall remain on the Board of HoldCo post-Effective Date and two (2) additional directors reasonably acceptable to the Chairman of the pre-Effective Date Board shall be selected by the pre-Effective Date Board after solicitation from a list of director candidates proposed by individual members of the HoldCo Noteholder Committee and the Equityholder Committee. These two (2) additional directors shall have a two-year term and the votes of such directors shall be required to approve any Material M&A Transaction during such two-year term. Michael D. Watford shall remain Chairman of the Board post-Effective Date.

U. What is the Rights Offering?

The Rights Offering is an opportunity for holders of Allowed HoldCo Note Claims and Existing HoldCo Common Stock to invest up to $580 million to acquire New Common Stock on the Effective Date through Subscription Rights issued under the Rights Offering.

V. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Notice and Claims Agent, Epiq Bankruptcy Solutions, LLC:

By regular mail at:
Ultra Ballot Processing
c/o Epiq, Bankruptcy Solutions, LLC
777 Third Avenue, 3rd Floor
New York, NY 10017

By hand delivery or overnight mail at:
Ultra Petroleum Ballot Processing
c/o Epiq Bankruptcy Solutions, LLC
777 Third Avenue, 3rd Floor
New York, NY 10017

By electronic mail at:
tabulation@epiqsystems.com (reference "Ultra Petroleum Corp." in the subject line)

By telephone at:
+1 (646) 282-2500 (ask for the Solicitation Group)

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Debtors' notice, claims, and solicitation agent at the address above or by downloading the exhibits and documents from the website of the Notice and Claims Agent at http://dm.epiq11.com/ultra (free of charge) or the Bankruptcy Court's website at www.txsb.uscourts.gov (for a fee).

W. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe the Plan provides for a larger distribution to the Debtors' creditors than would otherwise result from any other available alternative. The Debtors believe the Plan, which contemplates a significant deleveraging, is in the best interest of all holders of Claims and Interests, and that other alternatives fail to realize or recognize the value inherent under the Plan.

X. Who Supports the Plan?

As of the date of this Disclosure Statement, the Plan is supported by the Debtors, the Consenting HoldCo Noteholders, and the Consenting HoldCo Equityholders. The Debtors are engaged in discussions with their other stakeholders in the hopes of obtaining their support for the Plan.

IV. THE DEBTORS' PLAN SUPPORT AGREEMENT AND PLAN.

A. The Plan Support Agreement.

On November 21, 2016, the Debtors, the Consenting HoldCo Noteholders, and the Consenting HoldCo Equityholders entered into the Plan Support Agreement. Since executing the Plan Support Agreement, the Debtors have documented the terms of the restructuring contemplated thereby, including the Plan.[5] The restructuring transactions contemplated by the Plan will significantly reduce the Debtors' funded-debt obligations and result in a stronger balance sheet for the Debtors. The Plan represents a significant step in the Debtors' restructuring process.

B. The Plan.

1. New Common Stock.

All existing Interests in HoldCo shall be cancelled as of the Effective Date and Reorganized HoldCo shall issue the New Common Stock to the holders of Claims and Interests entitled to receive New Common Stock pursuant to the Plan, the Rights Offering Procedures, and the Backstop Commitment Agreement. The issuance of New Common Stock shall be authorized without the need for any further corporate action and without any further action by the Debtors or Reorganized Debtors, as applicable. Reorganized HoldCo's New Organizational Documents shall authorize the issuance and distribution on the Effective Date of New Common Stock to the Distribution Agent for the benefit of holders of Allowed Claims in Class 3 and Interests in Class 14. All New Common Stock issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

2. New OpCo Notes; Additional New OpCo Notes.

On the Effective Date, Reorganized OpCo shall issue $2.0 billion in New OpCo Notes, the form of which shall be included in the Plan Supplement, to holders of Allowed Claims in Class 4 and Class 5, as applicable.

A further $200 million (or such other amount as may be determined by the Bankruptcy Court) in Additional New OpCo Notes will be "held in reserve" pending, or issued to applicable holders of Allowed Claims in Class 7 (if any) by OpCo following, the determination of the Bankruptcy Court on the allowance of the OpCo Note Makewhole Claims (if any).

3. New Revolver.

Prior to the Effective Date, the Debtors may seek to enter into a revolving credit facility, effective as of or after the Effective Date, the implementation of which would require the consent of the Required Consenting Parties. However, the Debtors can provide no assurance that a revolving credit facility or other financing would be available or, if available, offered to the Debtors on acceptable terms.

4. The Rights Offering.

The Debtors shall distribute the Subscription Rights and Rights Offering Shares to the Rights Offering Participants as set forth in the Plan and the Rights Offering Procedures. Pursuant to the Backstop Commitment Agreement and the Rights Offering Procedures, the Rights Offering shall be open to all Rights Offering Participants, and (a) Rights Offering Participants that are holders of Allowed HoldCo Note Claims shall be entitled to participate

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5 The key terms of the Plan are discussed in greater detail in Article IV.B of this Disclosure Statement, entitled "The Plan."

in the Rights Offering to receive up to a maximum amount of each holder's Pro Rata share of the HoldCo Noteholders Rights Offering Shares, and (b) Rights Offering Participants that are holders of Existing HoldCo Common Stock shall be entitled to participate in the Rights Offering to receive up to a maximum amount of each holder's Pro Rata share of the HoldCo Equityholders Rights Offering Shares.

Upon exercise of the Subscription Rights by the Rights Offering Participants pursuant to the terms of the Backstop Commitment Agreement and the Rights Offering Procedures, the Reorganized Debtors shall be authorized to issue the New Common Stock in accordance with the Plan, the Backstop Commitment Agreement, and the Rights Offering Procedures.

In addition, on the Effective Date, New Common Stock in an amount equal to the Commitment Premium shall be distributed to the Backstop Parties under and as set forth in the Backstop Commitment Agreement, the Backstop Approval Order, and the Plan Term Sheet.

5. Use of Proceeds.

The Debtors' Cash on hand and the Rights Offering proceeds will be used to fund certain distributions under the Plan, the Debtors' operations, and for general corporate purposes.

6. Governance; Directors and Officers.

The Reorganized Debtors intend to adopt corporate governance practices that are consistent with the Debtors' prepetition practices and personnel; provided, that the New Board shall have seven (7) members. The five (5) members of the HoldCo Board as of the date prior to the Effective Date shall remain on the New Board post-Effective Date and two (2) additional directors reasonably acceptable to the Chairman of the pre-Effective Date HoldCo Board shall be selected prior to the Effective Date by the existing board of directors after solicitation from a list of director candidates proposed by individual members of the HoldCo Noteholder Committee and the Equityholder Committee. These two (2) additional directors shall have a two-year term and the votes of such directors shall be required to approve any Material M&A Transaction during such two-year term. Michael D. Watford shall remain Chairman of the New Board post-Effective Date.

7. General Settlement of Claims and Interests.

Unless otherwise set forth in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests.

The Plan will be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

Pursuant to Rule 408 of the Federal Rules of Evidence, the Plan, this Disclosure Statement, the Plan Support Agreement (and any exhibits or supplements relating to the foregoing) and all negotiations relating thereto will not be admissible into evidence in any proceeding unless and until the Plan is consummated, and then only in accordance with the Plan. In the event the Plan is not consummated, provisions of the Plan, this Disclosure Statement, the Plan Support Agreement (and any exhibits or supplements relating to the foregoing), and all negotiations relating thereto will not be binding or probative.

8. Debtor Release.

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Action brought as counterclaims or defenses to Claims asserted against the Debtors), the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the Rights Offering, the Backstop Commitment Agreement, the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (b) any individual from any claim related to an act or omission that is determined in a Final Order by a court competent jurisdiction to have constituted actual fraud or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by the Debtor Release; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

9. Release by Holders of Claims or Interests.

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions, the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the Rights Offering, the Backstop Commitment Agreement, the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan, or upon any other act or

omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release: (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction; (b) any post-Effective Date obligations of any party or Entity under the Plan Support Agreement, the Backstop Commitment, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Plan Supplement; or (c) any individual from any claim related to an act or omission that is determined in a Final Order by a court competent jurisdiction to have constituted actual fraud or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Section 8.3 of the Plan, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that each release described in Section 8.3 of the Plan is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of such Claims; (5) in the best interests of the Debtors and their Estates; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to Section 8.3 of the Plan.

10. Exculpation.

Notwithstanding anything contained in the Plan to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Disclosure Statement, the Plan, the Plan Supplement, the Plan Support Agreement, the Rights Offering, the Backstop Commitment Agreement, the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Consummation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of, and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

11. Injunction.

Except as otherwise provided herein or for obligations issued pursuant hereto, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Section 8.3 of the Plan, discharged pursuant to Section 8.1 of the Plan, or are subject to exculpation pursuant to Section 8.4 of the Plan shall be permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on

account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests discharged, released, exculpated, or settled pursuant to the Plan.

V. IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT.

A. Certain Key Terms Used in this Disclosure Statement.

The following are some of the defined terms used in this Disclosure Statement. This is not an exhaustive list of defined terms in the Plan or this Disclosure Statement, but is provided for ease of reference only. Please refer to the Plan for additional defined terms.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division, or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court for the Southern District of Texas.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.

"Chapter 11 Cases" means the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

"Claim" has the meaning set forth in section 101(5) of the Bankruptcy Code.

"Confirmation Date" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

"Confirmation Hearing" means the hearing(s) before the Bankruptcy Court under section 1128 of the Bankruptcy Code at which the Debtors seek entry of the Confirmation Order.

"Interest" means the common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Debtor, including, without limitation, the Existing HoldCo Equity Interests, and options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement), including any Claim against the Debtors that is subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing; provided, that the term "Interests" shall not include the Intercompany Interests.

"Person" shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms thereof, the Plan, the Bankruptcy Code, the Bankruptcy Rules, the Backstop Commitment Agreement, and the Plan Support Agreement), to be initially Filed by the Debtors no later than 14 days before the Confirmation Hearing, and additional documents or amendments to previously Filed documents, Filed before the Effective Date as additions or amendments to the Plan Supplement, including the following, as applicable: (a) the New Organizational Documents; (b) a list of retained Causes of Action; (c) the Registration Rights Agreement; (d) the Schedule of Assumed Executory Contracts and Unexpired Leases; (e) the Schedule of Rejected Executory Contracts and

Unexpired Leases; (f) the form of the Management Incentive Plan; (g) the New OpCo Notes and, if applicable, the Additional New OpCo Notes (and any agreements, documents, or instruments related thereto); (h) the documents governing the New Revolver (and any agreements, documents or instruments related thereto); and (i) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan subject to the process and approval rights of the Required Consenting Parties set forth in the Backstop Commitment Agreement and the Plan Support Agreement; provided, that the Schedule of Assumed Executory Contracts and Unexpired Leases and Schedule of Rejected Executory Contracts and Unexpired Leases shall be Filed no later than 35 days before the Confirmation Hearing. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date in accordance with the processes and approval rights of the Required Consenting Parties set forth in the Plan Support Agreement and the Backstop Commitment Agreement.

B. Additional Important Information.

The confirmation and effectiveness of the Plan are subject to certain material conditions precedent described herein and set forth in Article IX of the Plan. There is no assurance that the Plan will be confirmed, or if confirmed, that the conditions required to be satisfied for the Plan to go effective will be satisfied (or waived).

You are encouraged to read this Disclosure Statement in its entirety, including the section entitled "*Risk Factors*," and the Plan before submitting your ballot to vote on the Plan.

The Bankruptcy Court's approval of this Disclosure Statement does not constitute a guarantee by the Bankruptcy Court of the accuracy or completeness of the information contained herein or an endorsement by the Bankruptcy Court of the merits of the Plan.

Summaries of the Plan and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan. The summaries of the financial information and the documents annexed to this Disclosure Statement or otherwise incorporated herein by reference are qualified in their entirety by reference to those documents. The statements contained in this Disclosure Statement are made only as of the date of this Disclosure Statement, and there is no assurance that the statements contained herein will be correct at any time after such date. Except as otherwise provided in the Plan or in accordance with applicable law, the Debtors are under no duty to update or supplement this Disclosure Statement.

The information contained in this Disclosure Statement is included for purposes of soliciting acceptances to, and Confirmation of, the Plan and may not be relied on for any other purpose. In the event of any inconsistency between the Disclosure Statement and the Plan, the relevant provisions of the Plan will govern.

This Disclosure Statement has not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any similar federal, state, local or foreign regulatory agency, nor has the SEC or any other agency passed upon the accuracy or adequacy of the statements contained in this Disclosure Statement.

The Debtors have sought to ensure the accuracy of the financial information provided in this Disclosure Statement; however, the financial information contained in this Disclosure Statement or incorporated herein by reference has not been, and will not be, audited or reviewed by the Debtors' independent auditors unless explicitly provided otherwise.

Upon Confirmation of the Plan, certain of the securities described in this Disclosure Statement will be issued pursuant to an effective registration statement under the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, together with the rules and regulations promulgated thereunder (the "Securities Act"), or (ii) in reliance on the exemption from registration under the Securities Act set forth in (a) section 1145 of the Bankruptcy Code or (b) Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. Other securities may be issued pursuant to other applicable exemptions under the federal securities laws. All securities issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom.

The Debtors make statements in this Disclosure Statement that are considered forward-looking statements under federal securities laws. The Debtors consider all statements regarding anticipated or future matters, to be forward-looking statements. Forward-looking statements may include statements about:

- risks associated with drilling oil and natural gas wells;
- the volatility of oil, natural gas and natural gas liquids ("NGL") prices;
- uncertainties in estimating oil, natural gas and NGL reserves;
- the need to replace the oil, natural gas and NGLs the Debtors produce;
- the Debtors' ability to execute their growth strategy by drilling wells as planned;
- the amount, nature and timing of capital expenditures, including future development costs, required to develop the Debtors' undeveloped areas;
- concentration of operations in the Pinedale Field in Wyoming;
- limitations of seismic data;
- the potential adverse effect of commodity price declines on the carrying value of the Debtors' oil and natural properties;
- severe or unseasonable weather that may adversely affect production;
- availability of satisfactory oil, natural gas and NGL marketing and transportation;
- availability and terms of capital to fund capital expenditures;
- amount and timing of proceeds of asset monetizations;
- substantial existing indebtedness and limitations on operations resulting from debt restrictions and financial covenants;
- potential financial losses or earnings reductions from commodity derivatives;
- potential elimination or limitation of tax incentives;
- competition in the oil and natural gas industry;
- general economic conditions, either in the areas where the Debtors operate or otherwise;
- costs to comply with current and future governmental regulation of the oil and natural gas industry, including environmental, health and safety laws and regulations, and regulations with respect to hydraulic fracturing and the disposal of produced water; and
- the need to maintain adequate internal control over financial reporting.

Statements concerning these and other matters are not guarantees of the Reorganized Debtors' future performance. There are risks, uncertainties, and other important factors that could cause the Debtors' actual performance or achievements to be different from those they may project, and the Debtors undertake no obligation to update the projections made herein. These risks, uncertainties, and factors may include: the Debtors' ability to confirm and consummate the Plan; the potential that the Debtors may need to pursue an alternative transaction if the Plan is not Confirmed; the Debtors' ability to reduce their overall financial leverage; the potential adverse impact of the Chapter 11 Cases on the Debtors' operations, management, and employees, and the risks associated with operating the Debtors' businesses during the Chapter 11 Cases; customer responses to the Chapter 11 Cases; the

Debtors' inability to discharge or settle Claims during the Chapter 11 Cases; general economic, business and market conditions; currency fluctuations; interest rate fluctuations; price increases; exposure to litigation; a decline in the Debtors' market share due to competition or price pressure by customers; the Debtors' ability to implement cost reduction initiatives in a timely manner; the Debtors' ability to divest existing businesses; financial conditions of the Debtors' customers; adverse tax changes; limited access to capital resources; changes in domestic and foreign laws and regulations; trade balance; natural disasters; geopolitical instability; and the effects of governmental regulation on the Debtors' businesses.

VI. THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW.

A. The Debtors and their Corporate History.

HoldCo, along with its affiliated Debtors, is an oil and natural gas company headquartered in Houston, Texas. In the third quarter of 2016, the Debtors produced an average of 754 million cubic feet equivalent per day from approximately 2,000 net wells located on over 150,000 net acres of leasehold. The Debtors' E&P activities are principally focused in the Pinedale Field in Wyoming where the Debtors produce mainly natural gas. The Debtors also own oil producing assets in Utah and natural gas assets in Pennsylvania.

HoldCo was originally incorporated in 1979 as Starmark Resources Ltd. under the laws of British Columbia, Canada. Until 1990, the Debtors engaged in the acquisition and development of real estate ventures unrelated to the oil and gas industry. In 1990, the Debtors began to acquire oil and gas properties, initially in Texas, New Mexico, and Louisiana, and, in 1996, in Wyoming. Starmark Resources Ltd. later changed its name to Ultra Petroleum Corp. in 1993, and it became a Yukon corporation, by continuance from British Columbia, in 2000.

Between 2007 and 2016, HoldCo's common stock traded on the NYSE under the ticker "UPL." The stock previously traded on the Vancouver Stock Exchange, the Toronto Stock Exchange, and the American Stock Exchange. On May 3, 2016, HoldCo's stock was delisted from the NYSE, but it has continued to trade on the over-the-counter market.

B. The Debtors' Assets.

All of the Debtors' properties and operations are in the continental United States, where they own oil and natural gas properties located in Wyoming, Utah, and Pennsylvania. The Debtors are mainly focused on natural gas in the western states of the U.S. In the third quarter of 2016, over 94 percent of production was natural gas and 95 percent of total production came from Wyoming and Utah.

The table below summarizes, by asset, the Debtors' oil and gas acreage, well count, annual production, and proved oil and gas reserves, as of December 31, 2015.

			12/31/15 Net Producing Wells		2015 Production		12/31/2015 Proved Reserves	
Asset	Location	Net Acres	Count	*% of total*	Bcfe	*% of total*	Bcfe	*% of total*
Pinedale/Jonah	Sublette Co., WY	68,000	1,803	*91%*	265	*91%*	2,390	*95%*
Three Rivers	Uintah Co., UT	9,000	124	*6%*	11	*4%*	34	*1%*
Marcellus	Pennsylvania	74,000	52	*3%*	14	*5%*	104	*4%*
	Totals	**151,000**	**1,979**	***100%***	**290**	***100%***	**2,528**	***100%***

The Debtors' Wyoming properties are located in the Green River Basin and include acreage in the Pinedale Field and, to a much lesser extent, in the adjacent Jonah Field, both of which are located in Sublette County. The Debtors are the largest leaseholders in Pinedale Field, which was mostly acquired during the 1990s. The remainder of their Wyoming holdings were acquired in September 2014 from SWEPI LP, a wholly-owned subsidiary of Royal Dutch Shell, plc. The Debtors operate approximately 85 percent of their net Wyoming production, with QEP Resources, Inc. operating nearly all of the remainder. The Debtors have continued an active development program in the Pinedale Field throughout the pendency of the Chapter 11 Cases and are currently operating four rigs there, while QEP Resources, Inc. is operating one rig on acreage in which a Debtor is a participant.

The Pinedale Field is one of the top ten natural gas fields in the United States. The Pinedale Field is named after the Pinedale anticline, a subsurface feature about five miles wide and thirty-five miles long. It covers nearly 84 square miles of land and is estimated to contain approximately 39 trillion cubic feet of recoverable natural gas. The Pinedale Field has long been a target of oil and gas exploration with the first well drilled in 1939. However, the field was not commercial until the 1990s when modern completion technology, along with improved natural gas prices, made it economic to drill and complete wells. Beginning in the mid-1990s, the Debtors' exploration and development efforts in the Pinedale Field have targeted a stacked sequence of over-pressured sandstones in the Cretaceous-aged Lance and Mesaverde formations having a gross reservoir thickness of up to 5,700 feet and located at subsurface depths of up to 14,000 feet. Wells are not horizontal, but are directionally drilled from pads containing up to thirty wells and then completed utilizing multi-stage fracture stimulation. Although the Debtors' production from the Pinedale Field is primarily natural gas, their wells in the field also produce condensate (a light, sweet grade of crude oil).

The Jonah Field, in which the Debtors own a much smaller acreage position, is also a substantial natural gas field, estimated to contain over 10.5 trillion cubic feet of natural gas. It is located to the south and west of the southeastern end of the Pinedale Field. Similar to their Pinedale production, the Debtors' production from the Jonah Field consists primarily of natural gas and, to a lesser extent, condensate.

The Debtors' Utah acreage is in the Three Rivers Field, which is located within the Uinta Basin region and produces primarily black wax crude oil. The Debtors acquired their Utah properties in December 2013. The Debtors' exploration and development efforts in the Three Rivers Field target primarily the Eocene-aged Lower Green River Formation. Due to their capital constraints and low oil prices, the Debtors suspended their drilling operations in May 2015 and elected to defer completion of twenty two wells drilled during the first few months of 2015, thirteen of which were completed in the second and third quarters of 2016.

The Debtors' Pennsylvania properties produce natural gas and are located in the Appalachian Basin in several counties in the north-central part of the state. The Debtors acquired their current Pennsylvania properties in February 2010. The Debtors previously owned, until September 2014, certain other operated and non-operated properties in Pennsylvania, which they sold to SWEPI LP in connection with the September 2014 transaction referenced above. The Debtors' exploration and development efforts in Pennsylvania have targeted primarily the Devonian-aged Marcellus Shale and, to a lesser extent, the Geneseo Shale. Due to their capital constraints and low natural gas prices, the Debtors have not drilled or completed any wells in Pennsylvania since 2012.

C. The Debtors' Operations.

The Debtors operate the vast majority of their properties, including over 90 percent of their productive acreage in the Pinedale and Jonah fields in Wyoming and 100 percent of their productive acreage in Utah. All of the Debtors' acreage in Pennsylvania is non-operated. Because the Debtors operate the vast majority of their properties, they are able to realize the significant benefits of being operators, including the ability to control the timing and amount of their capital expenditures, the nature and scope of development activities, and lower costs of drilling, completion, and production operations.

The Debtors have historically been one of the lowest-cost operators in the domestic U.S. oil and gas industry, particularly with regard to the cash costs components of their drilling, completion, and production operations. The Debtors have demonstrated their ability to consistently improve their operating efficiencies, particularly in Pinedale field, over many years. Specifically, since 2006, the Debtors have reduced their average total Pinedale well cost by approximately 63 percent (from approximately $7.0 million in 2006 to approximately $2.6 million in 2016) and their average spud to total depth drill time by 87 percent (from approximately 67 days in 2006 to just under approximately 8.9 days in the third quarter of 2016).

As of the Petition Date, the Debtors had approximately 159 full-time employees. None of their employees are represented by a collective bargaining unit.

D. Prepetition Capital Structure.

As illustrated in the capitalization table below, and as discussed in detail herein, the Debtors' funded indebtedness—all of which is unsecured—consists of: (a) approximately $1.3 billion in principal amount of unsecured senior notes issued by HoldCo which are structurally subordinated to OpCo's funded indebtedness; (b) approximately $999.0 million in unsecured bank debt borrowed by OpCo (and guaranteed by UP Energy and HoldCo); and (c) approximately $1.46 billion in principal amount of unsecured senior notes issued by OpCo (and guaranteed by UP Energy and HoldCo).

($ in millions)	Issuance Year	Maturity Date	Interest Rate	Principal Amount
Ultra Resources, Inc.				
$1 Billion Revolving Credit Facility	2011	Oct-16	Libor + 2.5%	$ 999.0
7.31% Senior Notes	2009	Mar-16	7.31%	62.0
4.98% Senior Notes	2010	Jan-17	4.98%	116.0
5.92% Senior Notes	2008	Mar-18	5.92%	200.0
7.77% Senior Notes	2009	Mar-19	7.70%	173.0
5.50% Senior Notes	2010	Jan-20	5.50%	207.0
4.51% Senior Notes	2010	Oct-20	4.51%	315.0
5.60% Senior Notes	2010	Jan-22	5.60%	87.0
4.66% Senior Notes	2010	Oct-22	4.66%	35.0
5.85% Senior Notes	2010	Jan-25	5.85%	90.0
4.91% Senior Notes	2010	Oct-25	4.91%	175.0
Total OpCo Funded Indebtedness				**$ 2,459.0**
Ultra Petroleum Corp.				
5.75% Senior Notes	2013	Dec-18	5.75%	$ 450.0
6.125% Senior Notes	2014	Oct-24	6.13%	850.0
Total HoldCo Funded Indebtedness				**$ 1,300.0**
Total Funded Indebtedness				**$ 3,759.0**

1. The OpCo Credit Agreement.

OpCo is the borrower of approximately $999.0 million of ***unsecured*** bank indebtedness under the OpCo Credit Agreement. The OpCo Credit Agreement provides the Debtors with a senior, unsecured revolving credit facility.

All obligations under the OpCo Credit Agreement are guaranteed, on an unsecured basis, by HoldCo and UP Energy. The obligations under the OpCo Credit Agreement are not guaranteed by any subsidiaries of OpCo. As of the Petition Date, the outstanding principal obligations under the OpCo Credit Agreement total approximately $999.0 million. As of the Petition Date, there was no further borrowing availability under the OpCo Credit Agreement, which matured as of October 2016.

2. The OpCo Notes.

OpCo is also the primary obligor with respect to approximately $1.46 billion of unsecured private placement notes issued under the OpCo Note Purchase Agreement. The OpCo Note Purchase Agreement provides for the issuance of the ten tranches of unsecured senior notes.

All obligations under the OpCo Notes are guaranteed, on an unsecured basis, by HoldCo and UP Energy. The obligations under the OpCo Notes are not guaranteed by any subsidiaries of OpCo. The outstanding principal obligations under the OpCo Notes totaled approximately $1.46 billion as of the Petition Date. The maturity dates of the OpCo Notes range through October 2025.

3. The HoldCo Notes.

HoldCo is the obligor with respect to approximately $1.3 billion of ***unsecured*** notes. The HoldCo Notes are not guaranteed by, and do not have recourse against, any other Debtor entity. The HoldCo Notes were issued in two transactions: ***first***, in December 2013, as to $450.0 million in principal amount; and, ***second***, in September 2014, as to $850.0 million in principal amount.

The HoldCo Notes issued in December 2013 were issued pursuant to the Indenture, dated as of December 12, 2013 (as amended, modified, or supplemented in accordance with the terms thereof, the "2013 HoldCo Indenture"), by and between HoldCo, as issuer, and Delaware Trust Company, as successor trustee to U.S. Bank National Association, which provides for the issuance of HoldCo's 5.750 percent senior unsecured notes due 2018 (collectively, the "2018 Notes"). As of the Petition Date, the outstanding principal obligations under the 2018 Notes totaled approximately $450.0 million.

The HoldCo Notes issued in September 2014 were issued pursuant to the Indenture, dated as of September 18, 2014 (as amended, modified, or supplemented in accordance with the terms thereof, and, together with the 2013 HoldCo Indenture, the "HoldCo Indentures"), by and between HoldCo, as issuer, and Delaware Trust Company, as successor trustee to U.S. Bank National Association, which provides for the issuance of HoldCo's 6.125 percent senior unsecured notes due 2024 (collectively, the "2024 Notes"). As of the Petition Date, the outstanding principal obligations under the 2024 Notes totaled approximately $850.0 million.

4. HoldCo's Equity Interests.

HoldCo is a publicly-held company that was listed on the NYSE, under the symbol "UPL," beginning in 2007. On May 3, 2016, HoldCo's stock was delisted from the NYSE, but it has continued to trade over the counter. As of the Petition Date, HoldCo had 153,388,832 outstanding shares of common stock.

VII. EVENTS LEADING TO THE CHAPTER 11 FILINGS.

A. Commodity Price Decline.

Between 2008, when the Debtors issued the first of the OpCo Notes, and continuing through 2014, when the Debtors issued the last of the HoldCo Notes, the Debtors and their lenders created a capital structure that was designed to support the Debtors in pursuing the profitable growth business model they had successfully employed since 1999.[6]

The Debtors' difficulties are consistent with those faced industry-wide. Natural gas and crude oil prices have been highly volatile over the past several years, and plunged to historically low levels during 2015 and early 2016. These dramatic changes in commodity prices created significant disruption and turmoil in all aspects of the oil and gas industry. Independent exploration and production companies with leveraged balance sheets like the Debtors were especially hard-hit. Dozens of oil and gas companies filed for chapter 11 in 2015 and 2016.

B. Financial Responses and Restructuring Negotiations.

In response to the decline in commodity prices, the Debtors undertook a series of operational and financial actions in 2014 and 2015 in an attempt to improve their liquidity position and stabilize their capital structure. Notwithstanding these initiatives, given the continued low commodity prices, it became clear that the Debtors' capital structure was not sustainable without, minimally, modifications to the terms of their debt agreements. Accordingly, the Debtors retained financial and legal advisors to assist them in discussions and negotiations with their creditors and equityholders.

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6 The Debtors increased the PV-10 value of their proved reserves more than 17,000 percent between year-end 1999, when its proved reserves had a PV-10 value of less than $50.0 million, and 2014, when its proved reserves had a PV-10 value of $7.1 billion.

More specifically, beginning in October 2015, the Debtors began negotiations with certain OpCo RCF Lenders and OpCo Noteholders. The Debtors' initial objective during these discussions—which ultimately continued over the next several months—was to negotiate an amendment to the OpCo Note Purchase Agreement that would alleviate the constraints of the consolidated leverage ratio financial covenant. The Debtors also sought to negotiate a replacement credit facility to the OpCo Credit Agreement, which matured as of October 2016.

Although many meetings were convened, negotiations conducted, and drafts of term sheets and proposals prepared and exchanged, conditions in the oil and gas business continued to be very poor, and the Debtors' financial condition continued to deteriorate through the end of 2015, and, as a result, no changes were agreed to regarding the Debtors' capital structure.

As 2016 began, the Debtors and their lenders continued their efforts to reach a consensual out-of-court restructuring of the Debtors' balance sheet. More specifically, in early January 2016, the Debtors delivered an updated proposal to a steering committee of OpCo Noteholders and, separately, to JPMorgan Chase Bank, N.A., on behalf of the OpCo RCF Lenders. The Debtors' proposal contemplated a comprehensive restructuring of the Debtors' capital structure, including the OpCo Notes. After receiving the proposal, the OpCo Noteholders engaged a financial advisor, who began a comprehensive diligence process. Although there was some discussion of the proposal, it did not result in an agreement.

By the beginning of February 2016, the OpCo RCF Lenders engaged a financial advisor, and the OpCo RCF Lenders began to focus on negotiating forbearance agreements to address the near-term interest and maturity payments under the OpCo Notes instead of the Debtors' overall restructuring proposal. These discussions continued throughout the month, and the Debtors, each of the OpCo RCF Lenders and OpCo Noteholders signed waiver and amendment agreements on March 1, 2016.

These agreements—which were intended to provide time to attempt to negotiate an out-of-court restructuring transaction—allowed the Debtors to defer approximately $102.0 million in principal and interest payments due March 1, 2016 under the OpCo Notes as well as $2.7 million in interest payments payable between March 1, 2016 and April 30, 2016 under the OpCo Credit Agreement. The agreements also conditioned the waivers on the Debtors electing not to make an April 1, 2016 interest payment due on certain HoldCo Notes.

On March 8, 2016, the Debtors invited the OpCo RCF Lenders and OpCo Noteholders to a meeting in New York City. At the meeting, the Debtors presented another, different proposal to restructure all of the Debtors' debt on an out-of-court basis. On April 1, 2016, as contemplated by the waiver and amendment agreements, HoldCo elected to defer the approximately $26.0 million interest payment on the 2024 Notes, entering a 30-day grace period. On April 4, 2016, the OpCo RCF Lenders and OpCo Noteholders provided a joint counterproposal to the Debtors. Thereafter, the Debtors realized the parties would struggle to reach an agreement prior to the April 30, 2016 expiration of the forbearance and waiver agreements and that a comprehensive restructuring of the Debtors' obligations could only be achieved through the chapter 11 process. Over the course of their lengthy discussions with the lenders to OpCo, the Debtors and their advisors also engaged in several constructive discussions with certain holders of the HoldCo Notes and their advisors. However, no agreement could be reached with the holders of the HoldCo Notes prior to the Petition Date.

Accordingly, with the help of their advisors, the Debtors began working in earnest to consider restructuring alternatives and ensure that their businesses were best positioned to compete in the exploration and production industry going forward. To achieve an orderly restructuring and maximize the value of the Debtors' businesses, a series of steps were undertaken in a coordinated manner leading up to the filing of the Chapter 11 Cases.

VIII. EVENTS OF THE CHAPTER 11 CASES.

A. First Day Relief.

On the Petition Date, the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, by, among other things, easing the strain on the Debtors' relationships with employees, vendors, and customers following the

commencement of the Chapter 11 Cases. At a hearing on May 3, 2016, the Bankruptcy Court granted all of the relief requested in the First Day Motions. The First Day Motions, and all orders for relief granted in the Chapter 11 Cases, can be viewed free of charge at http://dm.epiq11.com/ultra.

B. Second Day Relief.

1. Ordinary Course Professionals.

On May 20, 2016, the Debtors filed the *Debtors' Motion for Entry of an Order Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business* [Docket No. 190] (the "OCP Motion"). Thereafter, on June 13, 2016 the Court entered an order granting the OCP Motion [Docket No. 294], authorizing the Debtors to compensate certain non-bankruptcy professionals in the ordinary course.

2. Employment and Compensation of Advisors.

To assist the Debtors in carrying out their duties as debtors-in-possession and to otherwise represent the Debtors' interests in the Chapter 11 Cases, the Bankruptcy Court entered orders authorizing the Debtors to retain and employ the following advisors: (a) Kirkland & Ellis LLP as counsel to the Debtors [Docket No. 357]; (b) Jackson Walker LLP as co-counsel to the Debtors [Docket No. 296]; (c) Watt Thompson & Henneman LLP as special claims litigation counsel to the Debtors [Docket No. 780]; (d) Farnsworth & vonBerg, LLP as special claims litigation counsel to the Debtors [Docket No. 781]; (e) Rothschild, Inc. and Petrie Partners Securities, LLC as investment bankers to the Debtors [Docket No. 337]; and (f) Epiq Bankruptcy Solutions, LLC as claims, noticing, and solicitation agent [Docket No. 148]. On June 13, 2016, the Bankruptcy Court entered an order approving procedures for the interim compensation and reimbursement of expenses of retained Professionals in the Chapter 11 Cases [Docket No. 295]. On November 1, 2016, Jackson Walker LLP filed its *Motion to Withdraw as Co-Counsel For Debtors* [Docket No. 680], which motion was granted on December 1, 2016 [Docket No. 799].

C. Appointment of the Official Committee of Unsecured Creditors.

On May 5, 2016, the U.S. Trustee filed the *Notice of Organization Meeting for Official Joint Committee of Unsecured Creditors* [Docket No. 121], notifying parties in interest that the U.S. Trustee had appointed a statutory committee of unsecured creditors in the Chapter 11 Cases. On September 26, 2016, the U.S. Trustee filed the *Notice of Reconstitution of Official Joint Committee of Unsecured Creditors* [Docket No. 569], notifying parties in interest that two creditors had resigned as members to the Committee. The Committee is currently composed of Delaware Trust Company, The Prudential Insurance Company of America, Rockies Express Pipeline LLC ("REX"), Sunoco Partners Marketing & Terminals L.P. ("Sunoco") and Doyle and Margret Hartman. On October 27, 2016, the Debtors held a meeting with the Committee, which included a discussion of certain claims against the Debtors as well as the Debtors new business plan.

D. Other Creditors and Equityholders.

In addition to the Committee, the following committees organized during the pendency of the Chapter 11 Cases.

- Equityholder Committee. An ad hoc committee of investors in HoldCo equity. On June 8, 2016, the Equityholder Committee submitted a letter to the U.S. Trustee requesting appointment of an official committee of equity security holders. On June 29, 2016, the U.S. Trustee announced that it would not appoint an official committee of equity security holders at that time. On July 20, 2016, the Equityholder Committee filed the *Verified Statement of Brown Rudnick LLP Pursuant to Bankruptcy Rule 2019* [Docket No. 422].

- HoldCo Noteholder Committee. An ad hoc committee of investors in HoldCo indebtedness. On June 13, 2016, the HoldCo Noteholder Committee filed the *Verified Statement of the Ad Hoc Committee of Holdco Noteholders Pursuant to Bankruptcy Rule 2019* [Docket No. 286] and the *First Supplemental Verified Statement of the Ad Hoc Committee of Holdco Noteholders Pursuant to Bankruptcy Rule 2019* [Docket No. 556].

- OpCo Creditors. An ad hoc committee of investors in OpCo indebtedness. More specifically, on June 8, 2016, certain OpCo unsecured creditors filed the *Verified Statement Pursuant to Bankruptcy Rule 2019* [Docket No. 228].

The Debtors have engaged principals and advisors from each of these committees in discussions and negotiations during the pendency of the Chapter 11 Cases.

E. Schedules and Statements.

On June 8, 2016, the Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs. On October 14, 2016, Ultra Wyoming LGS, LLC amended its schedules to include an intercompany payable amount on that Debtor's schedule of unsecured claims [Docket No. 615].

F. Section 341 Meeting.

On June 14, 2016, the Debtors attended a meeting of their creditors pursuant to section 341 of the Bankruptcy Code and addressed inquiries from the U.S. Trustee and certain creditors regarding, among other topics, the Debtors' operations and finances and other issues related to the Chapter 11 Cases.

G. Employee Compensation Motions.

On May 30, 2016 the Debtors filed the *Debtors' Motion for Entry of an Order Authorizing and Approving Non-Insider Retention Program* [Docket No. 207] (the "KERP Motion") and the *Debtors' Motion for Entry of an Order Authorizing and Approving the Debtors' Key Employee Incentive Plan* [Docket No. 206] (the "KEIP Motion," and together with the KERP Motion, the "Employee Compensation Motions"). After the Petition Date, and prior to filing their Employee Compensation Motions, the Debtors engaged in discussions with, and provided relevant information to, the U.S. Trustee and the Committee's advisors regarding the terms of the Debtors' proposed retention program and incentive plan, including sharing copies of the applicable plan documents and advance drafts of the motions with the Committee's counsel. The Debtors also convened an in-person meeting with the U.S. Trustee that the Committee's counsel attended during which senior management answered questions regarding the compensation programs. These efforts ultimately resulted in a settlement that resolved the Committee's objection to the KEIP Motion. The U.S. Trustee's objection, to the extent it was not withdrawn, was overruled, and the KEIP Motion was granted.

H. Exclusivity.

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptance of a plan or plans of reorganization for an initial period of 120 days from the date on which the debtor filed for voluntary relief (which may be extended by the Bankruptcy Court for a period of up to 18 months from the petition date) (the "Exclusive Filing Period"). If a debtor files a plan within this initial exclusive period, then the debtor has the exclusive right for 180 days from the petition date to solicit acceptances to the plan (which may be extended by the Bankruptcy Court for a period of up to 20 months from the petition date) (the "Exclusive Solicitation Period," and together with the Exclusive Filing Period, the "Exclusive Periods"). During these Exclusive Periods, no other party in interest may file a competing plan of reorganization, however, a court may extend these periods upon request of a party in interest and "for cause."

The Debtors' initial 120-day Exclusive Filing Period was initially scheduled to expire on August 27, 2016 with the initial 180-day Exclusive Solicitation Period set to expire on October 26, 2016. The Debtors filed a motion to extend Exclusive Periods by six months on July 27, 2016 [Docket No. 445]. Both the Committee and the OpCo Creditors filed objections to the Exclusivity Motion [Docket Nos. 498 and 501]. After a contested hearing on August 25, 2016, the Bankruptcy Court extended the Exclusive Filing Period to March 1, 2017 and the Exclusive Solicitation Period to May 1, 2017 [Docket No. 522]; provided, that the Debtors provide a long-term business plan to counsel for their key stakeholder constituencies on or before December 1, 2016. On November 30, 2016, the Debtors provided a long-term business plan to counsel to their key stakeholder constituencies.

The Debtors filed the Plan and Disclosure Statement within the Exclusive Filing Period.

I. Claim Resolution Process.

1. The Bar Date; Bar Date Stipulation.

The Debtors' general bar date was established as September 1, 2016, with the deadline for filing governmental claims established as October 26, 2016 [Docket No. 83]. On August 22, 2016, the Court entered an order approving certain modification with respect to the Bar Date requested by certain holders of OpCo's funded indebtedness [Docket No. 508].

2. The Claims Process.

During the Chapter 11 Cases, Debtors have—and continue to—reviewed, reconciled, and contested certain potential significant contingent Claims. To facilitate this process, the Debtors have worked with the Notice and Claims Agent, the Debtors' primary restructuring counsel, and certain law firms to be engaged pursuant to section 327(e) of the Bankruptcy Code as special claims litigation counsel [Docket Nos. 631 and 632]. In particular, the Debtors have worked during these Chapter 11 Cases to resolve following claims.

3. REX.

On April 4, 2016, the Debtors received a demand for payment from REX in which REX demanded that OpCo pay approximately $303.2 million by April 20, 2016. On April 14, 2016, REX filed a lawsuit against OpCo in Texas state court in Harris County, Texas alleging breach of contract and seeking damages related to the alleged breach. On August 26, 2016, REX filed a Proof of Claim with the Bankruptcy Court for approximately $303.3 million [Claim No. 276]. On October 28, 2016, the Debtors filed an objection to the REX Proof of Claim [Docket No. 677]. On November 28, 2016, the Bankruptcy Court entered a scheduling order establishing March 1, 2017, as the trial date with respect to the Debtors' claim objection [Docket No. 782].

4. Sempra.

On February 26, 2016, the Debtors received a letter from Sempra Rockies Marketing, LLC ("Sempra") alleging that the Debtors were in breach of the Capacity Release Agreement, dated as of March 5, 2009. The letter also notified the Debtors that Sempra would immediately and permanently recall the capacity released to the Debtors. On March 8, 2016, the Debtors received a letter from Sempra notifying the Debtors that Sempra had in fact completely and permanently recalled the capacity previously made available to the Debtors on the Rockies Express Pipeline effective as of March 9, 2016. On August 25, 2016, Sempra filed a Proof of Claim with the Bankruptcy Court for approximately $63.8 million [Claim No. 245]. On October 28, 2016, the Debtors filed an objection to the Sempra proof of Claim [Docket No. 676]. On November 28, 2016, the Bankruptcy Court entered a scheduling order establishing March 2, 2017, as the trial date for the Debtors' claim objection [Docket No. 782].

5. Big West.

Prior to the Petition Date, the Debtors and Big West Oil LLC ("Big West") entered into several contracts related to the purchase and sale of crude oil produced in Wyoming and Utah. On April 26, 2016, Big West and the Debtors entered into a Temporary Suspension of Contracts and Interim Crude Oil Purchase and Sale Agreement (the "Suspension Agreement"). Pursuant to the Suspension Agreement, the Debtors and Big West suspended performance under their prepetition agreements on the condition that the Debtors would continue to sell and deliver crude oil to Big West during the suspension period. On October 10, 2016, Big West and the Debtors entered an extension of the Suspension Period through January 21, 2017. On August 30, 2016, Big West filed Proofs of Claim with the Bankruptcy Court asserting approximately $32.6 million related to lost profits associated with the interim purchase agreement [Claim No. 310, 311, 313, 318, 320, 321, 323, and 324]. The Debtors intend to object to Big West's Proofs of Claim. At this time, the Debtors are not able to determine the likelihood or range of damages owed to Big West, if any, or, if and when such amounts are assessed, whether such amounts would be material.

6. Sunoco.

On April 29, 2016, the Debtors received a letter from counsel to Sunoco asserting that the Debtors had breached, by anticipatory repudiation, a contract for the purchase and sale of crude oil between OpCo and Sunoco and the contract was terminated. In the letter, Sunoco demanded payment for damages resulting from the breach in the amount of $38.6 million. On August 31, 2016, Sunoco filed a Proof of Claim with the Bankruptcy Court for approximately $16.9 million [Claim No. 335]. The Debtors dispute Sunoco's positions in the letter and its Proof of Claim, and the Debtors intend to object to Sunoco's Proof of Claim. At this time, the Debtors are not able to determine the likelihood or range of damages owed to Sunoco, if any, related to this matter, or, if and when such amounts are assessed, whether such amounts would be material. Sunoco is a member of the Committee.

7. Pinedale Corridor L.P.

Pinedale Corridor L.P. ("Corridor") leases a liquids gathering system to Ultra Wyoming LGS, LLC ("UWLGS") (the "UWLGS Lease"). On August 30, 2016, Corridor filed Proofs of Claim with the Bankruptcy Court asserting approximately over $450 million in claims related to the UWLGS Lease and the Debtors' guarantees related to the UWLGS Lease [Claim Nos. 281, 282, 283, 284, and 291].

On September 20, 2016, Corridor filed a motion to dismiss UWLGS's Chapter 11 Case, or alternatively, to appoint a trustee or examiner [Docket No. 559] (the "Corridor Motion"). On October 11, 2016, the Debtors filed an objection to the Corridor Motion [Docket No. 610] in which the Debtors demonstrated that: (a) they had an alternative to the liquids gathering system that would completely replace Corridor and could be available to the Debtors following a modest capital investment; (b) unless Corridor and the Debtors could reach agreement on a modified UWLGS Lease that saved the Debtors money, the Debtors might find it within their business interest to reject the UWLGS Lease; and (c) the Corridor Motion was otherwise without merit. On October 13, 2016, the Committee filed a joiner to the Debtors' objection to the Corridor Motion [Docket No 613] On October 14, 2016, the Equityholder Committee filed a joiner to the Debtors' objection as well [Docket No 616].

On October 20, 2016, the Debtors and Corridor agreed to engage in mediation of all of their disputes and to defer any further action on the Corridor Motion [Docket No. 628]. The mediation took place on November 2, 2016, and was successful. On November 11, 2016, the Debtors filed the *Debtors' Expedited Motion for Entry of Order (I) Approving Term Sheet with Pinedale Corridor L.P. and (II) Authorizing the Debtors to Assume Unexpired Lease of Non-Residential Real Property* [Docket No. 710], which was approved on November 28, 2016 [Docket No 779]. The term sheet provides, among other things, that Corridor will withdraw all of its Proofs of Claim, the Debtors would assume the UWLGS Lease with a $0.00 cure, and Corridor will have an allowed general unsecured claim up to a maximum of $250,000.

8. Stonegate Resources.

In February 26, 2015, Ouray Park Irrigation Company filed a lawsuit against HoldCo, Three Rivers Holding, LLC, and Stonegate Resources LLC ("Stonegate") to quiet title in certain mineral rights in Utah. This litigation is pending in Utah state court under the caption *Ouray Park Irrigation Co. v. Stonegate Resources LLC, et al.*, Civil No. 150800019. On July 14, 2016, Stonegate filed a motion to lift the automatic stay to resolve the Utah state court proceeding, where several dispositive motions were set for trial as of June 2016. On August 12, 2016, the Bankruptcy Court entered an order granting the requested relief from the automatic stay for that purpose [Docket No. 488].

9. ONRR Proceeding.

On April 19, 2016, the Debtors received a preliminary determination notice from the Office of Natural Resources Revenue (the "ONRR") asserting that the Debtors' allocation of certain processing costs and plant fuel use at certain processing plants were impermissibly charged as deductions in the determination of royalties owed under federal oil and gas leases. During the second quarter of 2016, the Debtors responded to the preliminary determination asserting the reasonableness of their allocation methodology of such costs, noting several matters the Debtors believed should have been considered in the preliminary determination notice. The ONRR unbundling

review could ultimately result in an order for payment of additional royalties under the Debtors' federal oil and gas leases for current and prior periods. On October 27, 2016, ONRR filed a Proof of Claim with the Bankruptcy Court asserting approximately $35.1 million in claims attributable to the Debtors' royalty calculations. The Debtors are not able to determine the likelihood or range of any additional royalties or, if and when assessed, whether such amounts would be material.

10. Other Claims.

The Debtors are currently involved in various routine disputes and allegations incidental to their business operations. While it is not possible to determine the ultimate disposition of these matters, the Debtors believe that the resolution of all such pending or threatened litigation is not likely to have a material adverse effect on the Debtors' financial position, results of operations, or ability to confirm the Plan.

11. The Backstop Commitment Agreement's Cap on Allowed General Unsecured Claims.

The Backstop Commitment Agreement provides that a condition to the Backstop Parties' obligations thereunder is that Allowed General Unsecured Claims not exceed $330 million, as set forth in section 7.1(r) of the Backstop Commitment Agreement.

J. Assumption of Unexpired Leases.

The Debtors have a number of agreements for the lease of nonresidential real property, which consist of surface lease agreements, office space leases, and oil and gas leases, depending on the real property laws of the states in which their oil and gas leases are located. The Debtors have worked diligently to determine whether to assume or reject any of their unexpired leases of nonresidential real property. Pursuant to the *Order Extending the Time Within Which the Debtors Must Assume or Reject Unexpired Leases of Nonresidential Property* [Docket No. 520], the Court extended the deadline under section 365(d)(4) of the Bankruptcy Code for the Debtors to assume their unexpired leases of nonresidential real property through and including November 28, 2016. On November 7, 2016, the Debtors filed omnibus motions [Docket Nos. 690 & 691] for authorization to assume certain unexpired leases of nonresidential real property, including all of their oil and gas leases. On November 28, 2016, the Court granted such relief.

K. Maintenance and Administration of Customer Programs and Agreements.

The Debtors are party to approximately 116 agreements (collectively, the "Customer Agreements") for the purchase, sale, and transportation of the Debtors' oil and natural gas production with major energy companies, oil refiners, pipeline companies, distribution companies, and various end-users in several industries. In April, the Debtors filed *Debtors' Corrected Emergency Motion for Entry of Interim and Final Orders Authorizing Debtors to (I) Maintain and Administer Customer Programs and Honor Related Obligations and (II) Assume Customer Agreements* [Docket No. 20] requesting the Court allow the Debtors to continue to perform under the ordinary course of business and consistent with past practice the Customer Agreements. In August, pursuant to the Court's *Final Order Authorizing the Debtors to (I) Maintain and Administer Customer Programs and Honor Related Obligations and (II) Assume Customer Agreements* [Docket No. 521], the Debtors are authorized to continue to maintain and perform under all Customer Agreements.

L. Equity Trading Order.

The Debtors have substantial tax net operating loss carryforwards and other tax attributes. Under the U.S. Internal Revenue Code, the Debtors' ability to use these net operating losses and other tax attributes may be limited if the Debtors experience a change of control, as determined under the U.S. Internal Revenue Code. Accordingly, the Debtors obtained entry of the *Final Order Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock* [Docket No. 297] (the "NOL Order"). The NOL Order is intended to protect the Debtors' ability to use their tax attributes by imposing certain notice procedures and transfer restrictions on the trading of HoldCo's common stock. In general, the NOL Order

applies to any person or entity that, directly or indirectly, beneficially owns (or would beneficially own as a result of a proposed transfer) at least 4.5 percent of Existing HoldCo Equity Interests. Such persons are required to notify the Debtors and the Bankruptcy Court before effecting a transaction that might result in the Debtors losing the ability to use their tax attributes, and the Debtors have the right to seek an injunction to prevent the transaction if it might adversely affect the Debtors' ability to use their tax attributes. Any purchase, sale or other transfer of HoldCo equity securities in violation of the restrictions of the NOL Order is null and void ab initio as an act in violation of a Bankruptcy Court order and would therefore confer no rights on a proposed transferee. Under the Backstop Commitment Agreement, transfers of the Backstop Commitments or Subscription Rights, and the fulfillment of the Backstop Commitments or the exercise of the Subscription Rights, in each case in accordance with the Backstop Commitment Agreement, are not precluded by the NOL Order.

M. Hedging Program.

To limit exposure to fluctuations in market prices with respect to their oil, natural gas, and natural gas liquids production activities—principally, the prevailing price for the Debtors' Wyoming natural gas production—the Debtors, like most other large, complex oil and gas exploration and production businesses, have historically hedged a portion of their oil, natural gas, and/or natural gas liquids production through the use of financial derivative transactions, including cash-settled swaps, with creditworthy financial counterparties, or through the use of physically settled forward contracts under which the Debtors agree to physically deliver natural gas or crude oil at a fixed delivery point over a fixed period of time for a fixed price, each as specified in the contract.

The board of directors for HoldCo has adopted a Commodity Price Hedging Policy (the "Hedging Policy"), pursuant to which the Debtors are authorized to enter into physical and financial hedging transactions covering up to 50 percent of the Debtors' forecast production during a fiscal year without further board approval. Consistent with the Hedging Policy, the Debtors may also enter into physical and financial hedging transactions covering more than 50 percent of the Debtors' forecast production during a fiscal year with board approval.[7]

The Debtors' historic hedging transactions have generated significant value, with the Debtors realizing hedging-related gains of nearly $1 billion during the decade prior to the Petition Date. However, the Debtors elected not to hedge any of their forecasted production for 2016 because commodity prices at which hedges could be executed at the end of 2015 and early in 2016 prior to the Petition Date were too low. Therefore, as of the Petition Date, the Debtors did not have any hedging transactions in place. However, because commodity prices have improved since the Petition Date, the Debtors are engaged in discussions with several potential third-party hedge counterparties regarding the terms of postpetition hedging transactions, and the Debtors believe it is likely that they will, in the near future, be able to enter into postpetition hedging transactions with one or more counterparties at price levels and on other commercials terms that would render the decision to enter into such postpetition hedging transactions in the best interest of the Debtors and their estates.

The Debtors believe entering into postpetition hedging transactions would be a significant and, most importantly, low-risk means to reduce the impact of commodity-price volatility on the Debtors' cash-flow stream. All of the Debtors' prepetition hedging transactions since at least 2009 were consummated on an unsecured basis, which the Debtors believed was in their best interests. The Debtors also expect that any postpetition hedging transactions entered into will be on an unsecured basis, which the Debtors still believe is in their best interests as well as the best interests of all of their stakeholders.

To provide assurance to counterparties regarding the Debtors' ability to enter into and perform under postpetition hedging transactions notwithstanding the pendency of these chapter 11 cases, the Debtors filed the *Debtors' Motion for Entry of Order (A) Authorizing the Debtors to Enter into and Perform Postpetition Hedging Transactions, (B) Providing Administrative Expense Status to Authorized Postpetition Hedging Transactions, and (C) Modifying the Automatic Stay* [Docket No. 637] (the "Postpetition Hedging Transactions Motion") To address certain informal comments from the Committee, the HoldCo Noteholder Committee, the Equityholder Committee,

[7] From time to time over the past several years, the Debtors have received board approval to hedge more than 50 percent of forecasted production during a fiscal year. For example, during 2011, 2012, 2013, and 2015, the Debtors hedged 67, 51, 51, and 62 percent, respectively, of their forecasted production for such periods.

and certain other parties, the Debtors revised the proposed form of order approving the Postpetition Hedging Transactions Motion to, among other things, require that the Debtors provide their major constituencies with information regarding postpetition hedging transactions and certain related matters. On November 28, 2016, the Bankruptcy Court entered an order granting the Postpetition Hedging Transactions Motion [Docket No. 778].

N. Corporate Structure upon Emergence.

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

IX. PROJECTED FINANCIAL INFORMATION.

Attached hereto as **Exhibit D** is a projected consolidated income statement, which includes consolidated, projected, unaudited, financial statement information of the Reorganized Debtors (collectively, the "Financial Projections") for the period beginning 2016 and continuing through 2020. The Financial Projections are based on an assumed Effective Date of March 31, 2017. To the extent that the Effective Date occurs before or after March 31, 2017, recoveries on account of Allowed Claims and Existing HoldCo Common Stock could be impacted.

Creditors, equityholders, and other interested parties should see the below "Risk Factors" for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

X. RISK FACTORS.

Holders of Claims and Interests should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations.

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to holders of Allowed Claims and Existing HoldCo Common Stock under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of holders of Claims and Interests in such Impaired Classes.

1. Parties in Interest May Object to the Plan's Classification of Claims and Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article IX of the Plan, the Effective Date is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

3. The Debtors May Fail to Satisfy Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims and Existing HoldCo Common Stock as those proposed in the Plan.

4. The Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim or Existing HoldCo Common Stock might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, holders of Allowed Claims and Interests against them would ultimately receive on account of such Allowed Claims and Interests.

Confirmation of the Plan is also subject to certain conditions as described in Article IX of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, holders of Allowed Claims and Interests will receive on account of such Allowed Claims and Interests.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class, as well as any Class junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

5. Nonconsensual Confirmation.

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the

pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

6. Continued Risk Upon Confirmation.

Even if a chapter 11 plan of reorganization is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as further deterioration or other changes in economic conditions, changes in the industry, potential revaluing of their assets due to chapter 11 proceedings, changes in consumer demand for, and acceptance of, their oil and gas, and increasing expenses. Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code will give the Debtors the exclusive right to propose the Plan and will prohibit creditors and others from proposing a plan. The Debtors will have retained the exclusive right to propose the Plan upon filing their petitions for chapter 11 relief. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan to achieve the Debtors' stated goals.

Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' business after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

7. The Chapter 11 Cases May Be Converted to Cases Under Chapter 7 of the Bankruptcy Code.

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling in a controlled manner affecting the business as a going concern, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, and including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

8. The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan or the Disclosure Statement Order, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any holder of a Claim where such Claim is subject to an objection. Any holder of a Claim which is subject to an objection, thus, may not receive its expected share of the estimated distributions described in this Disclosure Statement.

9. Risk of Non-Occurrence of the Effective Date.

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

10. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan.

The distributions available to holders of Allowed Claims and Existing HoldCo Common Stock under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims and Existing HoldCo Common Stock. The occurrence of any and all such contingencies, which could affect distributions available to holders of Allowed Claims and Existing HoldCo Common Stock under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and Interests and creditor recoveries and equityholder treatments set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to holders of Allowed Claims and Existing HoldCo Common Stock under the Plan.

11. Releases, Injunctions, and Exculpations Provisions May Not Be Approved.

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, or Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan.

B. Risks Related to Recoveries under the Plan.

1. The Debtors May Not Be Able to Achieve Their Projected Financial Results.

With respect to holders of Interests in the Reorganized Debtors, the Reorganized Debtors may not be able to achieve their projected financial results. The Financial Projections set forth in this Disclosure Statement represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Reorganized Debtors' operations, as well as the United States and world economies in general, and the particular industry segments in which the Debtors operate in particular. While the Debtors believe that the Financial Projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will be realized. If the Debtors do not achieve their projected financial results, (a) the value of the New Common Stock may be negatively affected, (b) the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, and (c) the Debtors may be unable to service their debt obligations as they come due. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

2. The Bankruptcy Court May Allow the OpCo Note Makewhole Claims, Which Could Significantly Reduce Recovery for the Debtors' Creditors and Equityholders.

The OpCo Note Purchase Agreement contains a so-called "make-whole" provision which, if enforceable in the Chapter 11 Cases, may entitle the OpCo Noteholders to a significant unsecured damages claim. The Plan classifies the potential make-whole claim as a Class 7 Claim, which is paid only after a determination by the Bankruptcy Court with respect to the Allowed amount of any OpCo Note Makewhole Claims (if any). It is possible the Bankruptcy Court may Allow the OpCo Make Whole Claims. In such case, the Plan provides that holders of Allowed OpCo Note Makewhole Claims (if any) shall receive an amount of Additional New OpCo Notes equal to the amount of Allowed OpCo Note Makewhole Claims held by such holders. Thus, if the Debtors are required to satisfy the make-whole claim, the Reorganized Debtors would emerge from chapter 11 with a higher amount of funded indebtedness.

3. The Reorganized Debtors' New Common Stock May Not Be Publicly Traded As of the Effective Date.

The Debtors will use commercially reasonable efforts to cause the New Common Stock to become publicly traded and listed on a national securities exchange on or as soon as reasonably practicable after the Effective Date. There can be no assurance that an active market for the New Common Stock will develop, nor can any assurance be given as to the prices at which such stock might be traded.

4. The Restructuring of the Debtors May Adversely Affect the Debtors' Tax Attributes.

Under federal income tax law, a corporation is generally permitted to deduct from taxable income NOLs carried forward from prior years. The Debtors have reported NOL carryforwards of approximately $850 million as of the December 31, 2015. The Debtors' ability to utilize their NOL carryforwards and other tax attributes to offset future taxable income and to reduce federal income tax liability is subject to certain requirements and restrictions. In general, such NOLs and other tax attributes could be reduced by the amount of discharge of indebtedness arising in a chapter 11 case under section 108 of the Internal Revenue Code of 1986, as amended (the "U.S. Tax Code") or to offset any taxable gains recognized by the Debtors attributable to the restructuring transactions. In addition, if the Debtors experience an "ownership change," as defined in section 382 of the U.S. Tax Code, then their ability to use the NOL carryforwards may be substantially limited, which could have a negative impact on the Debtors' financial position and results of operations. Generally, there is an "ownership change" if one or more stockholders owning 5 percent or more of a corporation's common stock have aggregate increases in their ownership of such stock of more than 50 percentage points over the prior three-year period. Following the implementation of a plan of reorganization, it is likely that an "ownership change" will be deemed to occur. Under section 382 of the U.S. Tax Code, absent an applicable exception, if a corporation undergoes an "ownership change," the amount of its NOLs that may be utilized to offset future taxable income generally is subject to an annual limitation. The Debtors currently expect that their net operating loss carryforwards and other tax attributes may be significantly reduced, eliminated, or limited in connection with the restructuring transactions, through a combination of one or more of the above factors.

For a detailed description of the effect consummation of the Plan may have on the Debtors' tax attributes, see "*Certain United States Federal Income Tax Consequences of the Plan*," which begins on page 58 herein.

5. The Debtors May Not Be Able to Accurately Report Their Financial Results.

The Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the Debtors' financial statements because of their inherent limitations, including the possibility of human error, and the circumvention or overriding of controls or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. Although the Debtors do not anticipate this condition occurring, if the Debtors fail to maintain the adequacy of their internal controls, the Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required for the Debtors' financial reporting under SEC rules and regulations and the terms of the agreements governing the Debtors' indebtedness. Any such difficulties or failure could materially adversely affect the Debtors' business, results of operations, and financial condition.

C. Risks Related to the Debtors' and the Reorganized Debtors' Businesses.

1. The Debtors May Not Be Able To Generate Sufficient Cash To Service All Of Their Indebtedness.

The Reorganized Debtors will emerge from chapter 11 carrying approximately $2 billion in principal amount of New OpCo Notes. The Debtors' ability to make scheduled payments on, or refinance their debt

obligations, including the New OpCo Notes, depends on the Debtors' financial condition, available cash reserves, access to additional funding, and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Debtors' control (including the factors discussed in Article X, which begins on page 36 hereof). The Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Debtors to pay the principal, premium, if any, and interest on their indebtedness, including the New OpCo Notes.

2. The Debtors Will Be Subject To the Risks And Uncertainties Associated With the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the restructuring transactions specified in the Plan or an alternative restructuring transaction; (b) ability to obtain court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationships with suppliers, service providers, customers, employees, royalty interest holders, working interest holders, and other third parties; (d) ability to maintain contracts that are critical to the Debtors' operations; (e) ability of third parties to seek and obtain court approval to terminate contracts and other agreements with the Debtors; (f) ability of third parties to seek and obtain court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

3. Operating In Bankruptcy For a Long Period Of Time May Harm the Debtors' Businesses.

The Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the Debtors' businesses. In addition, the longer the proceedings related to the Chapter 11 Cases continue, the more likely it is that customers and suppliers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. The chapter 11 proceedings may also require the Debtors to seek debtor-in-possession financing to fund operations. If the Debtors are unable to obtain such financing on favorable terms or at all, the chances of successfully reorganizing the Debtors' businesses may be seriously jeopardized, the likelihood that the Debtors will instead be required to liquidate their assets may be enhanced, and, as a result, creditor recoveries may be significantly impaired.

Furthermore, the Debtors cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even after a plan of reorganization is approved and implemented, the

Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.

4. Financial Results May Be Volatile and May Not Reflect Historical Trends.

During the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as asset impairments, asset dispositions, restructuring activities and expenses, contract terminations and rejections, and claims assessments may significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

In addition, if the Debtors emerge from chapter 11, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

5. The Debtors Will Need Adequate Liquidity To Execute Their Business Plan.

The Debtors' principal sources of liquidity historically have been cash flow from operations, their revolving credit facility, and the issuances of debt securities. Since filing for chapter 11, the Debtors have increased their cash on hand substantially from operations despite continuing a capital program and incurring professional fees related to the Chapter 11 Cases. The Debtors plan to significantly increase their capital budget upon emergence from chapter 11 in order to accelerate production and increase cash flows from operations. The Debtors' future capital program is expected to be self-funding at current futures prices for crude oil and natural gas. The majority of the Debtors' capital expenditures are discretionary and uncommitted, which allows them the flexibility to adjust their capital spending to match their operational cash flow and market dynamics. Also, since the vast majority of their acreage is held by production, the Debtors are not obligated to drill wells to hold acreage. This factor, along with their role as operator of such a significant portion of their acreage, allows the Debtors almost complete control of their capital allocation.

The Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the Debtors' control. The Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) ability to maintain adequate cash on hand; (b) ability to generate cash flow from operations; (c) ability to develop, confirm, and consummate a chapter 11 plan or other alternative restructuring. In the event that cash on hand and cash flow from operations are not sufficient to meet the Debtors' liquidity needs, the Debtors may be required to seek additional financing. The Debtors may seek to enter into a revolving credit facility, effective as of or after the Effective Date, the implementation of which would require the consent of the Required Consenting Parties. However, the Debtors can provide no assurance that a revolving credit facility or other financing would be available or, if available, offered to the Debtors on acceptable terms.

6. Drilling For and Producing Natural Gas and Crude Oil Are High Risk Activities With Many Uncertainties That Could Adversely Affect the Debtors' Business, Financial Condition or Results of Operations.

The Debtors' oil and natural gas operations are subject to all of the risks and hazards typically associated with drilling, completion, production and transportation of, oil and natural gas. These risks include blowouts, fire, explosion, pipe failure, casing collapse, abnormally pressured formations, and environmental hazards such as oil spills, natural gas leaks, discharges of toxic gases, underground migration and surface spills or mishandling of fracture fluids, including chemical additives. The Debtors' operations could also be interrupted by severe weather, natural disasters, or drilling restrictions. The Debtors' operations are conducted primarily in the Rocky Mountain region of the United States. The Debtors also have properties in the north-central Pennsylvania area of the Appalachian Basin. The weather in these areas can be extreme and can cause interruption in the Debtors'

exploration and production operations. Severe weather can result in damage to their facilities entailing longer operational interruptions and significant capital investment.

These risks of the oil and gas industry also include the necessity of spending large amounts of money for identification and acquisition of properties and for drilling and completion of wells and risks and uncertainty associated with marketing any production that is obtained. In the drilling and completing of wells, failures and losses may occur before any deposits of oil or natural gas are found and produced. If oil or natural gas is encountered, there can be no assurance that it can be produced in quantities sufficient to justify the cost of continuing such operations or that it can be marketed satisfactorily.

The occurrence of any or several of these events with respect to any property the Debtors own or operate (in whole or in part) could have a material adverse impact on the Debtors. The Debtors and the operators of their properties maintain insurance in accordance with customary industry practices and in amounts that the Debtors' management believes to be reasonable. However, insurance coverage is not always economically feasible and is not obtained to cover all types of operational risks. The occurrence of a significant event that is not fully insured could have a material adverse effect on the Debtors' financial condition.

7. Natural Gas and Crude Oil Prices Can Fluctuate Widely Due To a Number of Factors That Are Beyond the Debtors' Control, and Depressed or Declining Natural Gas or Crude Oil Prices Could Significantly Affect the Debtors' Financial Condition and Results of Operations.

The price the Debtors receive for their oil and natural gas heavily influences their revenue, profitability, access to capital and future rate of growth. Oil and natural gas are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Historically, the markets for oil and natural gas have been volatile. For example, spot natural gas prices during 2015 ranged from a high of $3.30 to a low of $1.54 per MMBtu and the spot oil prices during 2015 ranged from a high of $61.43 to a low of $34.73 per Bbl. During 2016, commodity prices have continued to be volatile, with spot natural gas prices ranging as low as $1.81 per MMBtu and the spot oil prices ranging as low as $26.21 per Bbl earlier this year. These markets will likely continue to be volatile in the future.

The prices the Debtors receive for their production and the levels of the Debtors' production depend on numerous factors beyond the Debtors' control. These factors include the following:

- worldwide and regional economic conditions impacting the global supply and demand for oil and natural gas;
- the actions of the Organization of Petroleum Exporting Countries;
- the price and quantity of imports of foreign oil and natural gas;
- political conditions in or affecting other oil and natural gas-producing countries;
- the level of global oil and natural gas exploration and production;
- the level of global oil and natural gas inventories;
- localized supply and demand fundamentals and transportation availability;
- weather conditions and natural disasters;
- domestic, local and foreign governmental regulations and taxes;
- speculation as to the future price of oil and natural gas and the speculative trading of oil and natural gas futures contracts;

- price and availability of competitors' supplies of oil and natural gas;
- technological advances affecting energy consumption; and
- the price and availability of alternative fuels.

Substantially all of the Debtors' production is currently sold at market based prices. Lower oil and natural gas prices reduce their cash flows, borrowing ability and the present value of their reserves. Lower oil and natural gas prices also reduce the amount of oil and natural gas the Debtors can produce economically. Substantial decreases in oil and natural gas prices could render uneconomic a significant portion of the Debtors' identified drilling locations, and may cause the Debtors to make significant downward adjustments to their estimated proved reserves or to be unable to claim proved undeveloped reserves at all. If oil and natural gas prices experience a substantial or extended decline from current levels, the Debtors' future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures will be materially and adversely affected.

Natural gas comprised approximately 93 percent of the Debtors' total production for its fiscal year ended December 31, 2015 and represented 92 percent of the Debtors' total proved reserves as of December 31, 2015. Crude oil comprised approximately 7.3 percent of the Debtors' total production for the fiscal year ended December 31, 2015 and represented 5 percent of the Debtors' total proved reserves as of December 31, 2015. Crude oil prices declined substantially during 2015 and have remained very low during the first months of 2016. Most of the production from the Debtors' Uinta Basin properties is crude oil.

Volatility of natural gas and crude oil prices also makes it difficult to budget for and project the return on potential acquisitions and development and exploration projects, and sustained lower natural gas prices have caused and may, in the future continue to cause, the Debtors and/or the operators of properties in which the Debtors have ownership interests to curtail projects and limit or suspend drilling, completion or even production activities.

8. Unless the Debtors are Able to Replace Reserves They Have Produced, Their Cash Flows and Production Will Decrease Over Time. The Debtors Will Be Required to Make Substantial Capital Expenditures to Develop Their Existing Reserves and to Discover New Oil And Gas Reserves. The Debtors May Not Be Able To Replace Their Reserves or Generate Cash Flows If They Are Unable To Raise Capital.

The Debtors' future success depends on their ability to find, acquire, develop and produce additional oil and gas reserves that are economically recoverable. Without successful exploration, development or acquisition activities, the Debtors' reserves and production will decline. The Debtors' ability to continue exploration and development of their properties and to replace reserves depends upon their ability to fund the related and substantial capital expenditures for such activities. Continued periods of depressed commodity prices or further commodity price decreases could have a material adverse effect on the Debtors' ability to fund such capital expenditures. Without the ability to fund capital expenditures, the Debtors will be unable to replace reserves and production. There can also be no assurance that the Debtors will be able to fund the capital expenditures necessary to allow further exploration and development of their properties.

9. The Debtors' Reserve Estimates May Be Incorrect If the Assumptions Upon Which These Estimates are Based are Inaccurate. Any Material Inaccuracies in These Reserve Estimates or Underlying Assumptions Will Materially Affect the Quantities and Present Value of the Debtors' Reserves.

There are numerous uncertainties inherent in estimating quantities of proved reserves and projected future rates of production and timing of development expenditures, including many factors beyond the Debtors' control. The reserve data and standardized measures set forth herein represent only estimates. Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. As a result, estimates of different engineers often vary. In addition, drilling, testing and production data acquired subsequent to the date of an estimate may justify revising such

estimates. Accordingly, reserve estimates are often different from the quantities of oil, natural gas and natural gas liquids ("NGLs") that are ultimately recovered. Further, the estimated future net revenues from proved reserves and the present value thereof are based upon certain assumptions, including geologic success, the timing and identification of future drilling locations, commodity prices, future production levels, costs and the ability to finance future development that may not prove correct over time. Predictions of future production levels, development schedules (particularly with regard to non-operated properties), commodity prices and future operating costs are subject to great uncertainty, and the meaningfulness of such estimates is highly dependent upon the accuracy of the assumptions upon which they are based.

The present value of net proved reserves included any of the Debtors' reserve reports should not be considered as the market value of the reserves attributable to the Debtors' properties. In accordance with SEC requirements, the Debtors base the present value, discounted at 10 percent, of the pre-tax future net cash flows attributable to their net proved reserves on the average oil and natural gas prices during the 12-month period before the ending date of the period covered by this report determined as an un-weighted, arithmetic average of the first-day-of-the-month price for each month within such period, adjusted for quality and transportation fees. The costs to produce the reserves remain constant at the costs prevailing on the date of the estimate. Actual current and future commodity prices and costs may be materially higher or lower, and higher future costs and/or lower future commodity prices may impact whether development of the Debtors' reserves in the future occurs as scheduled or at all. In addition, the 10 percent discount factor, which the SEC requires the Debtors to use in calculating their discounted future net revenues for reporting purposes, may not be the most appropriate discount factor based on the Debtors' cost of capital from time to time and/or the risks associated with the Debtors business.

10. The Debtors May Fail To Fully Identify Problems With Any Properties They Acquire. For Example, the Debtors' Acquisitions May Perform Worse Than They Expected or Prove To Be Worth Less Than What the Debtors Paid Because Of Uncertain Factors and Matters Beyond the Debtors' Control. In Addition, the Debtors' Acquisitions May Expose Them to Potentially Significant Liabilities.

The Debtors acquired a portion of the Debtors' acreage position in Wyoming, Pennsylvania, and Utah through property acquisitions and acreage trades, and the Debtors may acquire additional acreage in these or other regions in the future. Although the Debtors conduct a review of properties they acquire which they believe is consistent with industry practices, the Debtors can give no assurance that they have identified or will identify all existing or potential problems associated with such properties or that they will be able to mitigate any problems they do identify. When the Debtors make acquisitions of oil and gas properties, they make assumptions about many uncertain factors, including estimates of recoverable reserves, expected timing of recovering acquired reserves, future commodity prices, expected development and operating costs, and other matters, many of which are beyond their control. Assumptions about uncertain factors may be wrong, and the properties the Debtors acquire may perform worse than they expect, materially and adversely affecting their operations and financial condition.

11. Competitive Industry Conditions May Negatively Affect The Debtors' Ability To Conduct Operations and To Execute Their Business Plan.

The Debtors compete with numerous other companies in virtually all facets of their business. Their competitors in development, exploration, acquisitions and production include major integrated oil and natural gas companies as well as numerous independents, including many that have significantly greater resources. Therefore, competitors may be able to pay more for desirable leases and evaluate, bid for and purchase a greater number of properties or prospects than the Debtors' financial or personnel resources permit. The Debtors also compete for the materials, equipment and services that are necessary for the exploration, development and operation of their properties. The Debtors' ability to increase reserves in the future will be dependent on their ability to select and acquire suitable prospects for future exploration and development.

12. Compliance With Legislation and Regulatory Actions, Including Environmental and Other Government Regulations, Could Be Costly and Could Negatively Impact the Debtors' Financial Condition and Operations.

The Debtors' operations are subject to numerous laws and regulations, including laws and regulations relating to environmental protection and other governmental regulations. These laws and regulations, which are continuously being reviewed for amendment and/or expansion, may require that the Debtors obtain permits before developing their properties, restrict substances that can be released into the environment in connection with the Debtors' drilling, completion and/or production activities, limit or prohibit the Debtors' drilling activities on protected areas such as wetlands or wilderness areas, and require remedial measures to mitigate pollution from former operations, such as plugging abandoned wells.

Under these laws and regulations or under the common law, the Debtors could be liable for personal injury and clean-up costs and other environmental, natural resource and property damages, as well as administrative, civil and criminal penalties. The Debtors could also be affected by more stringent laws and regulations adopted in the future, including any related to climate change, engine emissions, greenhouse gases and hydraulic fracturing. The Debtors maintain limited insurance coverage for sudden and accidental environmental damages, but do not maintain insurance coverage for the full potential liability that could be caused by accidental environmental damages. Accordingly, the Debtors may be subject to liability in excess of their insurance coverage or may be required to cease production from properties in the event of environmental damages.

A significant percentage of the Debtors' operations are conducted on federal and state lands. These operations are subject to a wide variety of regulations as well as other permits and authorizations which must be obtained from and issued by state and federal agencies. To conduct these operations, the Debtors may be required to file applications for permits, seek agency authorizations and comply with various other statutory and regulatory requirements. Complying with any of these requirements may adversely affect the Debtors' ability to complete their drilling programs at the costs and in the time periods anticipated.

13. Federal Legislation and State Legislative and Regulatory Initiatives Relating To Hydraulic Fracturing Could Result In Increased Costs and Additional Operating Restrictions or Delays.

The Debtors use hydraulic fracturing to stimulate production of hydrocarbons, particularly natural gas, from tight formations in their properties. The process involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production. The process is typically regulated by state oil and gas commissions but is not subject to regulation at the federal level (except for fracturing activity involving the use of diesel). The U.S. Environmental Protection Agency ("EPA") has commenced a study of the potential environmental impacts of hydraulic fracturing activities and has released a draft report; the final study has not yet been released. A committee of the U.S. House of Representatives is also conducting an investigation of hydraulic fracturing practices. In past sessions, legislation was introduced before Congress to provide for federal regulation of hydraulic fracturing and to require disclosure of the chemicals used in the fracturing process. In addition, some states have adopted, and other states are considering adopting, regulations that could restrict hydraulic fracturing in certain circumstances. Pennsylvania has adopted a variety of regulations limiting how and where fracturing can be performed. Wyoming has adopted regulations requiring producers to provide detailed information about wells they hydraulically fracture in that state. Some states have adopted or are considering adopting regulations requiring disclosure of chemicals in fluids used in hydraulic fracturing or other restrictions on drilling and completion operations, including requirements regarding casing and cementing of wells; testing of nearby water wells; restrictions on access to, and usage of, water; and restrictions on the type of chemical additives that may be used in hydraulic fracturing operations.

Any new laws or regulations that significantly restrict hydraulic fracturing could make it more difficult or costly for the Debtors to perform hydraulic fracturing activities and thereby affect their determination of whether a well is commercially viable. In addition, if hydraulic fracturing is regulated at the federal level, the Debtors' fracturing activities could become subject to additional permit requirements or operational restrictions and also to associated permitting delays and potential increases in costs. The Debtors have conducted hydraulic fracturing operations on most of their existing wells, and they anticipate conducting hydraulic fracturing operations on

substantially all of their future wells. As a result, restrictions on hydraulic fracturing could reduce the amount of oil and natural gas that the Debtors are ultimately able to produce in commercial quantities and adversely affect their operations and financial condition.

14. The Reorganized Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases.

The Debtors are currently subject to or interested in certain legal proceedings, some of which may adversely affect the Debtors. In the future, the Reorganized Debtors may become party to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Reorganized Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims and Interests under the Plan. It is not possible to predict the potential litigation that the Reorganized Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' businesses and financial stability, however, could be material.

15. The Loss of Key Personnel Could Adversely Affect the Debtors' Operations.

The Debtors' operations are dependent on a relatively small group of key management personnel, including the Debtors' executive officers. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result, the Debtors have experienced and may continue to experience increased levels of employee attrition. Because competition for experienced personnel in the oil and gas industry can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale at the corporate and/or field levels could have a material adverse effect on the Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Debtors' businesses and the results of operations.

16. Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations.

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all claims that arise prior to the Debtors' filing a petition for reorganization under the Bankruptcy Code or before confirmation of the plan of reorganization (a) would be subject to compromise and/or treatment under the plan of reorganization and/or (b) would be discharged in accordance with the terms of the plan of reorganization. Any claims not ultimately discharged through a plan of reorganization could be asserted against the reorganized entity and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations on a post-reorganization basis.

XI. SOLICITATION AND VOTING PROCEDURES.

This Disclosure Statement, which is accompanied by a Ballot or Ballots to be used for voting on the Plan, is being distributed to the holders of Claims and Interests in those Classes that are entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the exhibits annexed to the Disclosure Statement Order, which is attached hereto as **Exhibit C**.

The Disclosure Statement Order is incorporated herein by reference and should be read in conjunction with this Disclosure Statement and in formulating a decision to vote to accept or reject the Plan.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.
PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER ATTACHED HERETO FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

A. Holders of Claims and Interests Entitled to Vote on the Plan.

Under the provisions of the Bankruptcy Code, not all holders of claims against or interests in a debtor are entitled to vote on a chapter 11 plan. The table in section III.C of this Disclosure Statement, which begins on page 8 hereof, provides a summary of the status and voting rights of each Class (and, therefore, of each holder within such Class absent an objection to the holder's Claim or Interest, as applicable) under the Plan.

As shown in the table, the Debtors are soliciting votes to accept or reject the Plan only from holders of Claims and Interests in Classes 3, 4, 5, 7, 9, 10, 11, 14 (collectively, the "Voting Classes"). The holders of Claims and Interests in the Voting Classes are Impaired under the Plan and may, in certain circumstances, receive a distribution under the Plan. Accordingly, holders of Claims and Interests in the Voting Classes have the right to vote to accept or reject the Plan.

The Debtors are ***not*** soliciting votes from holders of Claims and Interests in Classes 1, 2, 6, 8, 12, 13, and 15. Additionally, the Disclosure Statement Order provides that certain holders of Claims and Interests in the Voting Classes, such as those holders whose Claims or Interests have been disallowed or are subject to a pending objection, are not entitled to vote to accept or reject the Plan.

B. Voting Record Date.

The order approving the Disclosure Statement will provide that the voting record date is January 19, 2017. The voting record date under the order approving the Disclosure Statement is the date on which it will be determined which holders of Claims and Interests in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims and Interests have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the holder of a Claim or Interest.

C. Voting on the Plan.

The order approving the Disclosure Statement will provide that the deadline to vote on the Plan is February 23, 2017, at 4:00 p.m. prevailing Central Time. To be counted as votes to accept or reject the Plan, all ballots must be properly executed, completed, and delivered in accordance with the instructions on your ballot so that the ballots are **actually received** by the Debtors' voting and claims agent (the "Voting and Claims Agent") on or before the deadline to vote on the Plan under the order approving the Disclosure Statement.

D. Ballots Not Counted.

No ballot will be counted toward Confirmation if, among other things: (1) it is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (2) it was transmitted by facsimile, email, or other electronic means not specifically approved pursuant to the Disclosure Statement Order; (3) it was cast by an entity that is not entitled to vote on the Plan; (4) it was cast for a Claim or Interest listed in the Debtors' schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no Proof of Claim was timely filed; (5) it was cast for a Claim that is subject to an objection pending as of the voting record date (unless temporarily allowed in accordance with the Disclosure Statement Order); (6) it was sent to the Debtors, the Debtors' agents/representatives (other than the Voting and Claims Agent), an indenture trustee, or the Debtors' financial or legal advisors instead of the Voting and Claims Agent; (7) it is unsigned; or (8) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan. **Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.**

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE VOTING AND CLAIMS AGENT TOLL-FREE (844) 276-3028. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE SOLICITATION ORDER WILL NOT BE COUNTED.

XII. CONFIRMATION OF THE PLAN.

A. Requirements for Confirmation of the Plan.

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of holders of Claims and Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11; and (3) the Plan has been proposed in good faith.

B. Best Interests of Creditors/Liquidation Analysis.

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (1) has accepted the plan or (2) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting holder would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code. Attached hereto as **Exhibit F** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis"). As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by holders of Claims and Interests as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to holders of Claims and Interests than would a liquidation under chapter 7 of the Bankruptcy Code.

C. Feasibility.

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization).

To determine whether the Plan meets this feasibility requirement, the Debtors have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared the Financial

Projections. Based upon the Financial Projections, the Debtors believe that they will be a viable operation following their emergence from chapter 11 and that the Plan will meet the feasibility requirements of the Bankruptcy Code. The Financial Projections are attached hereto as **Exhibit D** and incorporated herein by reference.

D. Acceptance by Impaired Classes.

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.[8]

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in a dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually cast their ballots in favor of acceptance. Pursuant to section 1126(d) of the Bankruptcy Code, a class of interests will be deemed to accept a plan if holders of at least two-third in amount of the allowed interests of such class have voted to accept the plan.

E. Confirmation Without Acceptance by All Impaired Classes.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; provided, that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors will request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right, subject to the Plan Support Agreement and Backstop Commitment Agreement, to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code. The Plan Support Agreement and the Backstop Commitment Agreement each provide that the Consenting HoldCo Noteholders and Consenting HoldCo Equityholders may terminate their obligations thereunder if the Debtors withdraw or revoke the Plan under certain circumstances.

1. No Unfair Discrimination.

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims and interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

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8 A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the plan (a) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

2. Fair and Equitable Test.

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class.

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

F. Valuation of the Debtors.

In conjunction with formulating the Plan and satisfying their obligations under section 1129 of the Bankruptcy Code, the Debtors determined that it was necessary to estimate the post-Confirmation going concern value of the Debtors. The Valuation Analysis is set forth in **Exhibit E** attached hereto and incorporated herein by reference.

G. Substantive Consolidation.

The Debtors are not currently proposing the substantive consolidation of their respective Estates pursuant to the Plan; provided, that the Plan will provide for the substantive consolidation of certain of the Debtors to the extent necessary for Confirmation.

XIII. RIGHTS OFFERING PROCEDURES.[9]

The procedures and instructions for exercising Subscription Rights are set forth in the Rights Offering Procedures, which are attached hereto as **Exhibit G**. The Rights Offering Procedures are incorporated herein by reference and should be read in conjunction with this Disclosure Statement in formulating a decision to exercise Subscription Rights. ***The discussion of the Rights Offering Procedures set forth in this Disclosure Statement is only a summary. Please refer to the Rights Offering Procedures attached as Exhibit G hereto for a more comprehensive description.***

Pursuant to the Plan, each holder of an Allowed HoldCo Note Claim, as of the Rights Offering Record Date (defined as Rights Offering Participants in the Plan), will receive rights to subscribe for its pro rata portion of 75 percent of the Shares (as defined in the Rights Offering Procedures) offered in the Rights Offering (the "HoldCo Noteholders Rights Offering" and, such Shares, the "HoldCo Noteholders Rights Offering Shares"), which HoldCo Noteholder Rights Offering Shares, collectively, will reflect an aggregate purchase price of $435,000,000 calculated by multiplying the number of Shares offered in the HoldCo Noteholder Rights Offering by the Purchase Price, provided that it timely and properly executes and delivers its applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, in advance of the Subscription Expiration Deadline.

Pursuant to the Plan, each holder of Existing HoldCo Common Stock, as of the Rights Offering Record Date, will receive rights to subscribe for its pro rata portion of 25 percent of the Shares offered in the Rights Offering (the "HoldCo Equityholders Rights Offering," and such Shares, the "HoldCo Equityholders Rights Offering Shares" and, together with the HoldCo Noteholders Rights Offering Shares, the "Rights Offering Shares"), which HoldCo Equityholder Rights Offering Shares, collectively, will reflect an aggregate purchase price of

9 Capitalized terms used in this Article but not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the Backstop Commitment Agreement.

$145,000,000 calculated by multiplying the number of Shares offered in the HoldCo Equityholder Rights Offering by the Purchase Price; provided, that it timely and properly executes and delivers its applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, in advance of the Subscription Expiration Deadline.

No Rights Offering Participant shall be entitled to participate in the Rights Offering unless the aggregate Purchase Price (as defined below) for the Rights Offering Shares it subscribes for is received by the Subscription Agent (i) in the case of a Rights Offering Participant that is not a Commitment Party, by the Subscription Expiration Deadline, and (ii) in the case of a Rights Offering Participant that is a Commitment Party, no later than the deadline specified in a written notice (a "Funding Notice") delivered by or on behalf of the Debtors to the Commitment Parties in accordance with Section 2.4 of the Backstop Commitment Agreement (the "Backstop Funding Deadline"); provided, that the Commitment Parties may deposit their aggregate Purchase Price in the Escrow Account (as defined below), in accordance with the terms of the Backstop Commitment Agreement. No interest is payable on any advanced funding of the Purchase Price. If the Rights Offering is terminated for any reason, the aggregate Purchase Price previously received by the Subscription Agent will be returned to eligible holders as provided in Section 6 of the Rights Offering Procedures. No interest will be paid on any returned Purchase Price. Any Rights Offering Participant who is not a Commitment Party submitting payment via its Nominee must coordinate such payment with its Nominee in sufficient time to allow the Nominee to forward such payment to the Subscription Agent by the Subscription Expiration Deadline.

TO PARTICIPATE IN THE RIGHTS OFFERING, EACH RIGHTS OFFERING PARTICIPANT MUST COMPLETE ALL THE STEPS OUTLINED IN THE RIGHTS OFFERING PROCEDURES ATTACHED AS EXHIBIT G HERETO. IF ALL OF THE STEPS OUTLINED IN THE RIGHTS OFFERING PROCEDURES ARE NOT COMPLETED BY THE SUBSCRIPTION EXPIRATION DEADLINE OR THE BACKSTOP FUNDING DEADLINE, AS APPLICABLE, THE RIGHTS OFFERING PARTICIPANT SHALL BE DEEMED TO HAVE FOREVER AND IRREVOCABLY RELINQUISHED AND WAIVED ITS RIGHT TO PARTICIPATE IN THE RIGHTS OFFERING.

To validly exercise its Subscription Rights, each Rights Offering Participant that is not a Commitment Party must:

- return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and

- at the same time it returns its Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Subscription Agent by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the applicable Beneficial Holder Subscription Form(s).

To validly exercise its Subscription Rights, each Rights Offering Participant that is a Commitment Party must:

- return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and

- no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the Subscription Agent or to the escrow account established and maintained by a third party satisfactory to the Commitment Parties and the Company (the "Escrow Account") by wire transfer

ONLY of immediately available funds in accordance with the wire instructions included in the Funding Notice.

ALL COMMITMENT PARTIES MUST PAY THEIR APPLICABLE PURCHASE PRICE DIRECTLY TO THE SUBSCRIPTION AGENT OR TO THE ESCROW ACCOUNT, AS APPLICABLE, AND SHOULD NOT PAY THEIR NOMINEE(S).

With respect to the requirements above, each eligible holder must duly complete, execute and return any applicable Beneficial Holder Subscription Form in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Subscription Agent the Master Subscription Form, its completed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and, solely with respect to the eligible holders that are not Commitment Parties, payment of the applicable Purchase Price, payable for the Rights Offering Shares elected to be purchased by such eligible holder, by the Subscription Expiration Deadline. Eligible holders that are Commitment Parties must deliver their payment of the applicable Purchase Price payable for the Rights Offering Shares elected to be purchased by such Commitment Party directly to the Subscription Agent or to the Escrow Account, as applicable, no later than the Backstop Funding Deadline.

In the event that the funds received by the Subscription Agent or the Escrow Account, as applicable, from any eligible holder do not correspond to the Purchase Price payable for the Rights Offering Shares elected to be purchased by such Rights Offering Participant, the number of the Rights Offering Shares deemed to be purchased by such Rights Offering Participant will be the lesser of (a) the number of the Rights Offering Shares elected to be purchased by such Rights Offering Participant and (b) a number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such Rights Offering Participant's pro rata portion of Rights Offering Shares.

The cash paid to the Subscription Agent in accordance with these Rights Offering Procedures will be deposited and held by the Subscription Agent in a segregated account until released to the Debtors in connection with the settlement of the Rights Offering on the Effective Date. The Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Subscription Agent hereunder shall not be deemed part of the Debtors' bankruptcy estates.

The Rights Offering Shares will be distributed and issued by the Debtors: (i) pursuant to an effective registration statement under the Securities Act (such offering, a "Registered Rights Offering"); or (ii) without registration under the Securities Act, in reliance upon the exemption provided in section 1145 of the Bankruptcy Code (such offering, an "1145 Rights Offering"). None of the Subscription Rights or the Rights Offering Shares issuable upon exercise of such rights distributed pursuant to the Rights Offering Procedures in reliance upon the exemption provided in section 1145 of the Bankruptcy Code will be registered under the Securities Act, nor any state or local law requiring registration for offer and sale of a security.

If the Rights Offering is a Registered Rights Offering, the Subscription Rights will be immediately detachable and freely transferable separately from the underlying HoldCo Common Stock and Allowed HoldCo Note Claims, as applicable; provided, that the transferability of Subscription Rights held by an Affiliate (as that term is defined under Rule 144 promulgated under the Securities Act) of the Debtors may be subject to limitations on transferability under the Securities Act.

If the Rights Offering is an 1145 Rights Offering, the Subscription Rights will not be detachable or transferable separately from the underlying Existing HoldCo Common Stock and Allowed HoldCo Note Claims, as applicable. Rather, the Subscription Rights together with the underlying the underlying Existing HoldCo Common Stock and Allowed HoldCo Note Claims with respect to which such Subscription Rights were issued, will trade together as a unit, subject to such limitations, if any, that would be applicable to the transferability of the underlying Existing HoldCo Common Stock and Allowed HoldCo Note Claims; provided, that following the exercise of any Subscription Rights, the holder thereof shall be prohibited from transferring or assigning the underlying Existing HoldCo Common Stock and Allowed HoldCo Note Claims, as applicable, corresponding to such Subscription

Rights until the earlier of (i) termination of the Rights Offering and (ii) the revocation of exercise of the Subscription Rights to the extent permitted by the Rights Offering Procedures.

XIV. CERTAIN SECURITIES LAW MATTERS.

A. New Common Stock; Rights Offering Shares; Backstop Commitment Shares.

As discussed herein, the Plan provides for Reorganized HoldCo to distribute: (1) New Common Stock to holders of Existing HoldCo Common Stock and holders of Allowed HoldCo Note Claims on account of their respective Existing HoldCo Common Stock and Allowed HoldCo Note Claims, as applicable; (2) New Common Stock under the Management Incentive Plan; (3) the Rights Offering Shares to holders of Existing HoldCo Common Stock and holders of Allowed HoldCo Note Claims, as applicable, in connection with the Rights Offering; (4) the New OpCo Notes to holders of Allowed OpCo Note Claims and Allowed OpCo RCF Claims on account of their respective Allowed Claims, as applicable; (5) New Common Stock, consisting of Unsubscribed Shares (as defined in the Backstop Commitment Agreement) not purchased in the Rights Offering to certain Consenting HoldCo Noteholders and Consenting HoldCo Equityholders, together with their permitted successors and assigns, that have committed to fund the Rights Offering and are signatories to the Backstop Commitment Agreement (respectively, the "Backstop Commitment Shares" and the "Backstop Parties"); and (6) New Common Stock issued to the Rights Offering Backstop Parties on account of the Commitment Premium.

The Debtors believe that the New Common Stock and New OpCo Notes will be "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and any applicable state securities law (a "Blue Sky Law"). The Debtors further believe that the offer and sale of the New Common Stock and New OpCo Notes, as applicable, pursuant to the Plan is, and subsequent transfers of the New Common Stock and New OpCo Notes, as applicable, by the holders thereof that are not "underwriters" (as defined in section 2(a)(11) of the Securities Act and in the Bankruptcy Code) will be, exempt from federal and state securities registration requirements under various provisions of the Securities Act, the Bankruptcy Code, and any applicable state Blue Sky Law as described in more detail below. **The New Common Stock underlying the Management Incentive Plan will be issued pursuant to a registration statement or another available exemption from registration under the Securities Act and other applicable law.**

RECIPIENTS OF NEW COMMON STOCK AND NEW OPCO NOTES ARE URGED TO CONSULT WITH THEIR OWN LEGAL ADVISORS AS TO THE AVAILABILITY OF ANY EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE BLUE SKY LAW.

B. Backstop Commitment Agreement.

The Backstop Parties, severally and not jointly, and the Debtors entered into a Backstop Commitment Agreement, pursuant to which the Backstop Parties, severally and not jointly, have agreed to backstop the Rights Offering to be conducted in accordance with the Plan. Under the Backstop Commitment Agreement, the Backstop Parties, severally and not jointly, have agreed to purchase the Rights Offering Shares that are not duly subscribed for pursuant to the Rights Offering.

The Debtors will pay the Backstop Parties upon the closing of the Rights Offering a Commitment Premium equal to 6.0 percent of the $580.0 million committed amount. The Commitment Premium shall be fully earned as of the date of the Approval Order (as defined in the Plan Support Agreement). If the Approval Order is entered, the Commitment Premium will be paid either in the form of New Common Stock at the Purchase Price, if the Plan is consummated as contemplated in the Plan Support Agreement, or in cash in the amount of 4.0 percent of the $580.0 million committed amount, if the Backstop Commitment Agreement is terminated for any reason other than by the Debtors due to the failure of any Commitment Party to complete the Rights Offering in violation of the Backstop Commitment Agreement, in each case in accordance with the Backstop Commitment Agreement.

All New Common Stock issued to the Backstop Parties pursuant to the Backstop Commitment Agreement in respect of their backstop commitment will be issued (i) pursuant to an effective registration statement under the Securities Act or (ii) in reliance upon the exemption from registration under the Securities Act, provided by Section

4(a)(2) thereof and/or Regulation D thereunder. As a condition to the closing of the transactions contemplated by the Backstop Commitment Agreement and the Term Sheet, the Debtors will enter into the Registration Rights Agreement (as defined below). Backstop Parties will not be entitled to transfer all or any portion of their backstop commitments except as expressly provided in the Backstop Commitment Agreement.

C. Registration Rights Agreement.

The Plan provides that from and after the Effective Date, (1) each HoldCo Equityholder and HoldCo Noteholder receiving at least ten percent (10 percent) or more of the New Common Stock issued under the Plan and/or the Rights Offerings or that cannot sell its New Common Stock under Rule 144 promulgated under the Securities Act without volume or manner of sale restrictions and (2) each Backstop Party, in each case, will be entitled to registration rights that are customary for transactions of a similar nature to the Restructuring Transactions, pursuant to a registration rights agreement to be entered into as of the Effective Date, and substantially in the form to be included in the Plan Supplement (the "Registration Rights Agreement"), and (b) will provide for customary demand, shelf and piggyback registration rights with respect to all New Common Stock beneficially owned by such Persons or their successors in interest (whether acquired at the Effective Date or thereafter) and will provide for a shelf registration statement to be filed by the Debtors for the benefit of such Persons within ten (10) business days following the later of (i) the Effective Date and (ii) the filing of the Debtors' Annual Report on Form 10-K for the year ended December 31, 2016.

D. Issuance and Resale of New Common Stock, New OpCo Notes Under the Plan.

1. Issuance Under Section 1145 of the Bankruptcy Code, Private Placement Exemptions.

Except as expressly provided herein, all shares of New Common Stock issued under the Plan, including the Rights Offering Shares, the Backstop Commitment Shares and the New Common Stock issued on account of the Commitment Premium, as well as all New OpCo Notes issued under the Plan, will be issued either: (a) pursuant to an effective registration statement under the Securities Act; or (b) without registration under the Securities Act or any similar federal, state, or local law in reliance upon either (A) section 1145 of the Bankruptcy Code or (B) section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. All shares of New Common Stock, including the Backstop Commitment Shares, and all New OpCo Notes issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement under the Securities Act, including a registration statement pursuant to the Registration Right Agreement, or an available exemption therefrom.

Persons who purchase the New Common Stock, including the Backstop Commitment Shares, or receive New OpCo Notes, as applicable, pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will hold "restricted securities." Resales of such restricted securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Holders of restricted securities would, however, be permitted to resell New Common Stock or New OpCo Notes, as applicable, without registration if they are able to comply with the applicable provisions of Rule 144 or Rule 144A (to the extent applicable) or any other registration exemption under the Securities Act, or if resales of such securities are registered with the Securities and Exchange Commission, including a registration statement pursuant to the Registration Right Agreement as described above.

All shares of New Common Stock issued to holders of Existing HoldCo Common Stock and Allowed HoldCo Note Claims on account of their respective Claims and Interests, as applicable, in connection with the Rights Offering, upon exercise of their rights, all New Common Stock issued on account of the Commitment Premium, and/or all New OpCo Notes issued to holders of Allowed OpCo Note Claims or Allowed OpCo RCF Claims on account of their respective Allowed Claims, as applicable, are expected to be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 1145(a) of the Bankruptcy Code. The Backstop Commitment Shares are expected to be issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder.

RECIPIENTS OF THE NEW COMMON STOCK AND NEW OPCO NOTES ARE URGED TO CONSULT WITH THEIR OWN LEGAL ADVISORS AS TO THE AVAILABILITY OF ANY EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE BLUE SKY LAW.

2. Resale of New Common Stock or New OpCo Notes; Definition of Underwriter.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest; (b) offers to sell securities offered or sold under a plan for the holders of such securities; (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "Controlling Persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "Controlling Person" of the debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent or more of a class of securities of a reorganized debtor may be presumed to be a "Controlling Person" and, therefore, an underwriter.

Resales of the New Common Stock or the New OpCo Notes, as applicable, by entities deemed to be "underwriters" (which definition includes "Controlling Persons") are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances, holders of New Common Stock or New OpCo Notes, as applicable, who are deemed to be "underwriters" may be entitled to resell their New Common Stock or New OpCo Notes, as applicable, pursuant to the limited safe harbor resale provisions of Rule 144 promulgated under the Securities Act. Generally, Rule 144 promulgated under the Securities Act would permit the public sale of securities received by such Person if the required holding period has been met and, under certain circumstances, current information regarding the issuer is publicly available and volume limitations, manner of sale requirements and certain other conditions are met. Whether any particular Person would be deemed to be an "underwriter" (including whether the Person is a "Controlling Person") with respect to the New Common Stock or New OpCo Notes, as applicable, would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the New Common Stock or New OpCo Notes, as applicable, and, in turn, whether any Person may freely resell New Common Stock or New OpCo Notes, as applicable.

Unlike the securities that will be issued pursuant to section 1145(a)(1) of the Bankruptcy Code, any shares of New Common Stock, including the Backstop Commitment Shares, or the New OpCo Notes, as applicable, issued in reliance upon section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be deemed "restricted securities" that may not be offered, sold, exchanged, assigned or otherwise transferred unless they are registered under the Securities Act, including a registration statement pursuant to the Registration Right Agreement as described above, or an exemption from registration under the Securities Act is available, including under Rule 144 or Rule 144A promulgated under the Securities Act.

Rule 144 provides an exemption for the public resale of "restricted securities" if certain conditions are met. These conditions vary depending on whether the holder of the restricted securities is an affiliate of the issuer. An affiliate is defined as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer."

A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has filed all periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the twelve months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain information about the issuer is made publicly available. The Debtors currently expect that the Reorganized Debtors will continue to be a reporting issuer and file all such required periodic reports and that current public information will be available to allow resales by non-affiliates when the six-month holding period expires (approximately six months after the emergence date).

An affiliate may resell restricted securities after the six-month holding period if at the time of the sale certain current public information regarding the issuer is available. As noted above, the Debtors currently expect that this information requirement will be satisfied. The affiliate must also comply with the volume, manner of sale and notice requirements of Rule 144. First, the rule limits the number of restricted securities (plus any unrestricted securities) sold for the account of an affiliate (and related persons) in any three-month period to the greater of one percent of the outstanding securities of the same class being sold, or, if the class is listed on a stock exchange, the greater of one percent of the average weekly reported volume of trading in such restricted securities during the four weeks preceding the filing of a notice of proposed sale on Form 144. Second, the manner of sale requirement provides that the restricted securities must be sold in a broker's transaction, which generally means they must be sold through a broker and handled as a routine trading transaction. The broker must receive no more than the usual commission and cannot solicit orders for the sale of the restricted securities except in certain situations. Third, if the sale exceeds 5,000 restricted securities or has an aggregate sale price greater than $50,000, an affiliate must file with the SEC three copies of a notice of proposed sale on Form 144. The sale must occur within three months of filing the notice unless an amended notice is filed.

The Debtors believe that the Rule 144 exemption will not be available with respect to any New Common Stock issued in reliance upon section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder (whether held by non-affiliates or affiliates) until at least six months after the Effective Date. Accordingly, holders of such New Common Stock will be required to hold such New Common Stock for at least six months and, thereafter, to sell New Common Stock only in accordance with the applicable requirements of Rule 144, unless such New Common Stock is registered under the Securities Act, including a registration statement pursuant to the Registration Right Agreement as described above (or is otherwise exempt).

The Backstop Commitment Shares, if any, will be issued in certificated or book-entry form and will bear a restrictive legend. Each certificate or book-entry representing, or issued in exchange for or upon the transfer, sale or assignment of, any Backstop Commitment Shares shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER."

The Reorganized Debtors will reserve the right to require certification or other evidence of compliance with Rule 144 or another available exemption as a condition to the removal of such legend or to any resale of the Backstop Commitment Shares. The Reorganized Debtors will also reserve the right to stop the transfer of any such Backstop Commitment Shares if such transfer is not in compliance with Rule 144 or another available exemption. Any person who receives such Backstop Commitment Shares will be required to acknowledge and agree not to

resell such securities except in accordance with Rule 144, when available, or another available exemption and that the securities will be subject to the other restrictions described above.

ANY PERSONS RECEIVING "RESTRICTED SECURITIES" UNDER THE PLAN ARE URGED TO CONSULT WITH THEIR OWN COUNSEL CONCERNING THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION FOR RESALE OF THESE SECURITIES UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAW.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER OR AN AFFILIATE AND THE HIGHLY FACT-SPECIFIC NATURE OF THE AVAILABILITY OF EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, INCLUDING THE EXEMPTIONS AVAILABLE UNDER SECTION 1145 OF THE BANKRUPTCY CODE AND RULE 144 UNDER THE SECURITIES ACT, NONE OF THE DEBTORS OR THE REORGANIZED DEBTORS MAKE ANY REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN. POTENTIAL RECIPIENTS OF THE SECURITIES TO BE ISSUED UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES. POTENTIAL RECIPIENTS OF NEW COMMON STOCK AND NEW OPCO NOTES ARE URGED TO CONSULT THEIR OWN COUNSEL CONCERNING THEIR ABILITY TO FREELY TRADE SUCH SECURITIES WITHOUT COMPLIANCE WITH THE FEDERAL LAW AND ANY APPLICABLE STATE BLUE SKY LAW.

3. New Common Stock and the Management Incentive Plan.

The Confirmation Order shall authorize the Reorganized HoldCo Board to adopt and enter into the Management Incentive Plan, on the terms set forth in Article IV of the Plan and the Plan Supplement. The issuance of New Common Stock under the Management Incentive Plan would dilute all of the New Common Stock.

XV. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN.

A. Introduction.

The following discussion summarizes certain United States ("U.S.") federal income tax consequences and Canadian federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors, and certain holders of Claims and Existing HoldCo Common Stock.

With respect to the U.S. federal income tax consequences discussed below, this summary is based on the U.S. Tax Code, the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and published administrative rules, pronouncements of the Internal Revenue Service (the "IRS"), and the Convention Between the United States of America and Canada With Respect to Taxes on Income and on Capital, as amended by Protocols 1-5 (the "U.S.-Canada Treaty"), all as in effect on the date hereof (collectively, "Applicable U.S. Tax Law").

With respect to Canadian federal income tax consequences discussed below, this summary represents the opinion of Grant Thornton LLP (Canada) and is based upon on the provisions of the Income Tax Act (R.S.C., 1985, c. 1 (5th Supp.)) (the "ITA"), the regulations thereunder (the "Regulations"), the U.S.-Canada Treaty, the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA") publicly available prior to the date hereof, and all specific proposals to amend the ITA and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Canadian Tax Proposals") on the basis that all such Canadian Tax Proposals will be enacted in the form proposed (though no assurance can be given that the Canadian Tax Proposals will be enacted in the form proposed or at all) (collectively, "Applicable Canadian Tax Law").

Changes in the rules or new interpretations of the rules may have retroactive effect and could significantly affect the U.S. federal income tax and Canadian tax consequences described below. The Debtors have not

requested, and do not intend to request, any ruling or determination from the IRS, Canadian tax authority, or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS, Canadian tax authority, or any other taxing authority would not assert, or that a court would not sustain, a different position than any position discussed herein.

Other than as specifically noted below with respect to Canadian tax issues, this summary does not address foreign, state, or local tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a holder in light of its individual circumstances or to a holder that may be subject to special tax rules (such as Persons who are related to the Debtors within the meaning of the U.S. Tax Code, U.S. expatriates, persons subject to the alternative minimum tax, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, persons who hold Claims or Existing HoldCo Common Stock or who will hold the New Common Stock as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, and holders of Claims or Existing HoldCo Common Stock who are themselves in bankruptcy). Furthermore, this summary assumes that a holder of a Claim holds only Claims in a single Class and holds a Claim, only as a "capital asset" (within the meaning of section 1221 of the U.S. Tax Code) for purposes of Applicable U.S. Tax Law. This summary also assumes that the various debt and other arrangements to which any of the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form, and that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the U.S. Tax Code. This summary does not discuss differences in tax consequences to holders of Claims or Existing HoldCo Common Stock that act as backstop parties or otherwise act or receive consideration in a capacity other than any other holder of a Claim or Existing HoldCo Common Stock of the same Class or Classes, and the tax consequences for such holders may differ materially from that described below.

For purposes of this discussion, a "U.S. Holder" is a holder of a Claim or Existing HoldCo Common Stock that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "non-U.S. Holder" is any holder of a Claim or Existing HoldCo Common Stock that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a holder of a Claim or Existing HoldCo Common Stock, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the entity. Partners (or other beneficial owners) of partnerships (or other pass-through entities) that are holders of Claims or Existing HoldCo Common Stock are urged to consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

For the purposes of the discussion in respect of Canadian federal income tax matters, a "Canadian Holder" of a Claim or of an Existing HoldCo Common Stock is a holder who, at all relevant times for purposes of the ITA and any applicable income tax treaty or convention is resident in Canada, deals at arm's length with and is not affiliated with HoldCo or with any member of the UPE Group, holds its Claim or Existing HoldCo Common Stock as capital property and will hold its New Common Stock and the Subscription Rights as capital property, and a "Non-Canadian Holder" of a Claim or of an Existing HoldCo Common Stock is a holder who, at all relevant times for purposes of the ITA and any applicable income tax treaty or convention is a non-resident in Canada, deals at arm's length with and is not affiliated with HoldCo or with any member of the UPE Group, does not use or hold its Claim or Existing HoldCo Common Stock, and will not hold its Subscription Rights or New Common Stock as property of a business carried on in Canada, and who holds its Claim or Existing HoldCo Common Stock as capital property and will hold its New Common Stock and the Subscription Rights as capital property.

The Claims, Existing HoldCo Common Stock, New Common Stock and the Subscription Rights will, under Applicable Canadian Tax Law, generally constitute capital property to holders unless either the holder holds (or will hold) such securities in the course of carrying on a business, or the holder has acquired (or will acquire) such securities in a transaction considered to be an adventure in the nature of trade.

Certain Canadian holders whose Claims or Existing HoldCo Common Stock might not otherwise qualify as capital property may, in certain circumstances, treat such Claims or Existing HoldCo Common Stock as capital property by making an irrevocable election pursuant to subsection 39(4) of the ITA, to the extent such Claims or Existing HoldCo Common Stock are "Canadian securities" as defined in the ITA. The Holdco Note Claims, the Existing HoldCo Common Stock and the New Common Stock, but the not the Subscription Rights, are Canadian securities for the purpose of the irrevocable election under subsection 39(4) of the ITA. Canadian holders are advised to consult with their own tax advisors regarding such election.

This summary in respect of Canadian federal income tax matters to a Non-Canadian holder also assumes that the HoldCo Note Claims, Existing HoldCo Common Stock, Subscription Rights and New Common Stock do not constitute taxable Canadian property to such Non-Canadian holder. The HoldCo Note Claims, Existing HoldCo Common Stock, Subscription Rights and New Common Stock will generally not be considered to be taxable Canadian property to a Non-Canadian Holder unless at any time during the sixty-month period immediately preceding the time of disposition, more than 50 percent of the fair market value of issued shares of HoldCo was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the ITA), (iii) "timber resource properties" (as defined in the ITA), and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. The Debtors do not anticipate that the Holdco Note Claims, Existing HoldCo Common Stock, Subscription Rights, and New Common Stock constitute taxable Canadian property to a Non-Canadian holder.

This summary in respect of Canadian federal income tax matters to a Holder of a Claim or of Existing HoldCo Common Stock does not apply to a Holder: (i) that is a "specified financial institution" for the purposes of the ITA, (ii) that is a "financial institution" for the purposes of the mark-to-market rules of the ITA; (iii) of an interest which is or would constitute a "tax shelter investment" for the purpose of the ITA; (iv) whose "functional currency" for the purposes of the ITA is the currency of a country other than Canada; or (v) who has entered into a "derivative forward agreement", as defined in the ITA, in respect of a Claim or in respect of the Existing HoldCo Common Stock; or (vi) that is a corporation and is, immediately after the acquisition of the New Common Stock, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the New Common Stock, controlled by a corporation that is a non-resident of Canada for the purposes of the foreign affiliate dumping rules in section 212.3 of the ITA. Any such Holder is urged to consult its own tax advisor with respect the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX AND CANADIAN FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME, ESTATE, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors and the Reorganized Debtors.

For U.S. federal income tax purposes, each of the Debtors other than the ultimate parent, HoldCo, are members of an affiliated group of corporations (or entities disregarded for federal income tax purposes that are wholly owned by members of such group), of which UP Energy Corporation ("UPE") is the common parent (the "UPE Group"). Because HoldCo is a Canadian entity, it is not a member of the UPE Group.

As of December 31, 2015, the UPE Group reported approximately $850 million of consolidated net operating losses ("U.S. NOLs") for U.S. federal income tax purposes. The Debtors currently estimate that the UPE Group will generate additional U.S. NOLs before the Effective Date.

1. Cancellation of Debt and Reduction of Tax Attributes.

In general, absent an exception, a debtor will realize and recognize cancellation of debt income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of Cash paid, (ii) the issue price of any new indebtedness of the taxpayer issued, and (iii) the fair market value of any other new consideration (including stock of the debtor) given in satisfaction of such indebtedness at the time of the exchange.

Under section 108 of the U.S. Tax Code, a debtor is not required to include COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to the rule discussed in the preceding sentence. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets; (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the U.S. Tax Code. The reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. Any excess COD Income over the amount of available tax attributes is not subject to U.S. federal income tax and has no other U.S. federal income tax impact.

The Treasury Regulations address the method and order for applying tax attribute reduction to an affiliated group of corporations. Under these Treasury Regulations, the tax attributes of each member of an affiliated group of corporations that is excluding COD Income is first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to reduce certain remaining consolidated tax attributes of the affiliated group.

Importantly, the UPE Group's tax attributes are only subject to reduction on the basis of the COD Income related to debt owed by the UPE Group. Therefore, any cancellation of indebtedness income that may arise with respect to HoldCo's debt will not be taken into account for purposes of the above rules. Accordingly, the amount of COD Income that may result in a reduction of the UPE Group's tax attributes will depend on the value (or issue price, in the case of new debt) of the consideration received by holders of Claims against the entities that compose the UPE Group. The fair market value and issue price, as applicable, of such consideration cannot be known with certainty until after the Effective Date.

2. Limitation of NOL Carryforwards and Other Tax Attributes.

As noted above, as of December 31, 2015, the UPE Group had reported approximately $850 million of U.S. NOLs for U.S. federal income tax purposes, and additional U.S. NOLs will likely be generated before the Effective Date. Following the Effective Date, the Debtors anticipate that any remaining U.S. NOLs, U.S. NOL carryover, capital loss carryover, tax credit carryovers, and certain other tax attributes (such as losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the UPE Group allocable to periods before the Effective Date (collectively, the Pre-Change Losses") may be subject to limitation or elimination under sections 382 and 383 of the U.S. Tax Code as a result of an "ownership change" of the UPE Group by reason of the transactions pursuant to the Plan.

Under sections 382 and 383 of the U.S. Tax Code, if a corporation undergoes an "ownership change," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. The rules of section 382 of the U.S. Tax Code are complicated, but as a general matter, the Debtors anticipate that the issuance of additional equity in HoldCo will cause an "ownership change" of the UPE

Group pursuant to rules regarding changes in indirect ownership. Accordingly, the UPE Group's use of their Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the U.S. Tax Code applies.

For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000 or (b) 15 percent of the fair market value of its assets (with certain adjustments) before the ownership change.

a. General Section 382 Annual Limitation.

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments) multiplied by (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the "ownership change" occurs).[10] The section 382 limitation may be increased to the extent that the Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65. Section 383 of the U.S. Tax Code applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

b. Special Bankruptcy Exceptions.

An exception to the foregoing annual limitation rules generally applies when so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Claims, at least 50 percent of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis, but, instead, U.S. NOL carryforwards will be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Reorganized Debtors undergo another "ownership change" within two years after the Effective Date, then the Reorganized Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule may apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. Importantly, however, in the context of a consolidated group of corporations such as the UPE Group, the IRS has, in non-binding private guidance, determined that the asset value test is, with respect to equity in subsidiaries, applied on the basis of net equity value, subject to certain exceptions related to debt equitization. The application of that non-binding private guidance under the circumstances presented here is subject to uncertainty, but may have the result of limiting the effective benefit of the 382(l)(6) Exception. The 382(l)(6) Exception also

10 The applicable rate is 1.68 percent in December 2016, 1.54 percent in November 2016, and 1.45 percent in October 2016; as such, an ownership change occurring in December 2016, would utilize a 1.68 percent rate. The Debtors cannot estimate what the applicable rate will be on the Effective Date (or on any other date on which an ownership change might occur).

differs from the 382(l)(5) Exception in that under it the debtor corporation is not required to reduce their U.S. NOL carryforwards by the amount of interest deductions claimed within the prior three-year period with respect to equitized debt, and the debtor may undergo a change of ownership within two years without automatically triggering the elimination of its Pre-Change Losses. The resulting limitation would be determined under the regular rules for ownership changes.

It is possible that the Debtors will not qualify for the 382(l)(5) Exception. In particular, the application of the 382(l)(5) Exception is subject to significant uncertainty in the circumstances here, where 100 percent of the stock of the parent of the UPE Group is owned by a foreign corporation. Alternatively, even if the 382(l)(5) Exception could apply, the Reorganized Debtors may decide to elect out of the 382(l)(5) Exception, particularly if it appears likely that another ownership change will occur within two years after emergence. In either case, the Debtors anticipate that their use of the Pre-Change Losses (if any) after the Effective Date will be subject to limitation based on the rules discussed above, but taking into account the 382(l)(6) Exception. Regardless of whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, the Reorganized Debtors' use of their Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the U.S. Tax Code were to occur after the Effective Date.

3. Alternative Minimum Tax.

In general, an alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income ("AMTI") at a 20 percent rate to the extent such tax exceeds the corporation's regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, while U.S. NOLs generated in certain years can offset 100 percent of a corporation's regular taxable income, only 90 percent of a corporation's AMTI may be offset by available alternative tax U.S. NOL carryforwards. The effect of this rule could cause the Reorganized Debtors to owe an amount of federal and state income tax on taxable income in future years even if U.S. NOL carryforwards are available to offset that taxable income. Additionally, under section 56(g)(4)(G) of the U.S. Tax Code, an ownership change (as discussed above) that occurs with respect to a corporation having a net unrealized built-in loss in its assets will cause, for AMT purposes, the adjusted basis of each asset of the corporation immediately after the ownership change to be equal to its proportionate share (determined on the basis of respective fair market values) of the fair market value of the assets of the corporation, as determined under section 382(h) of the U.S. Tax Code, immediately before the ownership change, the effect of which may increase the amount of AMT owed by the Reorganized Debtors.

a. Treatment of Future Distributions from UPE Group to HoldCo.

Under the U.S.-Canada Treaty, dividends from UPE to HoldCo are subject to a 5 percent rate of U.S. tax, enforceable by withholding at the source. In general, a distribution from UPE to HoldCo will be treated as a dividend for these purposes to the extent made from UPE's "earnings and profits." Moreover, UPE is a "U.S. real property holding company" for purposes of the Foreign Investment in Real Property Tax Act ("FIRPTA"). If UPE does not have sufficient "earnings and profits," such distribution may be treated as a disposition by HoldCo of UPE's stock for FIRPTA purposes, which disposition would give rise to withholding at a 15 percent rate (potentially subject to a refund, to the extent such withholding exceeds actual tax liability) and tax liability at a 35 percent rate of any gain.

C. Certain Canadian Income Tax Consequences to the Debtors and Reorganized Debtors.

As of December 31, 2015, HoldCo had approximately $61 million of net operating losses ("Canadian NOLs") and it is anticipated that HoldCo will generate additional Canadian NOLs before the Effective Date.

1. Cancellation of Debt and Reduction of Tax Attributes

The ITA contains rules (the "Canadian Debt Forgiveness Rules") which may affect HoldCo as a result of the implementation of the Plan. These rules generally apply where a "commercial debt obligation" (as defined for these purposes in the ITA) is settled or extinguished without any payment or by the payment of an amount less than the principal amount of the debt. In general, the Canadian Debt Forgiveness Rules provide that the amount by

which the principal amount of a debt (including, generally, accrued and unpaid interest thereon) exceeds the amount paid in satisfaction of such principal amount (such excess being referred to in this discussion as the "forgiven amount") is to be applied to reduce, in the following order, the debtor's (i) non-capital losses of prior taxation years, (ii) net capital losses of prior taxation years, (iii) capital cost and undepreciated capital cost of depreciable property, and other attributes in a specified order. Generally, one-half of any remaining unapplied portion of the forgiven amount is included in computing the income of the debtor in the year the debt is settled. In addition, corporations resident in Canada are allowed a deduction (the "Canadian Insolvency Deduction") which effectively offsets any income inclusion under the Canadian Debt Forgiveness Rules to the extent that such inclusion exceeds twice the fair market value of the corporation's net assets at the end of the taxation year (as determined under the applicable provisions of the ITA) in which the settlement or extinguishment occurs.

The exchange of HoldCo Note Claims for New Common Stock and the Subscription Rights will result in the settlement or extinguishment of the Holdco Note Claims. The "forgiven amount", as defined in the ITA, arising from the settlement or extinguishment, if any, will reduce, in prescribed order, certain tax attributes of HoldCo, including non-capital losses, and the adjusted cost base of certain capital property.

Importantly, HoldCo's tax attributes are only subject to reduction on the basis of the "forgiven amount' related to debt owed by HoldCo. Therefore, any cancellation of indebtedness income that may arise with respect to UPE Group's debt will not be taken into account for purposes of the above rules. Accordingly, the amount of debt forgiveness that may result in a reduction of the HoldCo's tax attributes will depend on the value of the consideration received by holders of Holdco Note Claims. The fair market value of such consideration cannot be known with certainty until after the Effective Date.

2. Limitation of NOL Carryforwards and Other Tax Attributes.

As noted above, as of December 31, 2015, HoldCo had approximately $61 million of NOLs, and additional NOLs will likely be generated before the Effective Date.

The ITA contains rules that limit a company's ability to carry forward and deduct NOLs upon an 'acquisition of control' of the company by a person or 'group of persons'.

'Control' for this purpose generally refers to the ownership of 50.1 percent or more of the voting shares of the company at a particular time.

An aggregation of more than one person will constitute a 'group of persons' only where there exists a sufficient common connection amongst the persons. The level of cooperation exercised amongst the members of the HoldCo Noteholder Committee or the Equityholder Committee to facilitate the exchange of the HoldCo Note Claims for New Common Stock and Subscription Rights should not, in and of itself, constitute the degree of common connection needed for the members of the HoldCo Noteholder Committee or the Equityholder Committee to constitute a 'group of persons' for this purpose.

To the extent any Canadian NOLs survive the application of the Canadian Debt Forgiveness Rules, the Debtors do not anticipate that the Canadian NOLs will be subject to any change-in-control related limitation on their use under Applicable Canadian Tax Law.

D. Certain U.S. Federal Income Tax Consequences to Certain U.S. Holders of Claims and Existing HoldCo Common Stock.

As discussed below, the tax consequences of the Plan to U.S. holders of Allowed Claims and Existing HoldCo Common Stock will depend upon a variety of factors. As an initial matter, whether an exchange of Claims is fully or partially taxable will depend on whether Claims being surrendered constitute "securities" and whether the consideration received in exchange for such Claim constitutes stock or a "security" of the Debtor against which the Claim was held. Whether a Claim that is surrendered and debt instruments received pursuant to the Plan constitute "securities" is determined based on all the facts and circumstances. Most authorities have held that the length of the term of a debt instrument at initial issuance is an important factor in determining whether such instrument is a

security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof with respect to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest in the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued. Pursuant to guidance promulgated in U.S. Treasury Regulations, warrants generally constitute "securities" for these purposes.

The character of any recognized gain as capital gain or ordinary income will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands (including whether the Claim constitutes a capital asset), whether the Claim was purchased at a discount, whether and to what extent the U.S. Holder has previously claimed a bad debt deduction with respect to its Claim, and whether any part of the U.S. Holder's recovery is treated as being on account of accrued but untaxed interest. Accrued interest and market discount are discussed below.

1. Consequences to U.S. Holders of OpCo Note Claims, OpCo RCF Claims.

Pursuant to the Plan, in exchange for full and final satisfaction, settlement, release and discharge of the OpCo Note Claims and OpCo RCF Claims (collectively, "OpCo Debt Claims"), the holders of such Claims shall exchange such Claims for their Pro Rata share of New OpCo Notes and Cash.[11]

a. Treatment if an OpCo Note Claim or OpCo RCF Claim Constitutes a "Security" and the New OpCo Notes Constitutes a "Security."

If an OpCo Debt Claim constitutes a "security" and the New OpCo Notes constitutes a "security," then the exchange of such Claim should be treated as a reorganization under the U.S. Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, a U.S. Holder of such Claim should recognize gain (but not loss) to the extent of the lesser of (i) the amount of gain realized from the exchange (generally equal to the issue price of the New OpCo Notes minus the holder's adjusted basis, if any, in the Allowed Claim), and (ii) the cash received in the distribution.

U.S. Holders should obtain an aggregate tax basis in the New OpCo Notes, other than any such amounts treated as received in satisfaction of accrued but untaxed interest, equal to: (1) the tax basis of the surrendered Claim; *less* (2) cash received; *plus* (3) gain recognized (if any). The holding period for the New OpCo Notes should include the holding period for the surrendered Claims.

The tax basis of any non-Cash consideration determined to be received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, but in no event should such basis exceed the issue price of the New OpCo Notes received in satisfaction of accrued but untaxed interest. The holding period for any such New OpCo Notes non-Cash consideration should begin on the day following the Effective Date.

b. Treatment if an OpCo Debt Claim or the New OpCo Notes Does Not Constitute a "Security."

If either an OpCo Debt Claim or the New OpCo Notes is determined not to be a "security," then a U.S. Holder of such Claim will be treated as receiving its distributions under the Plan in a taxable exchange under section 1001 of the U.S. Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, each U.S. Holder of such Claim should recognize gain or loss equal to the difference between

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11 The Plan further provides that OpCo Note Makewhole Claims will receive Additional New OpCo Notes in the event such makewhole claims are allowed. For U.S. federal income tax purposes, any allowed makewhole claim would be treated as an additional amount of OpCo Note Claims and, as a result, the following discussion would also apply with respect to the exchange of the OpCo Note Makewhole Claims for the Additional New OpCo Notes.

(i) the sum of (a) the cash and (b) the issue price of the New OpCo Notes received in exchange for the Claim, and (ii) such U.S. Holder's adjusted basis, if any, in such Claim.

U.S. holders of such Claims should obtain a tax basis in the New OpCo Notes, other than any such amounts treated as received in satisfaction of accrued but untaxed interest, equal to the New OpCo Notes's issue price as of the date such property is distributed to the U.S. Holder. The holding period for any such New OpCo Notes should begin on the day following the Effective Date.

The tax basis of any non-Cash consideration determined to be received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, but in no event should such basis exceed the issue price of the New OpCo Notes received in satisfaction of accrued but untaxed interest. The holding period for any such New OpCo Notes non-Cash consideration should begin on the day following the Effective Date.

c. Original Issue Discount on the New OpCo Notes.

New OpCo Notes may be treated as having been issued with original issue discount ("OID") to the extent the face amount of such New OpCo Notes exceeds the "issue price" of the New OpCo Notes. The determination of "issue price" for purposes of this analysis will depend, in part, on whether the new debt is traded on an established market for U.S. federal income tax purposes. The issue price of a debt instrument that is traded on an established market (or that is issued for Claims against the Debtors that are so traded) would be the fair market value of such debt instrument (or the Claims so traded, if the new debt instrument is not traded) on the Effective Date as determined by such trading. The issue price of a debt instrument that is neither so traded nor issued for Claims would be its stated principal amount (provided that the interest rate on the debt instrument exceeds the applicable federal rate published by the IRS). New debt instruments (or Claims against the Debtors) may be traded on an established market for these purposes even if no trades actually occur and there are merely firm or indicative quotes with respect to such new debt or Claims.

Although not free from doubt, the Debtors believe it is likely that the Claims against the Debtors and/or the new debt instruments being issued will be traded on an established market for these purposes. As a result, the issue price of the new debt instruments being issued may not equal the stated redemption price at maturity and such debt instruments may be treated as issued with OID.

Where debt instruments are treated as being issued with OID, a U.S. Holder of such debt instrument will generally be required to include any OID in income over the term of such debt instrument in accordance with a constant yield-to-maturity method, regardless of whether the U.S. Holder is a cash or accrual method taxpayer, and regardless of whether and when such U.S. Holder received cash payments of interest on such debt instrument (other than cash attributable to qualified stated interest, which is includible in income in accordance with the U.S. Holder's normal method of tax accounting). Accordingly, a U.S. Holder could be treated as receiving income in advance of a corresponding receipt of cash. Any OID that a U.S. Holder includes in income will increase the tax basis of the U.S. Holder in its interest in such debt instrument. A U.S. Holder of an interest in such new debt instruments will not be separately taxable on any cash payments that have already been taxed under the OID rules, but will reduce its tax basis in the pro rata shares of such debt instruments by the amount of such payments.

In general, interest (including OID) received or accrued by U.S. Holders should be treated as ordinary income.

d. Acquisition Premium/Bond Premium.

If a U.S. Holder's initial tax basis in the New OpCo Notes is less than or equal to the stated redemption price at maturity of the New OpCo Notes, but greater than the issue price of such interest, the U.S. Holder will be treated as acquiring such interest in the New OpCo Notes at an "acquisition premium." Unless an election is made, the U.S. Holder generally will reduce the amount of OID otherwise includible in gross income for an accrual period by an amount equal to the amount of OID otherwise includible in gross income multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in its interest in the New OpCo Notes, as

applicable, over such interest's issue price, and the denominator of which is the excess of the sum of all amounts payable on such New OpCo Notes (other than amounts that are qualified stated interest) over its issue price.

If a U.S. Holder's initial tax basis in the New OpCo Notes exceeds the stated redemption price at maturity of the New OpCo Notes, such U.S. Holder will be treated as acquiring the New OpCo Notes with "bond premium" and will not be required to include OID, if any, in income. Such U.S. Holder generally may elect to amortize the premium over the remaining term of the New OpCo Notes on a constant yield method as an offset to interest when includible in income under such U.S. Holder's regular accounting method. If a U.S. Holder does not elect to amortize the premium, that premium will decrease the gain or increase the loss such U.S. Holder would otherwise recognize on disposition of the New OpCo Notes.

2. Consequences to U.S. Holders of OpCo Trade General Unsecured Claims, OpCo Subsidiary General Unsecured Claims, and Other OpCo General Unsecured Claims.

Pursuant to the Plan, in exchange for full and final satisfaction, settlement, release and discharge of the OpCo Trade General Unsecured Claims, OpCo Subsidiary General Unsecured Claims, and Other OpCo General Unsecured Claims, such Claims shall be exchanged for Cash. A U.S. Holder of such Claim will be treated as receiving its distributions under the Plan in a taxable exchange under section 1001 of the U.S. Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, each U.S. Holder of such Claim should recognize gain or loss equal to the difference between the amount of Cash received and such U.S. Holder's adjusted basis, if any, in such Claim.

3. Consequences to U.S. Holders of HoldCo Note Claims.

Pursuant to the Plan, in exchange for full and final satisfaction, settlement, release and discharge of the HoldCo Note Claims, the holders of such HoldCo Note Claims shall exchange such Claims for their Pro Rata share of (a) New Common Stock and (b) Subscription Rights.

a. Treatment if a HoldCo Note Claim Constitutes a "Security."

If a HoldCo Note Claim constitutes a "security" then the exchange of such HoldCo Note Claim should be treated as a reorganization under the U.S. Tax Code. Because all consideration being received in exchange for such HoldCo Note Claim should constitute stock or a "security" of HoldCo, a U.S. Holder should not recognize any gain or loss from such exchange.

U.S. Holders should obtain an aggregate tax basis in the New Common Stock and Subscription Rights, other than any such amounts treated as received in satisfaction of accrued but untaxed interest, equal to the tax basis of the surrendered HoldCo Note Claim. Basis should be allocated among the New Common Stock and Subscription Rights in proportion to their respective fair market values. The holding period for the New Common Stock and Subscription Rights should include the holding period for the surrendered HoldCo Note Claims.

The tax basis of any New Common Stock and Subscription Rights determined to be received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, but in no event should such basis exceed the fair market value of the New Common Stock and Subscription Rights received in satisfaction of accrued but untaxed interest. The holding period for any such New Common Stock and Subscription Rights should begin on the day following the Effective Date.

b. Treatment if an HoldCo Note Claim Does Not Constitute a "Security."

If a HoldCo Note Claim is determined not to be a "security," then a U.S. Holder of such HoldCo Note Claim will be treated as receiving its distributions under the Plan in a taxable exchange under section 1001 of the U.S. Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, each U.S. Holder of such HoldCo Note Claim should recognize gain or loss equal to the difference between

the (i) fair market value of the New Common Stock and Subscription Rights received in exchange for the Claim, and (ii) such U.S. Holder's adjusted basis, if any, in such HoldCo Note Claim.

U.S. Holders of such HoldCo Note Claims should obtain a tax basis in the New Common Stock and Subscription Rights, other than any such amounts treated as received in satisfaction of accrued but untaxed interest, equal to the fair market value of the New Common Stock and Subscription Rights as of the date such property is distributed to the U.S. Holder. The holding period for any such New Common Stock and Subscription Rights should begin on the day following the Effective Date.

The tax basis of any New Common Stock and Subscription Rights determined to be received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, but in no event should such basis exceed the fair market value of the New Common Stock and Subscription Rights received in satisfaction of accrued but untaxed interest. The holding period for any such New Common Stock and Subscription Rights should begin on the day following the Effective Date.

c. Exercise of Subscription Rights.

A U.S. Holder of a HoldCo Note Claim that elects not to exercise the Subscription Rights may be entitled to claim a (likely capital) loss equal to the amount of tax basis in the Subscription Rights, subject to any limitations on such U.S. Holder's ability to utilize capital losses. Such U.S. Holders are urged to consult with their own tax advisors as to the tax consequences of electing not to exercise the Subscription Rights.

A U.S. Holder that elects to exercise the Subscription Rights should be treated as purchasing New Common Stock in exchange for its Subscription Rights and the exercise price. Such a purchase should generally be treated as the exercise of an option under general tax principles. Accordingly, such a U.S. Holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the Subscription Rights. A U.S. Holder's aggregate tax basis in the New Common Stock should equal the sum of: (i) the amount of cash paid by the U.S. Holder to exercise its Subscription Rights; *plus* (ii) such U.S. Holder's tax basis in its Subscription Rights immediately before the option is exercised. A U.S. Holder's holding period for the New Common Stock received pursuant to the exercise of the Subscription Rights should begin on the day following such exercise.

4. Consequences to U.S. Holders of Existing HoldCo Common Stock.

Pursuant to the Plan, in exchange for full and final satisfaction, settlement, release and discharge of their Existing HoldCo Common Stock, holders of Existing HoldCo Common Stock will receive New Common Stock and Subscription Rights.

Although not free from doubt, the exchange of Existing HoldCo Common Stock for the New Common Equity and Subscription Rights should be treated as a reorganization under the U.S. Tax Code. Accordingly, a U.S. Holder of such Interest should not recognize any gain or loss in such exchange. U.S. Holders should obtain an aggregate tax basis in the New Common Stock and Subscription Rights equal to such U.S. Holder's tax basis in its Existing HoldCo Common Stock. The holding period for the New Common Stock and Subscription Rights should include the holding period for the surrendered Interests.

It is possible that, rather than being treated as a reorganization under the U.S. Tax Code, the receipt of New Common Stock and Subscription Rights could be treated as a distribution of the Subscription Rights on account of holders' Existing HoldCo Common Stock, followed by a dilutive issuance of New Common Stock to other parties receiving such New Common Stock pursuant to the Plan and the Rights Offering (which dilution should have no U.S. federal income tax consequences). In such a case, the distribution of the Subscription Rights should be tax-free to U.S. Holders of Existing HoldCo Common Stock. If the fair market value of the Subscription Rights on the Effective Date is less than 15 percent of the fair market value of the Existing HoldCo Common Stock on the Effective Date, the a U.S. Holder's basis in the Subscription Rights shall be zero, unless an election is made by such U.S. Holder to allocate the basis in its Existing HoldCo Common Stock between such Interests and the Subscription Rights. Such allocation would also be required if the fair market value of the Subscription Rights on the Effective Date is 15 percent or more of the Existing HoldCo Common Stock on the Effective Date.

a. Exercise of Subscription Rights.

A U.S. Holder of Existing HoldCo Common Stock that elects not to exercise the Subscription Rights may be entitled to claim a (likely capital) loss equal to the amount of tax basis in the Subscription Rights, subject to any limitations on such U.S. Holder's ability to utilize capital losses. Such U.S. Holders are urged to consult with their own tax advisors as to the tax consequences of electing not to exercise the Subscription Rights.

A U.S. Holder that elects to exercise the Subscription Rights should be treated as purchasing New Common Stock in exchange for its Subscription Rights and the exercise price. Such a purchase should generally be treated as the exercise of an option under general tax principles. Accordingly, such a U.S. Holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the Subscription Rights. A U.S. Holder's aggregate tax basis in the New Common Stock should equal the sum of: (i) the amount of cash paid by the U.S. Holder to exercise its Subscription Rights; *plus* (ii) such U.S. Holder's tax basis in its Subscription Rights immediately before the option is exercised. A U.S. Holder's holding period for the New Common Stock received pursuant to the exercise of the Subscription Rights should begin on the day following such exercise.

HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS.

5. Accrued Interest.

To the extent that any amount received by a U.S. Holder of a Claim is attributable to accrued but unpaid interest on the debt instruments constituting the surrendered Claim, the receipt of such amount should be taxable to the U.S. Holder as ordinary interest income (to the extent not already taken into income by the U.S. Holder). Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss (or, possibly, a write off against a reserve for worthless debts) to the extent that any accrued interest previously was included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan. U.S. holders of Claims are urged to consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

6. Market Discount.

Under the "market discount" provisions of the U.S. Tax Code, some or all of any gain realized by a U.S. Holder of a Claim who exchanges the Claim for an amount on the Effective Date may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with OID, its adjusted issue price, by at least a de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim that had been acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). To the extent that the Allowed Claims that were acquired with market discount are exchanged in a tax-free transaction for other property, any market discount that accrued on the Allowed Claims (i.e., up to the time of the exchange) but was not recognized by the U.S. Holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of the property is treated as ordinary income to the extent of the accrued, but not recognized, market discount.

HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE APPLICATION OF THE MARKET DISCOUNT RULES TO THEIR CLAIMS.

7. Dividends on New Common Stock.

Subject to certain rules related to Passive Foreign Investment Companies ("PFICs"), cash distributions on account of the New Common Stock will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized HoldCo (as determined under U.S. federal income tax principles). Such income (including any withheld Canadian taxes) will be includable in the gross income of a U.S. Holders as ordinary income on the day actually or constructively received by such U.S. Holder. Distributions on New Common Stock (including any withheld Canadian taxes) that are treated as dividends for U.S. federal income tax purposes will not be eligible for the dividends received deduction allowed to certain corporations under the U.S. Tax Code. Non-corporate U.S. Holders may be subject to reduced rates of taxation, both because Reorganized HoldCo is expected to be eligible for the benefits of the U.S.-Canada Treaty, which has been determined by the U.S. Treasury Department to meet certain requirements, and because Reorganized HoldCo is expected to trade on an established U.S. securities market. However, dividends on New Common Stock will not be eligible for reduced rates of taxation to the extent Reorganized HoldCo is a PFIC. Although the Debtors do not believe Reorganized HoldCo is a PFIC, because such classification is attributable to various factors that are subject to change, the Debtors cannot guarantee that Reorganized HoldCo will not become a PFIC in the future. In addition, non-corporate U.S. holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the U.S. Tax Code will not be eligible for the reduced rates of taxation. In addition, the rate reduction will not apply to dividends if the recipient of the dividend is obligated to make related payments with respect to a position in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

Subject to certain conditions and limitations, Canadian withholding or other taxes, if any, paid on dividends paid on the New Common Stock may be credited against a U.S. Holder's U.S. federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on New Common Stock should, subject to the discussion below regarding foreign corporations that are at least 50 percent owned by U.S. persons, be treated as income from sources outside the U.S. and will generally constitute passive category income. Further, in certain circumstances, if a U.S. Holder (a) has held New Common Stock for less than a specified minimum period during which the U.S. Holder is not protected from risk of loss; or (b) is obligated to make payments related to the dividends, the U.S. Holder will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on the New Common Stock. Dividends paid by a foreign corporation that is at least 50 percent owned by U.S. persons may be treated as U.S. source income (rather than foreign source income) for U.S. foreign tax credit purposes to the extent that the foreign corporation has more than an insignificant amount of U.S. source income. The effect of this rule may be to treat a portion of any dividends paid by Reorganized HoldCo as U.S. source income. Treatment of the Reorganized HoldCo dividends as U.S. source income in whole or in part may limit a U.S. Holder's ability to claim a foreign tax credit with respect to Canadian taxes payable or deemed payable in respect of such dividends or on other items of foreign source income. The rules governing the U.S. foreign tax credit are complex. U.S. Holders are urged to consult their own tax advisers regarding the availability of the U.S. foreign tax credit under particular circumstances.

To the extent that a U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed Reorganized HoldCo's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), such distributions will be treated first as a non-taxable return of

capital reducing the U.S. Holder's basis in its shares. Any such distributions in excess of the U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as a disposition and subject to the treatment discussed below.

8. Sale, Redemption, or Repurchase of New Common Stock.

Subject to certain rules regarding PFICs, unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of New Common Stock in an amount equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. Holder's adjusted tax basis in such shares. Such capital gain will generally be long-term capital gain if at the time of the sale, exchange, redemption, or other taxable disposition, the U.S. Holder held the New Common Stock for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described below. Under the recapture rules of section 108(e)(7) of the U.S. Tax Code, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the New Common Stock as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Allowed Claim or recognized an ordinary loss on the exchange of its Allowed Claim for New Common Stock. Any gain or loss recognized by a U.S. Holder on the sale or exchange of New Common Stock generally will be treated as U.S. source gain or loss. However, if Reorganized HoldCo is a PFIC, unless a U.S. Holder elects to be taxed annually on a mark-to-market basis with respect to its New Common Stock, gain realized on any sale or exchange of such New Common Stock (and certain distributions) could be subject to additional U.S. federal income taxes, plus an interest charge on certain taxes treated as having been deferred under the PFIC rules.

9. Limitations on Capital Losses.

A U.S. Holder of a Claim or Interest who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on the use of such capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods), and also ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them against future capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, capital losses may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than may be used in a tax year may carry back unused capital losses to the three years preceding the capital loss year or may carry over unused capital losses for the five years following the capital loss year.

E. Certain U.S. Federal Income Tax Consequences to Certain Non-U.S. Holders of Claims.

The following discussion assumes that the Debtors will undertake the restructuring transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Restructuring Transactions to non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to non-U.S. Holders are complex. Each non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, and local and the non-U.S. tax consequences of the consummation of the restructuring transactions to such non-U.S. Holders.

1. Gain Recognition.

To the extent that the restructuring transactions are treated as a taxable exchange or otherwise result in the recognition of taxable gain for U.S. federal income tax purposes, any gain realized by a non-U.S. Holder on the exchange of its Claim or Interest generally will not be subject to U.S. federal income taxation unless (a) the non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the restructuring transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such non-U.S. Holder in the United States).

If the first exception applies, to the extent that any gain is taxable, the non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an

applicable income tax treaty) on the amount by which such non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. In addition, if such a non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. Interest Payments under the New OpCo Notes.

Interest payments to (or OID accruals with respect to) a non-U.S. Holder under the New OpCo Notes and any other payments to a non-U.S. Holder that are attributable to accrued interest generally will not be subject to U.S. federal income tax or withholding pursuant to the portfolio interest exemption, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the non-U.S. Holder is not a U.S. person, unless:

- the non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of the Reorganized Debtor's stock entitled to vote;
- the non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to the Reorganized Debtor (each, within the meaning of the U.S. Tax Code);
- the non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the U.S. Tax Code; or
- such interest (or OID) is effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States (in which case, provided the non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A non-U.S. Holder that does not qualify for the portfolio interest exemption generally will be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on any interest payments under the New OpCo Notes and any other payments that are attributable to accrued interest. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

3. New Common Stock and Sale, Redemption, or Repurchase of New OpCo Notes.

In general, a non-U.S. Holder of New Common Stock or New OpCo Notes should not be subject to U.S. federal income tax or U.S. federal withholding tax with respect to the New Common Stock or New OpCo Notes unless (a) in the case of gain only, such non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or (b) any dividend or gain is effectively connected with such non-U.S. Holder's conduct of a trade or business in the U.S. (and, if required by any applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. Holder in the United States). A non-U.S. Holder that is a corporation also may be subject to a branch profits tax equal to 30 percent (or such lower rate specified by an applicable tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain taxes. Non-U.S. Holders are urged to consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

4. FATCA.

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income (including dividends, if any, on shares of New Common Stock), and also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends (which would include New Common Stock, the New OpCo Notes, and the Subscription Rights). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

As currently proposed, FATCA withholding rules would apply to payments of gross proceeds from the sale or other disposition of property of a type which can produce U.S. source interest or dividends that occur after December 31, 2018.

Each non-U.S. Holder is urged to consult its own tax advisor regarding the possible impact of these rules on such non-U.S. Holder.

F. Certain Canadian Income Tax Consequences to Holders of the Holdco Note Claims.

Pursuant to the Plan, in exchange for full and final satisfaction, settlement, release and discharge of the HoldCo Note Claims, the holders of such HoldCo Note Claims shall exchange such Claims for their Pro Rata share of New Common Stock and Subscription Rights.

Under the Plan, the New Common Stock and the Subscription Rights, as the case may be, will be allocated first to the principal amount of the Holdco Note Claims, and the balance, if any, to the accrued interest with respect to the Holdco Note Claims.

1. Consequences to Canadian Holders of Holdco Note Claims.

a. Treatment of Accrued and Unpaid Interest.

A Canadian Holder will in general terms be required to include in income the amount of interest accrued or deemed to accrue on the Holdco Note Claims up to the date on which the Holdco Note Claims are settled under the Plan or that became receivable or was received on or before such date, to the extent that such amounts have not otherwise been included in the Canadian Holder's income for the taxation year or a preceding taxation year.

b. Taxable Capital Gains / Allowable Capital Loss.

In general, a Canadian Holder will realize a capital gain (or capital loss) on the exchange of the Holdco Note Claims equal to the amount by which the aggregate fair market value of the New Common Stock and Subscription Rights at the time of the exchange, net of any amount included in the Canadian Holder's income as interest, exceeds (or is exceeded by) the adjusted cost base to the Canadian Holder of such HoldCo Note Claim plus any reasonable costs of disposition.

A Canadian Holder will be required to include in income one half of the amount of any capital gains (a taxable capital gain) and generally will be entitled to deduct one half of the amount of any capital loss (an allowable capital loss) against taxable capital gains realized by such holder in the year of the disposition. Allowable capital losses in excess of taxable capital gains in a particular year may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such year to the extent and under the circumstances described in the ITA.

The adjusted cost base of the New Common Stock and the Subscription Rights to the Canadian Holder will be equal to the fair market value at the time of the exchange of such New Common Stock and the Subscription Rights.

c. Exercise of the Subscription Rights.

A Canadian Holder who exercises Subscription Rights received under the Rights Offering will realize no gain or loss on the exercise of the Subscription Rights. The cost to a Canadian Holder of the New Common Stock acquired on the exercise of the Subscription Rights will be equal to the aggregate of the adjusted cost base of the Subscription Rights, if any, and the price paid to acquire the New Common Stock under the Rights Offering.

2. Consequences to Non-Canadian Holders, including U.S. Holders, of Holdco Note Claims.

a. Treatment of Accrued and Unpaid Interest.

Any interest paid or deemed paid on Exchange of the HoldCo Note Claims for New Common Stock and Subscription Rights should not be subject to Canadian withholding tax.

b. Capital Gain / Capital Loss.

The Exchange of the HoldCo Note Claims for New Common Stock and Subscription Rights by a Non-Canadian Holder will not be subject to Canadian tax unless the HoldCo Note Claim constitutes "taxable Canadian property" to the Non-Canadian Holder at the time of the disposition and relief from taxation is not available under an applicable income tax treaty or convention.

The HoldCo Note Claims should not constitute "taxable Canadian property."

c. Exercise of the Subscription Rights.

No Canadian tax consequences should arise in relation to the Subscription Rights unless the Subscription Rights constitute taxable Canadian property and relief from taxation is not available under applicable tax treaty or convention.

The Subscription Rights should not constitute "taxable Canadian property." Any capital gain realized on the Exchange of the HoldCo Note Claims should therefore not be subject to Canadian tax.

G. Certain Canadian Income Tax Consequences to Holders of the Existing HoldCo Common Stock.

Pursuant to the Plan, in exchange for full and final satisfaction and settlement, the holders of the Existing HoldCo Common Stock shall exchange their Existing HoldCo Common Stock for their Pro Rata share of New Common Stock and Subscription Rights.

1. Consequences to Canadian Holder of Existing HoldCo Common Stock.

a. Deemed Dividend.

A Canadian Holder who exchanges Existing HoldCo Common Stock for New Common Shares and Subscription Rights will be deemed to have received a dividend equal to the amount by which the fair market value of the Subscription Rights received on the exchange exceeds the paid-up capital of the Existing HoldCo Common Stock so exchanged. Any such dividend will be included in the Canadian Holder's income for the purposes of the ITA and will be subject to those rules governing the taxability of such dividends, contained in the ITA. An overview of the rules applicable to the taxation of dividend or deemed dividends received from a taxable Canadian corporation by a Canadian Holder is provided below.

Although not free from doubt, the Debtors do not currently anticipate that there will be a deemed dividend under these rules.

b. Taxable Capital Gain / Allowable Capital Loss.

A Canadian Holder who exchanges Existing HoldCo Common Stock for New Common Shares and Subscription Rights will, (i) where the fair market value of the Subscription Rights exceeds the aggregate adjusted cost base to the Canadian Holder of the Existing HoldCo Common Stock, be deemed to have disposed of such Existing HoldCo Common Stock for proceeds of disposition equal to the net of fair market value of the Subscription Rights less the amount, if any, deemed to have been received by such Canadian Holder as a dividend; (ii) where the fair market value of the Subscription Rights is equal to or less than the aggregate adjusted cost base to the Canadian Holder of the Existing HoldCo Common Stock, be deemed to have disposed of such Existing HoldCo Common Stock for proceeds of disposition equal to the net of adjusted cost base to the Canadian Holder of such Existing HoldCo Common Stock less the amount if any, of any dividend deemed to have been received by such Canadian Holder, pursuant to 1(a) Deemed Dividend, above.

A Canadian Holder will realize a capital gain (capital loss) on the exchange to the extent the above cited amount exceeds (is less than) the adjusted cost base to the Canadian Holder of such Existing HoldCo Common Stock plus any reasonable costs of disposition.

A Canadian Holder will be required to include in income one half of the amount of any capital gains (a taxable capital gain) and generally will be entitled to deduct one half of the amount of any capital loss (an allowable capital loss) against taxable capital gains realized by such holder in the year of the disposition. Allowable capital losses in excess of taxable capital gains in a particular year may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such year to the extent and under the circumstances described in the ITA.

The adjusted cost base of the New Common Stock to the Canadian Holder will be equal to the amount, if any, by which the aggregate adjusted cost base to the Canadian Holder in the Existing HoldCo Common Stock, immediately prior to the exchange, exceeds the fair market value of the Subscription Rights net of any amount deemed to have been received by the Canadian Holder as a dividend.

The adjusted cost base of the Subscription Rights to the Canadian Holder will be equal to the fair market value of such Subscription Rights at the time of the exchange of the Existing HoldCo Common Stock for New Common Stock and Subscription Rights.

For instance, and assuming the absence of any deemed dividend, where a Canadian Holder has an adjusted cost base in the Existing HoldCo Common Stock of $10, and where the fair market value of the Subscription Rights is $20, the Canadian Holder will in general terms, realize a capital gain of $10, which is equal to the amount by which the fair market value of the Subscription Rights ($20) exceeds the adjusted cost base to the Canadian Holder of the Existing HoldCo Common Stock ($10). The Canadian Holder's cost base in the New Common Stock received on account of the Existing HoldCo Common Stock will be zero. The Canadian Holder's cost base in the Subscription Rights will be $20.

Conversely, and again assuming the absence of any deemed dividend, where a Canadian Holder has an adjusted cost base in the Existing HoldCo Common Stock of $20, and where the fair market value of the Subscription Rights is $10, the Canadian Holder will in general terms be deemed to have disposed of his or her Existing HoldCo Common Stock for $20, and will realize no capital gain (or capital loss). The Canadian Holder's cost base in the New Common Stock received on account of the Existing HoldCo Common Stock will be $10. The Canadian Holder's cost base in the Subscription Rights will also be $10.

c. Exercise of the Subscription Rights.

A Canadian Holder who exercises Subscription Rights received under the Rights Offering will realize no gain or loss on the exercise of the Subscription Rights. The cost to a Canadian Holder of the New Common Stock acquired on the exercise of the Subscription Rights will be equal to the aggregate of the adjusted cost base of the Subscription Rights, if any, and the price paid to acquire the New Common Stock under the Rights Offering.

2. Consequences to a Non-Canadian Holders, including U.S. Holders, of Existing HoldCo Common Stock.

a. Deemed Dividend.

A Non-Canadian Holder who exchanges Existing HoldCo Common Stock for New Common Shares and Subscription Rights will be deemed to have received a dividend equal to the amount, if any, by which the fair market value of the Subscription Rights received on the exchange exceeds the paid-up capital of the Existing HoldCo Common Stock so exchanged.

Any such dividend deemed paid or credited, to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25 percent of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Canadian Holder is entitled to the benefits of, between Canada and the Non-Canadian Holder's country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to benefits under the U.S.-Canada Treaty, the rate of Canadian withholding tax applicable to the dividends is generally reduced to 15 percent.

Although not free from doubt, the Debtors do not currently anticipate that there will be a deemed dividend under these rules.

b. Disposition of Existing HoldCo Common Stock in exchange for New Common Stock and Subscription Rights.

No further Canadian tax consequences should arise in relation to the Existing HoldCo Common Stock unless the Existing HoldCo Common Stock constitute taxable Canadian property and relief from taxation is not available under applicable tax treaty or convention.

The Existing HoldCo Common Stock should not constitute "taxable Canadian property." Any capital gain realized on the Exchange of the Existing HoldCo Common Stock should therefore not be subject to Canadian tax.

c. Exercise of the Subscription Rights.

No Canadian tax consequences should arise in relation to the Subscription Rights unless the Subscription Rights constitute taxable Canadian property and relief from taxation is not available under applicable tax treaty or convention.

The Subscription Rights should not constitute "taxable Canadian property." Any capital gain realized on the exercise of the Subscription Rights should therefore not be subject to Canadian tax. ".

H. Dividends on New Common Stock, Sale of New Common Stock.

1. Consequences to Canadian Holders.

a. Dividends.

Dividends on the New Common Stock received or deemed to be received by a Canadian Holder after the Plan will be included in computing the Canadian Holder's income for the purposes of the ITA. Such dividends received or deemed to be received by a Canadian Holder that is an individual (including a trust) will generally be subject to the gross-up and dividend tax credit rules in the ITA normally applicable to taxable dividends received from corporations resident in Canada, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated as "eligible dividends" for these purposes. Dividends received or deemed to be received on such shares by an individual and certain trusts may give rise to alternative minimum tax. Generally, dividends received or deemed to be received on the New Common Stock after the Plan by a Canadian Holder that is a corporation will be included in computing the corporation's income, but will be deductible in computing the corporation's taxable income, subject to certain limitations in the ITA. A Canadian Holder of the New Common

Stock that is a "private corporation" or a "subject corporation" (as defined in the ITA) generally will be subject to a refundable tax of 38 1/3 percent on dividends received or deemed to be received on such shares to the extent such dividends are deductible in computing the holder's taxable income.

b. Sale.

A Canadian Holder will, subject to the comments below, realize a capital gain (capital loss) on the sale of the New Common Stock to the extent the proceeds of disposition realized on the sale exceeds (is less than) the adjusted cost base to the Canadian Holder of such New Common Stock plus any reasonable costs of disposition.

A Canadian Holder will be required to include in income one half of the amount of any capital gains (a taxable capital gain) and generally will be entitled to deduct one half of the amount of any capital loss (an allowable capital loss) against taxable capital gains realized by such holder in the year of the disposition. Allowable capital losses in excess of taxable capital gains in a particular year may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such year to the extent and under the circumstances described in the ITA.

In certain circumstances, a capital loss otherwise arising on the disposition of shares by a Canadian Holder that is a corporation may be reduced by dividends previously received or deemed to have been received on such shares or shares for which the particular shares were issued in exchange. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Canadian Holders to whom these rules may be relevant are urged to consult their own tax advisors.

Where the sale is to HoldCo or to a member of the UPE Group, the Canadian Holder may in certain circumstances be deemed to have received a portion of the proceeds as a dividend, and not as proceeds of disposition on the sale of the share.

Capital gains realized by individuals and certain trusts may give rise to alternative minimum tax under the ITA.

2. Consequences to Non-Canadian Holders, including US Holders.

a. Dividends.

Any dividend paid or credited, or deemed to be paid or credited, on the New Common Stock to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25 percent of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Canadian Holder is entitled to the benefits of, between Canada and the Non-Canadian Holder's country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to benefits under the Canada-United States Income Tax Convention (1980), as amended, the rate of Canadian withholding tax applicable to the dividends is generally reduced to 15 percent.

b. Sale.

A disposition of New Common Stock by a Non-Canadian Holder will, subject to the comments below, not be subject to Canadian tax unless the New Common Stock constitutes "taxable Canadian property" to the Non-Canadian Holder at the time of the disposition and relief from taxation is not available under an applicable income tax treaty or convention.

Where the Non-Canadian Holder sells the New Common Stock to HoldCo or to a member of the UPE Group, the Non-Canadian Holder may in certain circumstances be deemed to have received all or a portion of the proceeds as a dividend, and not as proceeds of disposition on the sale of the share. Any such dividend deemed to have been paid or credited would be subject to the Canadian withholding tax considerations described above.

I. U.S. Information Reporting and Back-Up Withholding.

The Debtors will withhold all amounts required by law to be withheld from payments of interest and dividends. The Debtors will comply with all applicable reporting requirements of the U.S. Tax Code. In general, information reporting requirements may apply to distributions or payments made to a holder of a Claim under the Plan. In addition, backup withholding of taxes will generally apply to payments in respect of an Allowed Claim under the Plan unless, in the case of a U.S. Holder, such U.S. Holder provides a properly executed IRS Form W-9 and, in the case of non-U.S. Holder, such non-U.S. Holder provides a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption).

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a federal income tax return).

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

XVI. RECOMMENDATION.

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors and equityholders than would otherwise result in any other scenario. Accordingly, the Debtors recommend that holders of Claims and Interests entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: December 6, 2016

ULTRA PETROLEUM CORP.
on behalf of itself and all other Debtors

/s/ Michael D. Watford

Michael D. Watford
Chairman of the Board,
Chief Executive Officer, and President

Exhibit A

The Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ULTRA PETROLEUM CORP., *et al.*,[1]	)	Case No. 16-32202 (MI)
Debtors.	)	(Jointly Administered)

DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP

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Counsel to the Debtors and Debtors in Possession

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number (if any), are: Ultra Petroleum Corp. (3838); Keystone Gas Gathering, LLC; Ultra Resources, Inc. (0643); Ultra Wyoming, Inc. (6117); Ultra Wyoming LGS, LLC (0378); UP Energy Corporation (4296); UPL Pinedale, LLC (7214); and UPL Three Rivers Holdings, LLC (7158).

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INTRODUCTION

The Debtors propose this Plan. Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims against and Interests in each Debtor pursuant to the Bankruptcy Code. The Debtors seek to consummate the Restructuring Transactions on the Effective Date of the Plan. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Debtors are not currently proposing the substantive consolidation of their respective Estates; provided, that the Plan will provide for the substantive consolidation of certain of the Debtors to the extent necessary for Confirmation. Absent the substantive consolidation of certain of the Debtors, the classifications of Claims and Interests set forth in Article III of this Plan shall be deemed to apply separately with respect to each Plan proposed by each Debtor, as applicable. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, business, properties and operations, projections, risk factors, a summary and analysis of this Plan, the Restructuring Transactions, and certain related matters.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES

1.1 Defined Terms

1. "*5.750% Senior Notes*" means those certain Senior Notes due 2018 issued by HoldCo pursuant to that certain 5.750% Senior Notes Indenture.

2. "*5.750% Senior Notes Indenture*" means that certain Indenture, dated as of December 12, 2013, as amended, modified, or supplemented from time to time, by and between HoldCo, as issuer, and the 5.750% Senior Notes Indenture Trustee.

3. "*6.125% Senior Notes*" means those certain Senior Notes due 2024 issued by HoldCo pursuant to that certain 6.125% Senior Notes Indenture.

4. "*6.125% Senior Notes Indenture*" means that certain Indenture, dated as of September 18, 2014, as amended, modified, or supplemented from time to time, by and between HoldCo, as issuer, and the 6.125% Senior Notes Indenture Trustee.

5. "*Additional New OpCo Notes*" means a further $200 million (or such other amount as may be determined by the Bankruptcy Court) of unsecured notes with an interest rate of [●] and a term of [●], that will be "held in reserve" pending, or issued by Reorganized OpCo following, the determination of the Bankruptcy Court on the allowance of the OpCo Note Makewhole Claims (if any), on the same terms as the New OpCo Notes.

6. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors' businesses; (b) Allowed Professional Fee Claims; (c) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; (d) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code; and (e) the Expense Reimbursement and the Commitment Premium (which, in the case of this clause (e), are deemed to be Allowed Administrative Claims pursuant to the Backstop Approval Order).

7. "*Administrative Claims Bar Date*" means the deadline for Filing requests for payment of Administrative Claims, which: (a) with respect to Administrative Claims other than Professional Fee Claims, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 45 days after the Effective Date.

8. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

9. "*Allowed*" means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the Claims Bar Date or a request for payment of an Administrative Claim Filed by the Administrative Claims Bar Date, as applicable (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order, a Proof of Claim or request for payment of Administrative Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; provided, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim has been Allowed by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt, a Proof of Claim Filed after the Claims Bar Date or a request for payment of an Administrative Claim Filed after the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim. "*Allow*" and "*Allowing*" shall have correlative meanings.

10. "*Avoidance Actions*" means any and all avoidance, recovery, subordination, or other claims, actions, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies under sections 502, 510, 542, 544, 545, and 547 through and including 553 of the Bankruptcy Code.

11. "*Backstop Approval Motion*" means the motion seeking entry of the Backstop Approval Order.

12. "*Backstop Approval Order*" means the order of the Bankruptcy Court entered on January [●], 2017 [Docket No. [●]].

13. "*Backstop Commitment Agreement*" means the Backstop Commitment Agreement, dated as of November 21, 2016 and approved by the Bankruptcy Court pursuant to the Backstop Approval Order, pursuant to which the Backstop Parties have agreed to backstop the Rights Offering.

14. "*Backstop Parties*" means, at any time or from time to time, the Consenting HoldCo Noteholders and Consenting HoldCo Equityholders that have committed to fund the Rights Offerings and are signatories to the Backstop Commitment Agreement, solely in their capacities as such, including their respective successors and assigns, all as provided in the Backstop Commitment Agreement.

15. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as may be amended from time to time.

16. "*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division, or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court for the Southern District of Texas.

17. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.

18. "*Business Day*" means any day, other than a Saturday, Sunday, or a legal holiday in Texas, as defined in Bankruptcy Rule 9006(a).

19. "*Cash*" means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

20. "*Causes of Action*" means any and all claims, actions, causes of action, choses in action, suits, debts, damages, dues, sums of money, accounts, reckonings, judgments, remedies, rights of set-off, third-party claims, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, subrogation, contribution claims, reimbursement claims, indemnity claims, counterclaims, and crossclaims (including all claims and any avoidance, recovery, subordination, or other actions against insiders and/or any other Entities under the Bankruptcy Code) of any of the Debtors and/or the Debtors' estates, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, that are or may be pending on the Effective Date or commenced by the Reorganized Debtors after the Effective Date against any Entity, based in law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order.

21. "*Certificate*" means any instrument evidencing a Claim or an Interest.

22. "*Chapter 11 Cases*" means the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

23. "*Claim*" has the meaning set forth in section 101(5) of the Bankruptcy Code.

24. "*Claims Bar Date*" means September 1, 2016, as defined in the *Order (I) Authorizing the Debtors to File a Consolidated List of Creditors and a Consolidated List of the 30 Largest Unsecured Creditors, (II) Authorizing the Debtors to Redact Certain Personal Identification Information for Individual Creditors, and (III) Approving the Form and Manner of Notifying Creditors of the Commencement of the Chapter 11 Cases and Other Information* [Docket No. 83].

25. "*Claims Register*" means the official register of Claims against the Debtors maintained by the Notice and Claims Agent.

26. "*Class*" means a category of holders of Claims or Interests under section 1122(a) of the Bankruptcy Code.

27. "*Closing*" has the meaning ascribed to such term in the Backstop Commitment Agreement.

28. "*Commitment Premium*" means a premium equal to (i) 6.0% of the committed Rights Offering Amount, payable to the Backstop Parties in New Common Stock (issued at the same price as the Rights Offering Shares), or (ii) 4.0% of the committed Rights Offering Amount, payable in Cash if the Backstop Commitment Agreement is terminated for any reason other than by the Debtors due to the failure of any Commitment Party to complete the Rights Offering in violation of the Backstop Commitment Agreement, in each case in accordance with the Backstop Commitment Agreement.

29. "*Committee*" means the official committee of unsecured claimholders appointed in the Chapter 11 Cases on May 5, 2016 [Docket No. 121], which committee was reconstituted as of September 26, 2016 [Docket No. 569].

30. "*Confirmation*" means the entry by the Bankruptcy Court of the Confirmation Order on the docket of the Chapter 11 Cases.

31. "*Confirmation Date*" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

32. "*Confirmation Hearing*" means the hearing(s) before the Bankruptcy Court under section 1128 of the Bankruptcy Code at which the Debtors seek entry of the Confirmation Order.

33. "*Confirmation Order*" means a Final Order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

34. "*Consenting HoldCo Equityholder*" means each HoldCo Equityholder that is party to the Plan Support Agreement, solely in its capacity as such.

35. "*Consenting HoldCo Noteholder*" means each HoldCo Noteholder that is party to the Plan Support Agreement, solely in its capacity as such.

36. "*Consummation*" means the occurrence of the Effective Date.

37. "*Cure*" or "*Cure Claim*" means a Claim (unless waived or modified by the applicable counterparty) based upon a Debtor's defaults under an Executory Contract or an Unexpired Lease assumed by such Debtor under section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

38. "*Cure Notice*" means a notice sent to counterparties in connection with an Executory Contract or Unexpired Lease proposed to be assumed or assumed and assigned under the Plan pursuant to section 365 of the Bankruptcy Code, the form and substance of which notice shall be approved by the Disclosure Statement Order and shall include (a) procedures for objecting to proposed assumptions or assumptions and assignments of Executory Contracts and Unexpired Leases, (b) the proposed amount to be paid on account of Cure Claims, and (c) procedures for resolution by the Bankruptcy Court of any related disputes.

39. "*Definitive Documentation*" means the definitive documents and agreements governing the Restructuring Transactions (including any related orders, agreements, instruments, schedules or exhibits) that are contemplated by and referenced in the Plan (as amended, modified or supplemented from time to time), including, without limitation: (i) the Plan (and all exhibits and other documents and instruments related thereto); (ii) the documents governing the New OpCo Notes and, if applicable, the Additional New OpCo Notes (and any agreements, documents or instruments related thereto); (iii) the Backstop Commitment Agreement and Rights Offering Procedures; (iv) the Plan Supplement; (v) the Disclosure Statement; (vi) the Solicitation Procedures; (vii) the Disclosure Statement Order; (viii) the Backstop Approval Motion; (ix) the Backstop Approval Order; and (x) the Confirmation Order.

40. "*Definitive Documentation Plan Support Agreement Requirements*" means the requirements that the Definitive Documentation shall each be (i) consistent in all material respects with, and shall otherwise conform to, the terms and conditions set forth in the Plan Support Agreement (and the respective Exhibits and Schedules attached thereto, including the Plan Term Sheet and the Backstop Commitment Agreement) (in each case as may be amended or otherwise modified from time to time in accordance with the terms thereof) and (ii) in form and substance reasonably satisfactory to the Debtors and the Required Consenting Parties.

41. "*D&O Liability Insurance Policies*" means all unexpired directors', managers', and officers' liability insurance policies (including any "tail policy") of any of the Debtors with respect to directors, managers, officers, and employees of the Debtors.

42. "*Debtor Release*" means the releases set forth in Section 8.2 of this Plan.

43. "*Debtors*" means, collectively, each of the following, in each case, in such Entity's capacity as a debtor in possession in the Chapter 11 Cases: Ultra Petroleum Corp.; UP Energy Corporation; Ultra Resources,

Inc.; Keystone Gas Gathering, LLC; Ultra Wyoming, Inc.; Ultra Wyoming LGS, LLC; UPL Pinedale, LLC; and UPL Three Rivers Holdings, LLC.

44. "*Disclosure Statement*" means the *Disclosure Statement for Debtors' Joint Chapter 11 Plan of Reorganization* [Docket No. [●]], dated as of December [●], 2016, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

45. "*Disclosure Statement Order*" means the order of the Bankruptcy Court approving the Disclosure Statement and solicitation procedures with respect to the Plan, including the Rights Offering Procedures.

46. "*Disputed*" means, with respect to any Claim, a Claim that is not yet Allowed, including (a) any Proof of Claim that, on its face, is contingent or unliquidated, (b) any Proof of Claim or request for payment of an Administrative Claim Filed after the Claims Bar Date, Administrative Claims Bar Date, Governmental Bar Date, or deadline for filing Proofs of Claim based on the Debtors' rejection of Executory Contracts or Unexpired Leases, as applicable, and (c) any Claim that is subject to an objection or a motion to estimate, in each case that has not been withdrawn, resolved, or ruled on by a Final Order of the Bankruptcy Court.

47. "*Distribution Agent*" means, as applicable, the Reorganized Debtors or any Entity the Reorganized Debtors select to make or to facilitate distributions in accordance with the Plan.

48. "*Distribution Date*" means, except as otherwise set forth herein, the date or dates determined by the Debtors or the Reorganized Debtors, on or after the Effective Date, with the first such date occurring on or as soon as is reasonably practicable after the Effective Date, upon which the Distribution Agent shall make distributions to holders of Allowed Claims and Existing HoldCo Common Stock entitled to receive distributions under the Plan.

49. "*Distribution Record Date*" means the date for determining which holders of Allowed Claims and Existing HoldCo Common Stock are eligible to receive distributions under the Plan, which shall be (a) the Effective Date or (b) such other date as designated in a Bankruptcy Court order.

50. "*Effective Date*" means the date that is the first Business Day after the Confirmation Date on which all conditions precedent to the occurrence of the Effective Date set forth in Section 9.1 of the Plan have been satisfied or waived in accordance with Section 9.2 of the Plan.

51. "*Election OpCo Note Claim*" means an OpCo Note Claim with respect to which the holder thereof has made the OpCo Note/RCF Claim Election" on its ballot.

52. "*Election OpCo RCF Claim*" means an OpCo Note Claim with respect to which the holder thereof has made the OpCo Note/RCF Claim Election" on its ballot.

53. "*Entity*" has the meaning set forth in section 101(15) of the Bankruptcy Code.

54. "*Equityholder Backstop Party*" shall have the meaning ascribed to such term in the Plan Support Agreement.

55. "*Equityholder Committee*" means the ad hoc committee of holders of Existing HoldCo Common Stock that is represented by Brown Rudnick LLP and Gray, Reed & McGraw, P.C.

56. "*Estate*" means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor's Chapter 11 Case.

57. "*Exculpated Parties*" means each of the following, solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting HoldCo Noteholders; (d) the HoldCo Notes Indenture Trustees; (e)

the Consenting HoldCo Equityholders; (f) the Backstop Parties; and (g) with respect to each of the foregoing parties in clauses (a) through (f), each of such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

58. "*Executory Contract*" means a contract or lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

59. "*Existing HoldCo Common Stock*" means HoldCo's authorized and issued common stock outstanding as of the applicable date; provided, that restricted stock units awarded under the 2014 LTIP shall not vest into HoldCo's authorized and issued common stock.

60. "*Existing HoldCo Equity Interest*" means any Interest in HoldCo outstanding immediately prior to the Effective Date.

61. "*Expense Reimbursement*" has the meaning set forth in the Backstop Commitment Agreement.

62. "*Federal Judgment Rate*" means the interest rate provided under 28 U.S.C. § 1961(a), calculated as of the Petition Date.

63. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim, the Notice and Claims Agent.

64. "*Final Decree*" means the decree contemplated under Bankruptcy Rule 3022.

65. "*Final Order*" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

66. "*General Unsecured Claim*" means Unsecured Claims other than HoldCo Note Claims, OpCo Note Claims, OpCo Note Makewhole Claims, if any, and OpCo RCF Claims.

67. "*Governmental Bar Date*" means October 26, 2016, as defined in the *Order (I) Authorizing the Debtors to File a Consolidated List of Creditors and a Consolidated List of the 30 Largest Unsecured Creditors, (II) Authorizing the Debtors to Redact Certain Personal Identification Information for Individual Creditors, and (III) Approving the Form and Manner of Notifying Creditors of the Commencement of the Chapter 11 Cases and Other Information* [Docket No. 83].

68. "*Governmental Unit*" has the meaning set forth in section 101(27) of the Bankruptcy Code.

69. "*HH Strip Price*" means the 12-month forward Henry Hub natural gas strip price.

70. "*HoldCo*" means Ultra Petroleum Corp., a Yukon corporation, the ultimate parent of each of the Debtors and the predecessor to Reorganized HoldCo.

71. "*HoldCo Equityholder*" means any holder of Existing HoldCo Common Stock.

72. "*HoldCo Equityholder New Common Stock Distribution*" means: (i) 41.0% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, in the event that the Settlement Plan Value

equals $6 billion; (ii) 31.8% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, in the event that the Settlement Plan Value equals $5.5 billion; or (iii) 44.8% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, in the event that the Settlement Plan Value equals $6.25 billion.

73. "*HoldCo Equityholder Subscription Rights*" means: (i) in the event that the Settlement Plan Value equals $6 billion, the Subscription Rights offered to holders of Existing HoldCo Common Stock to participate in the Rights Offering for 5.7% of the New Common Stock, inclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan; (ii) in the event that the Settlement Plan Value equals $5.5 billion, the Subscription Rights offered to holders of Existing HoldCo Common Stock to participate in the Rights Offering for 6.7% of the New Common Stock, inclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan; or (iii) in the event that the Settlement Plan Value equals $6.25 billion, the Subscription Rights offered to holders of Existing HoldCo Common Stock to participate in the Rights Offering for 5.3% of the New Common Stock, inclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan.

74. "*HoldCo Equityholders Rights Offering Shares*" means 25% of the Rights Offering Shares.

75. "*HoldCo General Unsecured Claim*" means any Unsecured Claim against HoldCo that is not a Note Claim.

76. "*HoldCo Note Claim*" means any Claim against the Debtors arising on account of the HoldCo Notes Indentures and the HoldCo Notes.

77. "*HoldCo Noteholder Backstop Party*" shall have the meaning ascribed to such term in the Plan Support Agreement.

78. "*HoldCo Noteholder Committee*" means the ad hoc committee of HoldCo Noteholders that is represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP and Porter Hedges LLP.

79. "*HoldCo Noteholder New Common Stock Distribution*" means: (i) 36.2% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, in the event that the Settlement Plan Value equals $6 billion; (ii) 41.5% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, in the event that the Settlement Plan Value equals $5.5 billion; or (iii) 34.0% of the New Common Stock, subject to dilution on account of the Management Incentive Plan, in the event that the Settlement Plan Value equals $6.25 billion.

80. "*HoldCo Noteholder Subscription Rights*" means: (i) in the event that the Settlement Plan Value equals $6 billion, the Subscription Rights offered to holders of Allowed HoldCo Note Claims to participate in the Rights Offering for their Pro Rata share of 17.1% of the New Common Stock, inclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan; (ii) in the event that the Settlement Plan Value equals $5.5 billion, the Subscription Rights offered to holders of Allowed HoldCo Note Claims to participate in the Rights Offering for their Pro Rata share of 20.0% of the New Common Stock, inclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan; or (iii) in the event that the Settlement Plan Value equals $6.25 billion, the Subscription Rights offered to holders of Allowed HoldCo Note Claims to participate in the Rights Offering for their Pro Rata share of 15.9% of the New Common Stock, inclusive of New Common Stock issued on account of the Commitment Premium and subject to dilution on account of the Management Incentive Plan.

81. "*HoldCo Noteholders*" means holders of the HoldCo Notes, solely in their capacity as such.

82. "*HoldCo Noteholders Rights Offering Shares*" means 75% of the Rights Offering Shares.

83. "*HoldCo Notes*" means the 5.750% Senior Notes and the 6.125% Senior Notes.

84. "*HoldCo Notes Indenture Trustee*" means Delaware Trust Company, as successor trustee to U.S. Bank National Association, in its capacity either as indenture trustee under the 5.750% Senior Notes Indenture and the 6.125% Senior Notes Indenture.

85. "*HoldCo Notes Indentures*" means the 5.750% Senior Notes Indenture and 6.125% Senior Notes Indenture.

86. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

87. "*Indemnification Provisions*" means each of the Debtors' indemnification provisions in place whether in the Debtors' bylaws, certificates of incorporation, other formation documents, board resolutions, or contracts for the current and former directors, officers, managers, employees, attorneys, other professionals, and agents of the Debtors and such current and former directors', officers', and managers' respective Affiliates.

88. "*Indenture Trustee Charging Liens*" means a lien that secures repayment of the Indenture Trustee Expenses, to the extent set forth in the HoldCo Notes Indentures.

89. "*Indenture Trustee Expenses*" means any reasonable and documented fees and out-of-pocket costs and expenses, incurred prior to or after the Petition Date by the HoldCo Notes Indenture Trustees that are required to be paid under the HoldCo Notes Indentures.

90. "*Initial MIP Grants*" has the meaning set forth in Section 4.17 of the Plan.

91. "*Insider*" has the meaning set forth in section 101(31) of the Bankruptcy Code.

92. "*Intercompany Claim*" means any Claim held by a Debtor against another Debtor.

93. "*Intercompany Interest*" means, other than an Interest in HoldCo, an Interest in one Debtor held by another Debtor.

94. "*Interest*" means the common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Debtor, including, without limitation, the Existing HoldCo Equity Interests, and options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement), including any Claim against the Debtors that is subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing; provided, however, that the term "Interests" shall not include the Intercompany Interests.

95. "*Interim Compensation Order*" means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 295].

96. "*KEIP Motion*" means the *Debtors' Motion for Entry of an Order Authorizing and Approving the Debtors' Key Employee Incentive Plan* [Docket No. 206].

97. "*KEIP Order*" means the *Order Authorizing and Approving the Debtors' Key Employee Incentive Plan*, entered by the Bankruptcy Court on June 28, 2016 [Docket No. 384].

98. "*KEIP Order Claims*" means the Claims Allowed pursuant to paragraph 1(c) of the KEIP Order.

99. "*KEIP Order Non-Priority Claim*" means the portion of any KEIP Order Claim that is not a KEIP Order Other Priority Claim, which is Allowed as an Unsecured Claim against each Debtor pursuant to the KEIP Order.

100. "*KEIP Order Other Priority Claim*" means the portion of any holder's KEIP Order Claim that is not in excess of the cap established under section 507(a)(4) of the Bankruptcy Code.

101. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

102. "*LTIP*" has the meaning ascribed to such term in the KEIP Motion.

103. "*Majority Consenting HoldCo Equityholders*" has the meaning ascribed to such term in the Plan Support Agreement.

104. "*Majority Consenting HoldCo Noteholders*" has the meaning ascribed to such term in the Plan Support Agreement.

105. "*Majority Equityholder Backstop Parties*" has the meaning ascribed to such term in the Plan Support Agreement.

106. "*Majority HoldCo Noteholder Backstop Parties*" has the meaning ascribed to such term in the Plan Support Agreement.

107. "*Management Incentive Plan*" means a post-Effective Date management incentive plan, the material terms of which shall be consistent with Section 4.17 of the Plan and shall be included in the Plan Supplement.

108. "*Material M&A Transaction*" has the meaning ascribed to such term in the New Organizational Documents.

109. "*NASDAQ*" means the Nasdaq Stock Market.

110. "*New Board*" means Reorganized HoldCo's initial board of directors as of the Effective Date.

111. "*New Common Stock*" means the common stock of Reorganized HoldCo.

112. "*New OpCo Notes*" means the $2.0 billion in new unsecured notes with an interest rate of [●] and a term of [●], to be issued on the Effective Date by Reorganized OpCo, the form of which shall be included as part of the Plan Supplement.

113. "*New Organizational Documents*" means the form of the certificates or articles of incorporation, bylaws, or such other applicable formation documents of each of the Reorganized Debtors, in form and substance reasonably satisfactory to the Required Consenting Parties. The New Organizational Documents shall provide, among other things, that Reorganized OpCo and Reorganized Ultra Wyoming shall be domiciled in Delaware.

114. "*New Revolver*" means a new revolving credit facility in the amount of [●] that [Reorganized OpCo] will enter into on the Effective Date, the form of which shall be included in the Plan Supplement.

115. "*Notice and Claims Agent*" means Epiq Bankruptcy Solutions, LLC, the notice and claims agent retained by the Debtors in the Chapter 11 Cases pursuant to the *Agreed Order Authorizing Retention and Appointment of Epiq Bankruptcy Solutions, LLC as Claims, Noticing and Solicitation Agent* [Docket No. 148].

116. "*OpCo*" means Ultra Resources, Inc., a Wyoming corporation and the predecessor to Reorganized OpCo.

117. "*OpCo General Unsecured Claims*" means General Unsecured Claims against OpCo.

118. "*OpCo Note Claims*" means any and all Claims against the Debtors arising on account of the OpCo Notes MNPA and the OpCo Notes, excluding the OpCo Note Guarantee Claims and OpCo Note Makewhole Claims, if any.

119. "*OpCo Note Guarantee Claims*" means any and all Claims arising on account of HoldCo and UP Energy Corporation's guarantee of the OpCo Notes.

120. "*OpCo Note Makewhole Claims*" means any Claims derived from or based upon makewhole, applicable premium, redemption premium, or other similar payment provisions under the OpCo Notes MNPA or any other alleged premiums, fees, or Claims arising from the treatment of the OpCo Notes hereunder, including any Claims for damages or other relief arising from such treatment.

121. "*OpCo Noteholder*" means any holder of the OpCo Notes.

122. "*OpCo Note/RCF Claim Election*" means the option available to a holder of an OpCo Note Claim or OpCo RCF Claim to elect into Class 5.

123. "*OpCo Notes*" means the senior unsecured notes issued pursuant to the OpCo Notes MNPA.

124. "*OpCo Notes MNPA*" means that certain Master Note Purchase Agreement, dated as of March 6, 2008, as amended modified, or supplemented in accordance with the terms thereof, by and among OpCo, as issuer, and the purchasers party thereto.

125. "*OpCo RCF*" means the revolving credit facility incurred pursuant to that certain Credit Agreement, dated as of October 6, 2011, as amended, modified, or supplemented in accordance with the terms thereof, by and among OpCo, as borrower, the OpCo RCF Lenders, the OpCo RCF Agent, and certain other parties thereto.

126. "*OpCo RCF Agent*" means Wilmington Savings Fund Society, FSB, as successor administrative agent to JPMorgan Chase Bank, N.A., with respect to the OpCo RCF.

127. "*OpCo RCF Claims*" means any and all Claims arising under the OpCo RCF, excluding the OpCo RCF Guarantee Claims.

128. "*OpCo RCF Guarantee Claims*" means any and all Claims arising on account of HoldCo and UP Energy Corporation's guarantee of the OpCo RCF.

129. "*OpCo RCF Lenders*" means the lenders party to the OpCo RCF.

130. "*OpCo Subsidiary General Unsecured Claims*" means General Unsecured Claims against the direct or indirect subsidiaries of OpCo.

131. "*OpCo Trade General Unsecured Claims*" means OpCo General Unsecured Claims that are held by Trade Creditors as of the Voting Record Date.

132. "*Other Existing HoldCo Equity Interest*" means any Existing HoldCo Equity Interest other than Existing HoldCo Common Stock.

133. "*Other General Unsecured Claims*" means General Unsecured Claims other than OpCo General Unsecured Claims and OpCo Subsidiary General Unsecured Claims.

134. "*Other OpCo General Unsecured Claims*" means OpCo General Unsecured Claims other than OpCo Trade General Unsecured Claims.

135. "*Other Priority Claim*" means any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, including, without limitation, all KEIP Order Other Priority Claims.

136. "*Person*" has the meaning set forth in section 101(41) of the Bankruptcy Code.

137. "*Petition Date*" means April 29, 2016, the date on which each of the Debtors Filed its respective petition for relief commencing the Chapter 11 Cases.

138. "*Plan*" means the chapter 11 plan, as it may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof, the Backstop Commitment Agreement, and the Plan Support Agreement, including the Plan Supplement and all exhibits, supplements, appendices, and schedules.

139. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms thereof, the Plan, the Bankruptcy Code, the Bankruptcy Rules, the Backstop Commitment Agreement, and the Plan Support Agreement), to be initially Filed by the Debtors no later than 14 days before the Confirmation Hearing, and additional documents or amendments to previously Filed documents, Filed before the Effective Date as additions or amendments to the Plan Supplement, including the following, as applicable: (a) the New Organizational Documents; (b) a list of retained Causes of Action; (c) the Registration Rights Agreement; (d) the Schedule of Assumed Executory Contracts and Unexpired Leases; (e) the Schedule of Rejected Executory Contracts and Unexpired Leases; (f) the form of the Management Incentive Plan; (g) the New OpCo Notes and, if applicable, the Additional New OpCo Notes (and any agreements, documents, or instruments related thereto); (h) the documents governing the New Revolver (and any agreements, documents or instruments related thereto); and (i) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan subject to the process and approval rights of the Required Consenting Parties set forth in the Backstop Commitment Agreement and the Plan Support Agreement; provided, that the Schedule of Assumed Executory Contracts and Unexpired Leases and Schedule of Rejected Executory Contracts and Unexpired Leases shall be Filed no later than 35 days before the Confirmation Hearing. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date in accordance with the processes and approval rights of the Required Consenting Parties set forth in the Plan Support Agreement and the Backstop Commitment Agreement.

140. "*Plan Support Agreement*" means that certain Plan Support Agreement, dated as of November 21, 2016, by and among the Debtors and the Plan Support Parties, including all exhibits thereto.

141. "*Plan Support Parties*" means, collectively, (a) the Consenting HoldCo Noteholders and (b) the Consenting HoldCo Equityholders, in each case, that are party to the Plan Support Agreement.

142. "*Plan Term Sheet*" means the term sheet attached as Exhibit A to the Plan Support Agreement.

143. "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

144. "*Pro Rata*" means the proportion that the amount of an Allowed Claim or Existing HoldCo Common Stock in a particular Class bears to the aggregate amount of the Allowed Claims or Existing HoldCo Common Stock in that Class, or the proportion of the Allowed Claims or Existing HoldCo Common Stock in a particular Class and other Classes entitled to share in the same recovery as such Claim or Existing HoldCo Common Stock under the Plan.

145. "*Professional*" means an Entity: (a) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 328, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date pursuant to sections 327, 328, 329, 330, and 331 of the Bankruptcy Code, or (b) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

146. "*Professional Fee Amount*" means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses that the Professionals estimate they have incurred or will incur in rendering services to the Debtors prior to and as of the Effective Date, which estimates Professionals shall deliver to the Debtors as set forth in Section 2.2 of this Plan.

147. "*Professional Fee Claims*" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Confirmation Date to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Bankruptcy Court. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

148. "*Professional Fee Escrow Account*" means an interest-bearing account funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Amount as set forth in Section 2.2 of this Plan.

149. "*Proof of Claim*" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

150. "*Registration Rights Agreement*" means the Registration Rights Agreement with respect to the New Common Stock, substantially in the form to be included in the Plan Supplement.

151. "*Reinstated*" means, with respect to Claims and Interests, that the Claim or Interest shall be rendered Unimpaired for purposes of section 1124 of the Bankruptcy Code. "*Reinstatement*" shall have a correlative meaning.

152. "*Released Parties*" means each of the following, solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting HoldCo Noteholders; (d) the HoldCo Notes Indenture Trustees; (e) the Consenting HoldCo Equityholders; (f) the Backstop Parties; (g) all holders of Claims and Interests who vote to accept the Plan; (h) all holders of Claims in Classes that are deemed to accept the Plan; (i) all holders of Claims and Interests in voting Classes who abstain from voting on the Plan and who do not opt out of the releases provided by the Plan; and (j) with respect to each of the foregoing parties in clauses (a) through (i), each of such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

153. "*Releasing Parties*" means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting HoldCo Noteholders; (d) the HoldCo Notes Indenture Trustees; (e) the Consenting HoldCo Equityholders; (f) Backstop Parties; (g) all holders of Claims and Interests who vote to accept the Plan; (h) all holders of Claims in Classes that are deemed to accept the Plan; (i) all holders of Claims and Interests in voting Classes who abstain from voting on the Plan and who do not opt out of the releases provided by the Plan; and (j) with respect to the foregoing clauses (a) through (i), each such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

154. "*Reorganized Debtor*" means a Debtor, or any successor or assign thereto, by merger, consolidation, or otherwise, on and after the Effective Date, pursuant to the Plan.

155. "*Reorganized HoldCo*" means HoldCo, or any successors thereto, by merger, consolidation, or otherwise, on and after the Effective Date, pursuant to the Plan.

156. "*Reorganized OpCo*" means OpCo, or any successors thereto, by merger, consolidation, or otherwise, on and after the Effective Date, pursuant to the Plan.

157. "*Reorganized Ultra Wyoming*" means Ultra Wyoming, Inc., or any successors thereto, by merger, consolidation, or otherwise, on and after the Effective Date, pursuant to the Plan.

158. "*Reorganized UP Energy*" means UP Energy, or any successors thereto, by merger, consolidation, or otherwise, on and after the Effective Date, pursuant to the Plan.

159. "*Required Consenting Parties*" means, collectively: (a) the "Required Consenting Parties" as defined in the Plan Support Agreement at the time of the relevant determination; and (b) the "Requisite Commitment Parties" as defined in the Backstop Commitment Agreement at the time of the relevant determination, in the case of each of (a) and (b), each voting as a separate class (and with each class within each such class voting separately, as set forth in the Plan Support Agreement and the Backstop Commitment Agreement).

160. "*Restructuring Transactions*" means the transactions described in, approved by, contemplated by, or necessary to implement the Plan in a manner consistent with the Plan Support Agreement and the Backstop Commitment Agreement, including, without limitation, the Rights Offering and the transactions contemplated by the New Organizational Documents, in each case in accordance with the processes and approval rights with respect to the Required Consenting Parties set forth in the Backstop Commitment Agreement and the Plan Support Agreement.

161. "*Rights Offering*" means the distribution of Subscription Rights to the holders of Allowed HoldCo Note Claims and Existing HoldCo Common Stock, pursuant to which such holders are eligible to purchase Rights Offering Shares in accordance with the Rights Offering Procedures.

162. "*Rights Offering Amount*" means an amount equal to $580,000,000.00

163. "*Rights Offering Participants*" means, collectively, (i) the holders of Allowed HoldCo Note Claims and Existing HoldCo Common Stock as of the Rights Offering Record Date and (ii) the Backstop Parties.

164. "*Rights Offering Procedures*" means the procedures governing the Rights Offering attached as Exhibit A to the Backstop Commitment Agreement, as approved by the Disclosure Statement Order.

165. "*Rights Offering Record Date*" has the meaning set forth in the Rights Offering Procedures.

166. "*Rights Offering Shares*" means the shares of New Common Stock distributed pursuant to and in accordance with the Rights Offering and subject to the terms of the Backstop Commitment Agreement and the Rights Offering Procedures, at a price that reflects a discount of 20% to Settlement Plan Value. For the avoidance of doubt, the term "Rights Offering Shares" does not include the New Common Stock issued on account of the Commitment Premium.

167. "*Schedule of Assumed Executory Contracts and Unexpired Leases*" means the schedule of Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan, Filed as part of the Plan Supplement, as may be amended by the Debtors from time to time prior to the Confirmation Date.

168. "*Schedule of Rejected Executory Contracts and Unexpired Leases*" means the schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, Filed as part of the Plan Supplement, as may be amended by the Debtors from time to time prior to the Confirmation Date.

169. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with any applicable official bankruptcy forms, as the same may have been amended, modified, or supplemented from time to time.

170. "*Section 510(b) Claim*" means any Claim against any Debtor arising from rescission of a purchase or sale of a Security of the Debtors or any Affiliate of the Debtors, for damages arising from the purchase or sale of such a Security, or for reimbursement or contribution Allowed under section 502 of the Bankruptcy Code on account of such a Claim.

171. "*Secured Claim*" means any Secured Non-Tax Claim or Secured Tax Claim.

172. "*Secured Non-Tax Claim*" means, other than a Secured Tax Claim, any Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

173. "*Secured Tax Claim*" means any Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code, that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

174. "*Securities Act*" means the Securities Act of 1933, as amended, 15 U.S.C. §§ 77a–77aa, or any similar federal, state, or local law.

175. "*Security*" shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

176. "*Servicer*" means an agent or other authorized representative of holders of Claims or Interests.

177. "*Settlement Plan Value*" means: (i) $6 billion, in the event that the Settlement Plan Value HH Strip Price is in the range of $3.25 to $3.65; (ii) $5.5 billion, in the event that the Settlement Plan Value HH Strip Price is below $3.25; or (iii) $6.25 billion, in the event that the Settlement Plan Value HH Strip Price is above $3.65.

178. "*Settlement Plan Value HH Strip Price*" means the average of the closing HH Strip Price for the seven (7) trading days preceding the Subscription Commencement Date.

179. "*Share Reserve*" has the meaning set forth in Section 4.17 of this Plan.

180. "*Solicitation Procedures*" means the solicitation materials with respect to the Plan, in the form attached as Schedule 2 to the Disclosure Statement Order.

181. "*Subscription Commencement Date*" has the meaning ascribed to such term in the Disclosure Statement Order.

182. "*Subscription Rights*" means the rights to purchase Rights Offering Shares in accordance with the Rights Offering Procedures.

183. "*Trade Creditors*" means holders of General Unsecured Claims against the Debtors with whom the Reorganized Debtors intend to continue to transact business in the ordinary course of their operations.

184. "*U.S. Trustee*" means the Office of the United States Trustee for the Southern District of Texas.

185. "*U.S. Trustee Fees*" means fees arising under 28 U.S.C. § 1930(a)(6) and, to the extent applicable, accrued interest thereon arising under 31 U.S.C. § 3717.

186. "*Unclaimed Distribution*" means any distribution under the Plan on account of an Allowed Claim or Existing HoldCo Common Stock to a holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

187. "*Unexpired Lease*" means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

188. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

189. "*Unlegended Shares*" has the meaning ascribed to such term in the Backstop Commitment Agreement.

190. "*Unsecured Claim*" means any Claim that is not a Secured Claim, a claim under section 510(b) of the Bankruptcy Code, or a claim that may be asserted relating to any Interest.

191. "*Unsubscribed Shares*" has the meaning ascribed to such term in the Backstop Commitment Agreement.

192. "*UP Energy*" means UP Energy Corporation., a Nevada corporation and the predecessor to Reorganized UP Energy.

193. "*Voting Deadline*" means February [●], 2017, as defined in the Disclosure Statement Order.

1.2 Rules of Interpretation

For purposes of the Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be in such form or on such terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" and "Sections" are references to Articles and Sections, respectively, hereof or hereto; (e) the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (i) references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (j) references to "Proofs of Claim," "holders of Claims," "Disputed Claims," and the like shall include "Proofs of Interest," "holders of Interests," "Disputed Interests," and the like as applicable; (k) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (l) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation."

1.3 Computation of Time

Bankruptcy Rule 9006(a) applies in computing any period of time prescribed or Allowed herein.

1.4 Governing Law

Except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture, or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the state of New York, without giving effect to conflict of laws principles.

1.5 Reference to Monetary Figures

All references in the Plan to monetary figures refer to currency of the United States of America, unless otherwise expressly provided.

1.6 Reference to the Debtors or the Reorganized Debtors

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

1.7 Controlling Document

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control. In the event of an inconsistency between the Plan and the Plan Supplement, the Plan shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

ARTICLE II

ADMINISTRATIVE AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III of this Plan.

2.1 Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim and the Debtors, or the Reorganized Debtors, as applicable, each holder of an Allowed Administrative Claim (other than holders of Professional Fee Claims, and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim either: (a) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (b) if such Administrative Claim is not Allowed as of the Effective Date, unless otherwise agreed, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (c) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the holders of such Allowed Administrative Claim (for the avoidance of doubt, holders of such Allowed Administrative Claims shall not be required to file a request for payment of administrative claim as provided in the second paragraph of this Section 2.1 of this Plan); (d) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as applicable; or (e) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

Except as otherwise provided in this Section 2.1 of this Plan, and except with respect to Administrative Claims that are Professional Fee Claims, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed.

2.2 Professional Fee Claims

All requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be filed no later than the Administrative Claims Bar Date. Any requests for Professional Fee Claims must be served in accordance with prior orders of the Bankruptcy Court, including the Interim Compensation Order. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code. The Reorganized Debtors shall pay Professional Fee Claims in Cash in the amount the Bankruptcy Court allows, including from the Professional Fee Escrow Account, which the Debtors will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount no later than three Business Days prior to the Effective Date. Professionals shall deliver to the Debtors their estimates for purposes of the Reorganized Debtors computing the Professional Fee Amount no later than five Business Days prior to the Effective Date. For the avoidance of doubt, no such estimate shall be deemed to limit the amount of the fees and expenses that are the subject of a Professional's final request for payment of Professional Fee Claims filed with the Bankruptcy Court. If a Professional does not provide an estimate, the Debtors or the Reorganized Debtors, as applicable, may estimate the unpaid and unbilled fees and expenses of such Professional. No funds in the Professional Fee Escrow Account shall be property of the Estates or subject to any Lien. Any funds remaining in the Professional Fee Escrow Account after all Allowed Professional Fee Claims have been paid will be turned over to the Reorganized Debtors.

From and after the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

2.3 Priority Tax Claims

Each holder of an Allowed Priority Tax Claim against a Debtor due and payable on or before the Effective Date shall receive, in the discretion of the Reorganized Debtors, either (a) on the Effective Date, or as soon as practicable thereafter, from the respective Debtor liable for such Allowed Priority Tax Claim, payment in Cash in an amount equal to the amount of such Allowed Priority Tax Claim or (b) treatment provided in section 1129(a)(9) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law, or in the ordinary course of business.

2.4 Statutory Fees

All fees payable pursuant to section 1930 of Title 28 of the U.S. Code due and payable through the Effective Date shall be paid by the Debtors, or the Reorganized Debtors, as applicable, on or before the Effective Date. Any deadline for filing claims in the Chapter 11 Cases shall not apply to fees payable by any of the Debtors pursuant to section 1930 of Title 28 of the U.S. Code or any interest accruing thereon. On and after the Effective Date, the Reorganized Debtors shall pay any and all such fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee and consistent with the requirements of the Local Rules of the United States Bankruptcy Court for the Southern District of Texas. Each Debtor shall remain obligated to pay fees pursuant to section 1930 of Title 28 of the U.S. Code until the earliest of

that particular Debtor's case being converted to a case under Chapter 7 of the Bankruptcy Code or dismissed or the issuance of a Final Decree.

ARTICLE III

CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

3.1 Classification of Claims and Interests

This Plan constitutes a separate Plan proposed by each Debtor. Except for the Claims addressed in Article II of this Plan, all Claims and Interests are classified in the Classes set forth below in accordance with section 1122 of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors (*i.e.*, there will be 15 Classes for each Debtor); provided, that any Class that is vacant as to a particular Debtor will be treated in accordance with Section 3.4 below.

Below is a chart assigning each Class a number for purposes of identifying each separate Class.

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Secured Non-Tax Claims	Unimpaired	Presumed to Accept
3	HoldCo Note Claims	Impaired	Entitled to Vote
4	Non-Election OpCo Note Claims and Non-Election OpCo RCF Claims	Impaired	Entitled to Vote
5	Election OpCo Note Claims and Election OpCo RCF Claims	Impaired	Entitled to Vote
6	OpCo Note Guarantee Claims and OpCo RCF Guarantee Claims	Unimpaired	Presumed to Accept
7	OpCo Note Makewhole Claims	Impaired	Entitled to Vote
8	OpCo Subsidiary General Unsecured Claims	Unimpaired	Presumed to Accept
9	OpCo Trade General Unsecured Claims	Impaired	Entitled to Vote
10	Other OpCo General Unsecured Claims	Impaired	Entitled to Vote
11	Other General Unsecured Claims	Impaired	Entitled to Vote
12	Intercompany Claims	Unimpaired or Impaired	Presumed to Accept or Presumed to Reject
13	Intercompany Interests	Unimpaired or Impaired	Presumed to Accept or Presumed to Reject

Class	Claim or Interest	Status	Voting Rights
14	Existing HoldCo Common Stock	Impaired or Unimpaired[2]	Entitled to Vote
15	Other Existing HoldCo Equity Interests	Impaired	Deemed to Reject

3.2 Treatment of Classes of Claims and Interests

Except to the extent that the Debtors and a holder of an Allowed Claim or Existing HoldCo Common Stock, as applicable, agree to either less favorable treatment, or (to the extent consistent with the requirements of the Bankruptcy Code and the approval rights of the Required Consenting Parties under the Backstop Commitment Agreement and the Plan Support Agreement) more favorable treatment, such holder shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such holder's Allowed Claim or Existing HoldCo Common Stock. Unless otherwise indicated, the holder of an Allowed Claim or Existing HoldCo Common Stock, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

(a) **Class 1 — Other Priority Claims**

(1) *Classification*: Class 1 consists of all Other Priority Claims against any Debtor.

(2) *Treatment*: Each holder of an Allowed Other Priority Claim shall receive payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim on the latest of: (i) on or as soon as reasonably practicable after the Effective Date if such Allowed Other Priority Claim is Allowed as of the Effective Date; (ii) on or as soon as reasonably practicable after the date such Other Priority Claim is Allowed; and (iii) the date such Allowed Other Priority Claim becomes due and payable, or as soon thereafter as is reasonably practicable.

(3) *Voting*: Class 1 is Unimpaired and is not entitled to vote to accept or reject the Plan.

(b) **Class 2 — Secured Non-Tax Claims**

(1) *Classification*: Class 2 consists of all Secured Non-Tax Claims against any Debtor.

(2) *Treatment*: Each holder of an Allowed Secured Non-Tax Claim shall receive, at the Debtors' option, either (i) Reinstatement of its Allowed Secured Non-Tax Claim or (ii) payment in full, in Cash, of the unpaid portion of its Allowed Secured Non-Tax Claim on the latest of: (a) on or as soon as reasonably practicable after the Effective Date if such Allowed Secured Non-Tax Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Secured Non-Tax Claim is Allowed; and (c) the date such Allowed Secured Non-Tax Claim becomes due and payable, or as soon thereafter as is reasonably practicable.

(3) *Voting*: Class 2 is Unimpaired and is not entitled to vote to accept or reject the Plan.

[2] As provided under Section 3.2(n) of the Plan, the Debtors reserve the right to dilute the holders of Existing HoldCo Common Stock by issuing additional Existing HoldCo Common Stock rather than cancelling the Existing HoldCo Common Stock. To the extent the Debtors determine to issue additional Existing HoldCo Common Stock, Class 14 will be Unimpaired under the Plan, though the Debtors will still solicit the votes of holders of Class 14 Existing HoldCo Common Stock.

(c) **Class 3 — HoldCo Note Claims**

(1) *Classification*: Class 3 consists of all HoldCo Note Claims.

(2) *Allowance:* The HoldCo Note Claims shall be Allowed in the amount of $1.34 billion, plus all applicable postpetition interest, charges and fees (as determined by the Bankruptcy Court or as otherwise agreed by the relevant parties).

(3) *Treatment*: On the Effective Date, each holder of an Allowed HoldCo Note Claim shall receive its Pro Rata share of the HoldCo Noteholder New Common Stock Distribution. In addition, each holder of an Allowed HoldCo Note Claim as of the Rights Offering Record Date shall receive its Pro Rata share of the HoldCo Noteholder Subscription Rights.

(4) *Voting*: Class 3 is Impaired. Each holder of a HoldCo Note Claim will be entitled to vote to accept or reject the Plan.

(d) **Class 4 — Non-Election OpCo Note Claims and Non-Election OpCo RCF Claims**

(1) *Classification*: Class 4 consists of all OpCo Note Claims and OpCo RCF Claims, other than the Election OpCo Note Claims and Election OpCo RCF Claims.

(2) *Allowance:* The OpCo Note Claims shall be Allowed in the amount of the principal outstanding under the OpCo Notes MNPA plus applicable Allowed prepetition interest and postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court. For the avoidance of doubt, the Allowed OpCo Note Claims shall exclude the Allowed OpCo Note Makewhole Claims, if any. The OpCo RCF Claims shall be Allowed in the amount of the principal outstanding under the OpCo RCF plus applicable Allowed prepetition interest and postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court.

(3) *Treatment*: On the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Class 4 Claim shall receive: (a) its Pro Rata share of the New OpCo Notes; and (b) Cash in an amount equal to the difference, if any, between (x) the amount of such holder's Allowed Class 4 Claim and (y) the amount of New OpCo Notes distributed to such holder under the preceding clause (a); provided, that in no event shall a holder of an Allowed Class 4 Claim receive under the preceding clause (a) an amount of New OpCo Notes that is greater than such holder's Allowed Class 4 Claim.

(4) *Voting*: Class 4 is Impaired. Each holder of a Non-Election OpCo Note Claim or Non-Election OpCo RCF Claim will be entitled to vote to accept or reject the Plan.

(e) **Class 5 — Election OpCo Note Claims and Election OpCo RCF Claims**

(1) *Classification*: Class 5 consists of all Election OpCo Note Claims and Election OpCo RCF Claims.

(2) *Allowance:* The OpCo Note Claims shall be Allowed in the amount of the principal outstanding under the OpCo Notes MNPA plus applicable Allowed prepetition interest and postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court. For the avoidance of doubt, the Allowed OpCo Note Claims shall exclude the Allowed OpCo Note Makewhole Claims, if any. The OpCo RCF Claims shall be Allowed in the amount of the principal outstanding under the OpCo RCF plus applicable Allowed prepetition interest and postpetition interest

calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court.

(3) *Treatment*:

If Class 5 votes to accept the Plan then, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Class 5 Claim shall receive no later than six (6) months after the Effective Date: (a) a Cash payment equal to between [20.0% and 100.0%] of such holder's Allowed Class 5 Claim; and (b) New OpCo Notes in an amount equal to the difference between (x) the amount of such holder's Allowed Class 5 Claim and (y) the amount of Cash distributed to such holder under the preceding clause (a); provided, that the Debtors shall consult with the Required Consenting Parties with respect to the size of the Cash payment made pursuant to the preceding clause (a).

If Class 5 votes to reject the Plan, then on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Class 5 Claim shall receive: (a) its Pro Rata share of the New OpCo Notes; and (b) Cash in an amount equal to the difference, if any, between (x) the amount of such holder's Allowed Class 5 Claim and (y) the amount of New OpCo Notes distributed to such holder under the preceding clause (a); provided, that in no event shall a holder of an Allowed Class 5 Claim receive under the preceding clause (a) an amount of New OpCo Notes that is greater than such holder's Allowed Class 5 Claim.

(4) *Voting*: Class 5 is Impaired. Each holder of an Election OpCo Note Claim or Election OpCo RCF Claim will be entitled to vote to accept or reject the Plan.

(f) **Class 6 — OpCo Note Guarantee Claims and OpCo RCF Guarantee Claims**

(1) *Classification*: Class 6 consists of all OpCo Note Guarantee Claims and OpCo RCF Guarantee Claims.

(2) *Treatment*: On the Effective Date or as soon as reasonably practicable thereafter, Reorganized HoldCo and Reorganized UP Energy shall guarantee the New OpCo Notes and the Additional New OpCo Notes, if any, on the same terms (except as to amount) as the current guarantees of the OpCo Notes and OpCo RCF.

(3) *Voting*: Class 6 is Unimpaired and is not entitled to vote to accept or reject the Plan.

(g) **Class 7 — OpCo Note Makewhole Claims**

(1) *Classification*: Class 7 consists of all OpCo Note Makewhole Claims.

(2) *Allowance:* The OpCo Note Makewhole Claims shall not be Allowed pending a determination by the Bankruptcy Court as to the allowance of such Claims. The Allowed amount of any OpCo Note Makewhole Claims, if any, shall be reduced to account for the fact that interest on the New OpCo Notes should be taken into account in connection with such determination.

(3) *Treatment*: As soon as reasonably practicable after a determination by the Bankruptcy Court with respect to the Allowed amount of any OpCo Note Makewhole Claims, if any, each holder of an Allowed OpCo Note Makewhole Claim, if any, shall receive an amount of Additional New OpCo Notes equal to the amount of the Allowed OpCo Note Makewhole Claims held by such holder.

(4) *Voting*: Class 7 is Impaired. Each holder of an OpCo Note Makewhole Claim shall be entitled to vote to accept or reject the Plan.

(h) **Class 8 — OpCo Subsidiary General Unsecured Claims**

(1) *Classification*: Class 8 consists of all OpCo Subsidiary General Unsecured Claims.

(2) *Allowance:* The Allowed amount of any OpCo Subsidiary General Unsecured Claims shall reflect postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court.

(3) *Treatment*: On the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed OpCo Subsidiary General Unsecured Claim shall either (a) be paid in full in Cash or (b) receive such other treatment rendering such Claim Unimpaired.

(4) *Voting*: Class 8 is Unimpaired. Each holder of an OpCo Subsidiary General Unsecured Claim shall be presumed to accept the Plan.

(i) **Class 9 — OpCo Trade General Unsecured Claims**

(1) *Classification*: Class 9 consists of all OpCo Trade General Unsecured Claims.

(2) *Allowance:* The Allowed amount of any OpCo Trade General Unsecured Claims shall reflect postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court.

(3) *Treatment*: Each holder of an Allowed OpCo Trade General Unsecured Claims shall receive: (i) on the later of (a) six (6) months after the Effective Date and (b) as soon as reasonably practicable after an OpCo Trade General Unsecured Claim becomes Allowed, payment in in full in Cash; or (ii) such other treatment as may be provided by the settlement agreement related to such OpCo Trade General Unsecured Claim.

(4) *Voting*: Class 9 is Impaired. Each holder of an Allowed OpCo Trade General Unsecured Claim shall be entitled to vote to accept or reject the Plan.

(j) **Class 10 — Other OpCo General Unsecured Claims**

(1) *Classification*: Class 10 consists of all Other OpCo General Unsecured Claims.

(2) *Allowance:* The Allowed amount of any Other OpCo General Unsecured Claims shall reflect postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court.

(3) *Treatment*: On the later of (i) six (6) months after the Effective Date and (ii) as soon as reasonably practicable after an Other OpCo General Unsecured Claim becomes Allowed, each holder of an Allowed Other OpCo General Unsecured Claim shall be paid in full in Cash.

(4) *Voting*: Class 10 is Impaired. Each holder of an Allowed Other OpCo General Unsecured Claim shall be entitled to vote to accept or reject the Plan.

(k) **Class 11 — Other General Unsecured Claims**

(1) *Classification*: Class 11 consists of all Other General Unsecured Claims.

(2) *Allowance:* The Allowed amount of any Other General Unsecured Claims shall reflect postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court.

(3) *Treatment*: On the later of (i) six (6) months after the Effective Date and (ii) as soon as reasonably practicable after an Other General Unsecured Claim becomes Allowed, each holder of an Allowed Other General Unsecured Claim shall be paid in full in Cash.

(4) *Voting*: Class 11 is Impaired. Each holder of an Allowed Other General Unsecured Claim shall be entitled to vote to accept or reject the Plan.

(l) **Class 12 — Intercompany Claims**

(1) *Classification*: Class 12 consists of all Intercompany Claims.

(2) *Treatment*: Each Intercompany Claim shall be, at the option of the Debtors or Reorganized Debtors, either (a) Reinstated as of the Effective Date; (b) cancelled, in which case no distribution shall be made on account of such Intercompany Claims; or (c) treated in such other manner as determined by the Debtors or Reorganized Debtors.

(3) *Voting*: Class 12 is Unimpaired if the Class 12 Claims are Reinstated, Impaired if the Class 12 Claims are cancelled, and may be Unimpaired or Impaired if the Class 12 Claims are treated in another manner. Holders of Class 12 Claims are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or 1126(g) of the Bankruptcy Code. Therefore, each holder of an Intercompany Claim will not be entitled to vote to accept or reject the Plan.

(m) **Class 13 — Intercompany Interests**

(1) *Classification*: Class 13 consists of all Intercompany Interests.

(2) *Treatment*: Each Intercompany Interest shall be, at the option of the Debtors or Reorganized Debtors, either (a) Reinstated as of the Effective Date or (b) cancelled, in which case no distribution shall be made on account of such interests.

(3) *Voting*: Class 13 is Unimpaired if the Class 13 Interests are Reinstated or Impaired if the Class 13 Interests are cancelled. Holders of Class 13 Interests are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or 1126(g) of the Bankruptcy Code. Therefore, each holder of an Intercompany Interest will not be entitled to vote to accept or reject the Plan.

(n) **Class 14 — Existing HoldCo Common Stock**

(1) *Classification*: Class 14 consists of all Existing HoldCo Common Stock.

(2) *Treatment*: On the Effective Date, each holder of Existing HoldCo Common Stock shall receive its Pro Rata share of the HoldCo Equityholder New Common Stock Distribution. In addition, each holder of Existing HoldCo Common Stock as of the Rights Offering Record Date shall receive its Pro Rata share of the HoldCo Equityholder Subscription Rights.

(3) *Voting*: Class 14 is Impaired.[3] Each holder of Existing HoldCo Common Stock will be entitled to vote to accept or reject the Plan.

(o) **Class 15 — Other Existing HoldCo Equity Interests**

(1) *Classification*: Class 15 consists of all Other Existing HoldCo Equity Interests.

(2) *Treatment*: On the Effective Date, each Other Existing HoldCo Equity Interest shall be cancelled and of no further force and effect, and the holders thereof shall not receive or retain any distribution on account of their Other Existing HoldCo Equity Interests.

(3) *Voting*: Class 15 is Impaired. Each holder of an Other Existing HoldCo Equity Interest will be conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Other Existing HoldCo Equity Interests are not entitled to vote to accept or reject the Plan.

3.3 Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including all rights regarding legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

3.4 Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Existing HoldCo Common Stock, or a Claim temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

3.5 Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class contains Claims or Interests eligible to vote and no holder of Claims or Interests eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims or Interests in such Class.

3.6 Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of this Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by (a) modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules and (b) withdrawing the Plan as to an individual Debtor at any time before the Confirmation Date.

3.7 Intercompany Interests

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the holders of the New Common Stock, and in exchange

[3] The Debtors reserve the right to dilute the holders of Existing HoldCo Common Stock by issuing additional Existing HoldCo Common Stock rather than cancelling the Existing HoldCo Common Stock. To the extent the Debtors determine to issue additional Existing HoldCo Common Stock, Class 14 will be Unimpaired under the Plan, though the Debtors will still solicit the votes of holders of Class 14 Existing HoldCo Common Stock.

for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the holders of Allowed Claims. For the avoidance of doubt, to the extent Reinstated pursuant to the Plan, on and after the Effective Date, all Intercompany Interests shall be owned by the same Reorganized Debtor that corresponds with the Debtor that owned such Intercompany Interests immediately prior to the Effective Date.

ARTICLE IV

PROVISIONS FOR IMPLEMENTATION OF THE PLAN

4.1 Restructuring Transactions

On the Effective Date, or as soon as reasonably practicable thereafter in the case of clauses (b), (c), (d), and (e) below, the Reorganized Debtors shall take all actions as may be necessary or appropriate in accordance with the Plan Support Agreement to effectuate the Restructuring Transactions, including, without limitation: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan and Plan Support Agreement, and that satisfy the requirements of applicable law and any other terms in accordance with the Plan to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms in accordance with the Plan for which the applicable Entities agree that are necessary to consummate the Plan; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (d) such other transactions that are required to effectuate the Restructuring Transactions; and (e) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law and in accordance with the Plan, but in each case only to the extent not inconsistent with the Plan Support Agreement and the Backstop Commitment Agreement.

4.2 General Settlement of Claims and Interests

Unless otherwise set forth in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests.

4.3 New Common Stock

All existing Interests in HoldCo shall be cancelled as of the Effective Date and Reorganized HoldCo shall issue the New Common Stock to the holders of Claims and Interests entitled to receive New Common Stock pursuant to the Plan, the Rights Offering Procedures, and the Backstop Commitment Agreement. The issuance of New Common Stock shall be authorized without the need for any further corporate action and without any further action by the Debtors or Reorganized Debtors, as applicable. Reorganized HoldCo's New Organizational Documents shall authorize the issuance and distribution on the Effective Date of New Common Stock to the Distribution Agent for the benefit of holders of Allowed Claims in Class 3 and Existing HoldCo Common Stock in Class 14. All New Common Stock issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

4.4 Rights Offering

The Debtors shall distribute the Subscription Rights and Rights Offering Shares to the Rights Offering Participants as set forth in the Plan and the Rights Offering Procedures. Pursuant to the Backstop Commitment Agreement and the Rights Offering Procedures, the Rights Offering shall be open to all Rights Offering Participants, and (a) Rights Offering Participants that are holders of Allowed HoldCo Note Claims shall be entitled to participate in the Rights Offering to receive up to a maximum amount of each holder's Pro Rata share of the HoldCo Noteholders Rights Offering Shares, and (b) Rights Offering Participants that are holders of Existing HoldCo Common Stock shall be entitled to participate in the Rights Offering to receive up to a maximum amount of each holder's Pro Rata share of the HoldCo Equityholders Rights Offering Shares.

Upon exercise of the Subscription Rights by the Rights Offering Participants pursuant to the terms of the Backstop Commitment Agreement and the Rights Offering Procedures, the Reorganized Debtors shall be authorized to issue the New Common Stock in accordance with the Plan, the Backstop Commitment Agreement, and the Rights Offering Procedures.

In addition, on the Effective Date, New Common Stock in an amount equal to the Commitment Premium shall be distributed to the Backstop Parties under and as set forth in the Backstop Commitment Agreement, the Backstop Approval Order, and the Plan Term Sheet.

4.5 New OpCo Notes; Additional New OpCo Notes

On the Effective Date, Reorganized OpCo shall issue $2.0 billion in New OpCo Notes, the form of which shall be included in the Plan Supplement, to holders of Allowed Claims in Class 4 and Class 5, as applicable.

A further $200 million (or such other amount as may be determined by the Bankruptcy Court) in Additional New OpCo Notes will be "held in reserve" pending, or issued to applicable holders of Allowed Claims in Class 7 (if any) by OpCo following, the determination of the Bankruptcy Court on the allowance of the OpCo Note Makewhole Claims (if any).

4.6 Exemption from Registration Requirements

All shares of New Common Stock issued under the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon either (a) section 1145 of the Bankruptcy Code or (b) section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. All shares of New Common Stock issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom.

Persons who purchase the New Common Stock pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will hold "restricted securities." Resales of such restricted securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Holders of restricted securities would, however, be permitted to resell New Common Stock without registration if they are able to comply with the applicable provisions of Rule 144 or Rule 144A (if available) or any other registration exemption under the Securities Act, or if such securities are registered with the Securities and Exchange Commission.

All shares of New Common Stock issued to holders of Allowed HoldCo Note Claims and holders of Existing HoldCo Common Stock (including to the Backstop Parties) on account of their Claims or Interests, including the Rights Offering Shares and the New Common Stock issued on account of the Commitment Premium, will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 1145(a) of the Bankruptcy Code. All Unsubscribed Shares of New Common Stock issued to the Backstop Parties pursuant to the Backstop Commitment Agreement (other than shares of New Common Stock issued on account of the Commitment Premium) will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder.

The Registration Rights Agreement shall be in the form included within the Plan Supplement and: (a) shall be effective as of the Effective Date and shall provide, inter alia, that: (i) Each HoldCo Equityholder and HoldCo Noteholder receiving at least ten percent (10%) or more of the New Common Stock issued under the Plan and/or the Rights Offerings or that cannot sell its New Common Stock under Rule 144 of the Securities Act without volume or manner of sale restrictions and (ii) each Backstop Party, in each case, shall be entitled to registration rights that are customary for a transaction of this nature, and (b) shall provide for customary demand, shelf and piggyback registration rights with respect to all New Common Stock beneficially owned by such Persons or their successors in interest (whether acquired at the Effective Date or thereafter) and shall provide for a shelf registration statement to be filed by the Debtors for the benefit of such Persons within ten (10) Business Days following the later of (i) the

Effective Date and (ii) the filing of the Debtors' Annual Report on Form 10-K for the year ended December 31, 2016.

The Debtors shall, on or before the Effective Date, take such action as the Debtors shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the offer and sale of the Unsubscribed Shares (as defined in the Backstop Commitment Agreement) to the Backstop Parties pursuant to the Backstop Commitment Agreement under applicable securities and "Blue Sky" Laws of the states of the United States (or to obtain an exemption from such qualification) and any applicable foreign jurisdictions, and shall provide evidence of any such action so taken to the Backstop Parties on or prior to the Effective Date. The Reorganized Debtors shall timely make all filings and reports relating to the offer and sale of the Unsubscribed Shares issued under the Plan as provided for in the Backstop Commitment Agreement required under applicable securities and "Blue Sky" Laws of the states of the United States following the Effective Date. The Debtors or the Reorganized Debtors, as applicable, shall pay all fees and expenses in connection with satisfying its obligations under this paragraph.

Unless otherwise requested by the Required Consenting Parties, the Reorganized Debtors shall use commercially reasonable efforts to promptly make, when applicable from time to time after the Closing, all Unlegended Shares eligible for deposit with The Depository Trust Company. The Confirmation Order shall provide that The Depository Trust Company shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the Unlegended Shares are exempt from registration and/or eligible for The Depository Trust Company book-entry delivery, settlement, and depository services. The Debtors will use commercially reasonable efforts to cause the New Common Shares to become publicly traded and listed on the NASDAQ , New York Stock Exchange, or another national securities exchange on or as soon as reasonably practicable after the Effective Date.

4.7 Subordination

The allowance, classification, and treatment of all Claims and Interests under the Plan shall conform to and be consistent with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and the Plan shall recognize and implement any such rights. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto.

4.8 Vesting of Assets in the Reorganized Debtors

Except as otherwise provided herein, or in any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Debtor's Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided herein, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and pursue, compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

4.9 Cancellation of Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except to the extent otherwise provided in the Plan: (1) the obligations of the Debtors under the HoldCo Notes Indentures, the OpCo Notes MNPA, the OpCo RCF, all Interests in HoldCo, and each certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest shall be cancelled and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificates or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; provided, that notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the holder of a Claim or Interest shall continue in effect solely for purposes of enabling holders of Allowed Claims and Existing HoldCo Common Stock to receive distributions under the Plan as

provided herein; provided, further, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan; provided, further, that nothing in this section shall effect a cancellation of any New Common Stock, Intercompany Interests, or Intercompany Claims.

4.10 Corporate Action

On the Effective Date, or as soon thereafter as is reasonably practicable in the case of clauses (a), (d), (e), and (f) below, all actions contemplated by the Plan shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the adoption and/or filing of the New Organizational Documents; (b) the selection of the directors, managers, and officers for the Reorganized Debtors, including the appointment of the New Board; (c) the authorization, issuance, and distribution of New Common Stock, including upon the exercise of the Holdco Equityholder Subscription Rights and Holdco Noteholder Subscription Rights; (d) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (e) the implementation of the Restructuring Transactions; and (f) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors and any corporate action required by the Debtors or the other Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors, Reorganized HoldCo, or the other Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the Restructuring Transactions) in the name of and on behalf of the Reorganized Debtors, including any and all other agreements, documents, Securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Section 4.10 shall be effective notwithstanding any requirements under non-bankruptcy law.

4.11 Corporate Existence

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

4.12 Charter, Bylaws, and New Organizational Documents

On the Effective Date, the Debtors' respective certificates of incorporation and bylaws (and other formation and constituent documents relating to limited liability companies) shall be amended as may be required to be consistent with the provisions of the Plan and the Bankruptcy Code. The New Organizational Documents shall, among other things: (a) authorize the issuance of the New Common Stock; (b) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting equity Securities; and (c) incorporate and give effect to the provisions set forth in Section 4.15 of the Plan. After the Effective Date, each Reorganized Debtor may amend and restate its certificate of incorporation and other formation and constituent documents as permitted by the laws of its respective jurisdiction of formation and the terms of such documents.

4.13 Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors and managers thereof, shall be authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions in a manner not inconsistent with the Plan Support Agreement or Backstop Commitment Agreement as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan, including, without limitation, as set forth in Section 4.15 of the Plan.

4.14 Section 1146(a) Exemption

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

4.15 Directors and Officers

The New Board shall have seven (7) members. The five (5) members of the HoldCo Board as of the date prior to the Effective Date shall remain on the New Board post-Effective Date and two (2) additional directors reasonably acceptable to the Chairman of the pre-Effective Date HoldCo Board shall be selected prior to the Effective Date by the existing board of directors after solicitation from a list of director candidates proposed by individual members of the HoldCo Noteholder Committee and the Equityholder Committee. These two (2) additional directors shall have a two-year term and the votes of such directors shall be required to approve any Material M&A Transaction during such two-year term. Michael D. Watford shall remain Chairman of the New Board post-Effective Date.

4.16 Employee Arrangements of the Reorganized Debtors

Except as otherwise provided in the Plan or the Plan Supplement, all written employment, severance, retirement, indemnification, and other similar employee-related agreements or arrangements in place as of the Effective Date with the Debtors, retirement income plans and welfare benefit plans, or discretionary bonus plans or variable incentive plans regarding payment of a percentage of annual salary based on performance goals and financial targets for certain employees, shall be assumed by the Reorganized Debtors and shall remain in place after the Effective Date, as may be amended by agreement between the beneficiaries of such agreements, plans, or arrangements, on the one hand, and the Debtors, on the other hand, or, after the Effective Date, by agreement with the Reorganized Debtors, and the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans. Notwithstanding the foregoing, and unless otherwise provided in the Plan Supplement, all plans or programs calling for stock grants, stock issuances, stock reserves, or stock options shall be deemed rejected

with regard to such issuances, grants, reserves, and options. Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

4.17 Management Incentive Plan

The Plan provides for the establishment of the Management Incentive Plan under which 7.5% of the fully-diluted, fully-distributed shares of HoldCo will be reserved for issuance to management (the "Share Reserve"). Forty percent (40%) of the Share Reserve will be granted to members of management identified by the pre-Effective Date HoldCo Board (the "Initial MIP Grants") on the Effective Date in the form of full shares (or equivalent) and will vest as follows: (i) one-third (1/3) of the Initial MIP Grants will vest on the Effective Date; (ii) one-third (1/3) of the Initial MIP Grants will vest, if at all, at such time when the total enterprise value of the Reorganized Debtors equals or exceeds the Settlement Plan Value based upon the volume weighted average price of the New Common Stock during a consecutive 30-day period; and (iii) one-third (1/3) of the Initial MIP Grants will vest, if at all, at such time when the total enterprise value of the Reorganized Debtors equals or exceeds 110% of the Settlement Plan Value based upon the volume weighted average price of the New Common Stock during a consecutive 30-day period; provided, however, that if any Initial MIP Grants do not vest before the fifth anniversary of the Effective Date, such Initial MIP Grants shall automatically expire; and (ii) the remaining sixty percent (60%) of the Share Reserve will be available to be granted by the New Board from time to time to management. The Management Incentive Plan shall dilute all of the New Common Stock.

4.18 Preservation of Causes of Action

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in, or according to the terms of, the Plan, including pursuant to Article VIII of this Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided herein.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in, or according to the terms of, the Plan, including pursuant to Article VIII of this Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to this Section 4.18 include any claim or Cause of Action with respect to, or against, a Released Party.

In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action preserved pursuant to the first paragraph of this Section 4.18 that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

4.19 Indenture Trustee Expenses

On the Effective Date, the Debtors shall distribute Cash to the HoldCo Notes Indenture Trustee in an amount equal to the Indenture Trustee Expenses. If the Debtors, Reorganized Debtors or Equityholder Committee

dispute the reasonableness of the Indenture Trustee Expenses, the Debtors, the Reorganized Debtors, or the HoldCo Notes Indenture Trustee, as applicable, may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of such fees or expenses and the disputed portion of the Indenture Trustee Expenses shall not be paid until the dispute is resolved. The undisputed portion of the Indenture Trustee Expenses shall be paid as provided herein. Nothing contained herein shall otherwise affect the right of the HoldCo Notes Indenture Trustee from asserting its Indenture Trustee Charging Lien, to the extent applicable under the terms of the HoldCo Notes Indentures; provided, however, that upon the full and indefeasible payment of the Indenture Trustee Expenses, the Indenture Trustee Charging Lien shall be deemed released and discharged in full. For the avoidance of doubt, the HoldCo Notes Indenture Trustee shall not be required to file a Proof of Claim on account of either the HoldCo Note Claims or the Indenture Trustee Expenses.

4.20 Reimbursement of Certain Fees and Expenses

Without any further notice to or action, order or approval of the Bankruptcy Court, except as otherwise paid in accordance with the Plan Support Agreement and the Backstop Commitment Agreement, the Debtors or Reorganized Debtors shall pay on the Effective Date all reasonable, documented fees, costs and expenses of counsel and other professional advisors engaged by the HoldCo Noteholder Committee and the Equityholder Committee in accordance with the Plan Support Agreement and Backstop Commitment Agreement, including, without limitation (a) Brown Rudnick LLP, as co-counsel to the Equityholder Committee, (B) Gray, Reed & McGraw, P.C., as co-counsel to the Equityholder Committee, (c) Peter J. Solomon Company, as financial advisor to the Equityholder Committee, (d) Paul Weiss, as co-counsel to the HoldCo Noteholder Committee, (e) Porter Hedges LLP, as co-counsel to the HoldCo Noteholder Committee, and (f) Houlihan Lokey, as financial advisor to the HoldCo Noteholder Committee. In accordance with the Plan Support Agreement and Backstop Commitment Agreement, the Reorganized Debtors shall pay the reasonable, documented fees, costs and expenses of such counsel and other professional advisors incurred within three (3) months following the Effective Date, but only to the extent such costs and expenses relate to services rendered in the course of consummation and implementation of the Plan or as contemplated under the Plan, whether such fees, costs and expenses were previously incurred or invoiced.

ARTICLE V

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein and under the Backstop Approval Order, and following consultation with counsel to the Equityholder Committee and counsel to the HoldCo Noteholder Committee, all Executory Contracts or Unexpired Leases will be deemed assumed and assigned to the Reorganized Debtors in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, regardless of whether such Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, other than: (1) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (2) those that have been previously rejected by a Final Order; (3) those that are the subject of a motion to reject that is pending on the Effective Date or pursuant to which the requested effective date of rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the assumptions, assumptions and assignments, or rejections, as applicable, of such Executory Contracts or Unexpired Leases pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Any motions to assume or reject Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date.

5.2 Claims Based on Rejection of Executory Contracts or Unexpired Leases

Proofs of Claim with respect to Claims against any Debtor arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. **Any Claim arising from the rejection of an Executory Contract or Unexpired Lease that is not Filed within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors, as applicable, or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any such Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** Claims arising from the rejection of the Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Section 3.2 of this Plan.

5.3 Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under an Assumed Executory Contract or Unexpired Lease, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount, as reflected in the applicable Cure Notice, in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases, and the Debtors, in consultation with counsel to the Equityholder Committee and counsel to the HoldCo Noteholder Committee, may otherwise agree.

At least 35 days before the Confirmation Hearing, the Debtors shall distribute, or cause to be distributed, Cure Notices to the applicable third parties. **Any objection by a counterparty to an Executory Contract or Unexpired Lease to the proposed assumption or related Cure amount must be Filed, served and actually received by the Debtors at least seven days before the Confirmation Hearing.** Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or Cure amount will be deemed to have assented to such assumption or Cure amount. Notwithstanding anything herein to the contrary, in the event that any Executory Contract or Unexpired Lease is removed from the Schedule of Rejected Executory Contracts and Unexpired Leases after such 35-day deadline, a Cure Notice with respect to such Executory Contract or Unexpired Lease will be sent promptly to the counterparty thereof and a noticed hearing set to consider whether such Executory Contract or Unexpired Lease can be assumed.

In the event of an unresolved dispute regarding (1) the amount of any Cure Claim, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, assignment, or the Cure payments required by section 365(b)(1) of the Bankruptcy Code, such dispute shall be resolved by a Final Order of the Bankruptcy Court (which may be the Confirmation Order).

If the Bankruptcy Court determines that the Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the applicable Cure Notice, the Debtors or Reorganized Debtors, as applicable, following consultation with counsel to the Equityholder Committee and counsel to the HoldCo Noteholder Committee, will have the right to add such Executory Contract or Unexpired Lease to the Schedule of Rejected Executory Contracts and Unexpired Leases, in which case such Executory Contract or Unexpired Lease will be deemed rejected as of the Effective Date.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims against any Debtor or defaults by any Debtor, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

5.4 Indemnification

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the Reorganized Debtors' governance documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' directors, officers, employees, or agents that were employed by, or serving on the board of directors of, any of the Debtors as of the Petition Date, to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, and, notwithstanding anything in this Plan to the contrary, none of the Reorganized Debtors will amend and/or restate their respective governance documents or the New Organizational Documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', employees', or agents' indemnification rights.

5.5 Insurance Policies

Notwithstanding anything in the Plan to the contrary, all of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, pursuant to section 365(a) of the Bankruptcy Code, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto, including all D&O Liability Insurance Policies (including tail coverage liability insurance). Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of all such insurance policies, including the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of insurance policies, including the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be filed, and shall survive the Effective Date.

After the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce, modify or restrict in any way, the coverage under any D&O Liability Insurance Policy (including such tail coverage liability insurance) in effect as of the Effective Date, and all members, managers, directors, and officers of the Debtors who served in such capacity at any time prior to the Effective Date of the Plan shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date of the Plan.

5.6 Contracts and Leases After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed under section 365 of the Bankruptcy Code, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Such contracts and leases that are not rejected under the Plan will survive and remain unaffected by entry of the Confirmation Order.

5.7 Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter

the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

5.8 Reservation of Rights

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or the Reorganized Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

5.9 Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

ARTICLE VI

PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions on Account of Claims Allowed and Existing HoldCo Common Stock Outstanding as of the Distribution Record Date

(a) **Delivery of Distributions in General**

Except as otherwise provided herein, a Final Order, or as otherwise agreed to by the Debtors or the Reorganized Debtors, as the case may be, and the holder of the applicable Claim or Interest, the Distribution Agent shall make distributions to holders of Allowed Claims and Existing HoldCo Common Stock, as applicable, as of the Distribution Record Date, at the address for each such holder as indicated on the Debtors' records as of the date of any such distribution, and in accordance with the Rights Offering Procedures.

If a Claim is not an Allowed Claim as of the Effective Date, the Distribution Agent shall distribute the full amount of the distributions that the Plan provides for holders of Allowed Claims in each applicable Class by no later than the later of (i) the date provided for distribution under Article III of the Plan and (ii) as soon as reasonably practicable after allowance of such Claim.

6.2 Delivery of Distributions

(a) **Record Date for Distributions to Holders of Non-Publicly Traded Securities**

On the Effective Date, the Claims Register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those record holders, if any, listed on the Claims Register as of the close of business on the Effective Date. Notwithstanding the foregoing, if a Claim or Interest, other than one based on a publicly traded Certificate, is transferred and the Debtors have been notified in writing of such transfer less than 10 days before the Effective Date, the Distribution Agent shall make distributions to the transferee (rather than the transferor) only to the extent practical and in any event only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

(b) **Distribution Process**

The Distribution Agent shall make all distributions required under the Plan, except that distributions to holders of Allowed Claims governed by a separate agreement, which shall include the HoldCo Notes Indentures, the OpCo RCF, and the OpCo Notes MNPA, and administered by a Servicer, including the HoldCo Notes Indenture Trustee, and the OpCo RCF Agent, shall be deposited with the appropriate Servicer, at which time such distributions

shall be deemed complete, and the Servicer shall deliver such distributions in accordance with the Plan and the terms of the governing agreement. Except as otherwise provided herein, and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims and Existing HoldCo Common Stock, including Claims that become Allowed after the Effective Date, shall be made to holders of record as of the Effective Date by the Distribution Agent or a Servicer, as appropriate: (1) to the address of such holder as set forth in the books and records of the applicable Debtor (or if the Debtors have been notified in writing, on or before the date that is 10 days before the Effective Date, of a change of address, to the changed address); (2) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004, if no address exists in the Debtors' books and records, no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address on or before the date that is 10 days before the Effective Date; or (3) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. The Debtors, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan. In addition, notwithstanding anything to contrary contained herein, including this Section 6.2, distributions under the Plan to holders of publicly traded securities shall be made in accordance with customary distribution procedures applicable to such securities.

(c) **Compliance Matters**

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

(d) **Foreign Currency Exchange Rate**

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal, National Edition*, on the Effective Date.

(e) **Fractional, Undeliverable, and Unclaimed Distributions**

(1) *Fractional Distributions*. Whenever any distribution of fractional shares of New Common Stock would otherwise be required pursuant to the Plan, the actual distribution shall reflect a rounding of such fraction to the nearest whole share (up or down) with half shares or less being rounded down. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

(2) *Undeliverable and Unclaimed Distributions*. If any distribution to a holder of an Allowed Claim (including any Claim on account of any royalty, working interest, or related interest) or Existing HoldCo Common Stock, as applicable, is returned to the Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until the Distribution Agent is notified in writing of such holder's then-current address or other necessary information for delivery, at which time all currently due missed distributions shall be made to such holder without interest; provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the Effective Date. After such date, all unclaimed property or interests in property (including any property on account of any

Claim on account of any royalty, working interest, or related interest) shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned, or unclaimed property laws to the contrary), and, to the extent such Unclaimed Distribution is New Common Stock, shall be deemed cancelled. Upon such revesting, the Claim of the holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws, or any provisions in any document governing the distribution that is an Unclaimed Distribution, to the contrary.

(f) **Surrender of Cancelled Instruments or Securities**

On the Effective Date, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim or Interest is governed by an agreement and administered by a Servicer). Such Certificate shall be cancelled solely with respect to the Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. Notwithstanding the foregoing paragraph, this Section 6.2(f) shall not apply to any Claims and Interests reinstated pursuant to the terms of the Plan.

6.3 Minimum Distributions

Holders of Allowed Claims entitled to distributions of $50 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII of this Plan and its holder shall be forever barred pursuant to Article VIII of this Plan from asserting that Claim against the Reorganized Debtors or their property.

6.4 Claims Paid or Payable by Third Parties

(a) **Claims Paid by Third Parties**

A Claim shall be reduced in full, and such Claim shall be disallowed without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall repay, return, or deliver any distribution held by or transferred to the holder to the applicable Reorganized Debtor to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

(b) **Claims Payable by Insurance Carriers**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Notice and Claims Agent without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

(c) **Applicability of Insurance Policies**

Except as otherwise provided herein, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers

under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

6.5 Setoffs

Except as otherwise expressly provided for herein, each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effectuate such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such holder.

6.6 Allocation Between Principal and Accrued Interest

Except as otherwise provided herein, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to interest, if any, on such Allowed Claim accrued through the Effective Date.

ARTICLE VII

PROCEDURES FOR RESOLVING DISPUTED CLAIMS

7.1 Allowance of Claims and Interests

After the Effective Date, each of the Reorganized Debtors shall have and retain any and all rights and defenses its predecessor Debtor had with respect to any Claim or Interest immediately before the Effective Date.

7.2 Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors shall have the sole authority, without prior notice to, or approval by the Bankruptcy Court, to: (1) File, withdraw, or litigate to judgment objections to Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

7.3 Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Claim that is disputed, contingent, or unliquidated, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the relevant Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such

Claim. In addition to the foregoing, the Debtors shall comply with the claims determination procedures set forth in Section 7.1(r) of the Backstop Commitment Agreement, as and to the extent provided therein.

7.4 Adjustment to Claims without Objection

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Debtors or the Reorganized Debtors without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

7.5 [Reserved.]

7.6 Disallowance of Claims

Any Claims held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Final Order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors. All Proofs of Claim Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim filed after the Claims Bar Date, Administrative Claims Bar Date, or deadline for filing Proofs of Claim based on the rejection of an Executory Contract or Unexpired Lease, as applicable, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing such late Filed Claim has been deemed timely Filed by a Final Order.

7.7 Amendments to Claims; Additional Claims

On or after the Effective Date, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and any such new or amended Claim Filed shall be deemed disallowed in full and expunged without any further action, order, or approval of the Bankruptcy Court.

7.8 No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in Article VII of this Plan, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

7.9 Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. On the next Distribution Date following the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, or as otherwise agreed, the Reorganized Debtors shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law.

7.10 Single Satisfaction of Claims

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claim, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of the Claim. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of Allowed Claims exceed 100% of the underlying Allowed Claim plus applicable interest. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay U.S. Trustee Fees until such time as a particular case is closed, dismissed, or converted.

ARTICLE VIII

EFFECT OF CONFIRMATION OF THE PLAN

8.1 Discharge of Claims and Termination of Interests

Except as otherwise provided for herein, effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property, or Estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

8.2 Releases by the Debtors

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Action brought as counterclaims or defenses to Claims asserted against the Debtors), the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the Rights Offering, the Backstop Commitment Agreement, the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (b) any individual from any claim related to an act or

omission that is determined in a Final Order by a court competent jurisdiction to have constituted actual fraud or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by the Debtor Release; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

8.3 Releases by Holders of Claims and Interests

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions, the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the Rights Offering, the Backstop Commitment Agreement, the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release: (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction; (b) any post-Effective Date obligations of any party or Entity under the Plan Support Agreement, the Backstop Commitment, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Plan Supplement; or (c) any individual from any claim related to an act or omission that is determined in a Final Order by a court competent jurisdiction to have constituted actual fraud or willful misconduct.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Section 8.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that each release described in this Section 8.3 is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of such Claims; (5) in the best interests of the Debtors and their Estates; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to this Section 8.3.

8.4 Exculpation

Notwithstanding anything contained herein to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement and related prepetition transactions, the Disclosure Statement, the Plan,

the Plan Supplement, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Disclosure Statement, the Plan, the Plan Supplement, the Plan Support Agreement, the Rights Offering, the Backstop Commitment Agreement, the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Consummation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of, and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

8.5 Injunction

Except as otherwise provided herein or for obligations issued pursuant hereto, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Section 8.3 of this Plan, discharged pursuant to Section 8.1 of this Plan, or are subject to exculpation pursuant to Section 8.4 of this Plan shall be permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests discharged, released, exculpated, or settled pursuant to the Plan.

8.6 Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

8.7 Release of Liens

Except as otherwise specifically provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title,

and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors or any holder of a Secured Claim.

8.8 Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (a) such Claim has been adjudicated as noncontingent, or (b) the relevant holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent.

8.9 Recoupment

In no event shall any holder of a Claim be entitled to recoup such Claim against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

8.10 Subordination Rights

Any distributions under the Plan to holders of Claims or Existing HoldCo Common Stock shall be received and retained free from any obligations to hold or transfer the same to any other holder and shall not be subject to levy, garnishment, attachment, or other legal process by any holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

ARTICLE IX

CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

9.1 Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Section 9.2 of this Plan:

(a) the Disclosure Statement Order, Backstop Approval Order and Confirmation Order shall have been entered by the Bankruptcy Court, each of which shall be in form and substance reasonably satisfactory to the Debtors and the Required Consenting Parties, and such orders shall have become Final Orders that have not been stayed, modified or vacated on appeal;

(b) the Canadian Court shall have entered an order recognizing the Confirmation Order;

(c) the Definitive Documentation shall satisfy the Definitive Documentation Plan Support Agreement Requirements;

(d) all governmental and material third party approvals and consents, including Bankruptcy Court approval, necessary in connection with the Restructuring Transactions shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

(e) the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, and inclusive of any amendments, modifications, or supplements made thereto, shall have been Filed in a manner consistent in all respects with the Plan Support Agreement and the Backstop Commitment Agreement, and any modifications made after the Confirmation Date but prior to the Effective Date shall have been made in accordance with Section 10.1 of this Plan;

(f) all conditions precedent to the issuance of the New Common Stock, other than any conditions related to the occurrence of the Effective Date, shall have occurred;

(g) the Debtors shall have implemented the Restructuring Transactions, including the Rights Offering, and all transactions contemplated herein, in a manner consistent in all respects with the Plan Support Agreement, the Plan Term Sheet, the Backstop Commitment Agreement, and the Plan;

(h) all documents and agreements necessary to implement the Plan, including, without limitation, the New OpCo Notes and Additional New OpCo Notes, if any and to the extent applicable, shall have been executed, and all conditions precedent to the effectiveness of such documents shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date);

(i) the New Organizational Documents shall have been duly filed with the applicable authorities in the relevant jurisdictions;

(j) the Plan Support Agreement shall not have terminated and shall be in full force and effect, and the Debtors and the Consenting Equityholders and Consenting Noteholders shall be in compliance therewith;

(k) the Backstop Commitment Agreement shall not have terminated and shall be in full force and effect, and the Debtors and the Backstop Parties shall be in substantial compliance therewith, and all conditions precedent to the obligations of the Backstop Parties to consummate the transactions contemplated thereby shall be satisfied (or waived in accordance with the terms of the Backstop Commitment Agreement) prior to or on the Effective Date; and

(l) the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Amount.

9.2 Waiver of Conditions Precedent

The conditions to the Effective Date set forth in Section 9.1 of this Plan may be waived with the prior written consent of the Debtors and the Required Consenting Parties at any time or as otherwise provided in the Plan Support Agreement and the Backstop Commitment Agreement, without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. The failure of the Debtors or Reorganized Debtors, as applicable, or the Required Consenting Parties, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

9.3 Effect of Non-Occurrence of Conditions to Consummation

If the Effective Date does not occur on or before the termination of the Plan Support Agreement or the Backstop Commitment Agreement, then: (a) the Plan will be null and void in all respects; (b) nothing contained in the Plan, the Disclosure Statement, the Backstop Commitment Agreement, or the Plan Support Agreement shall: (i) constitute a waiver or release of any Claims, Interests, or Causes of Action by an Entity; (ii) prejudice in any manner the rights of any Debtor or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity; provided, however, that all provisions of the Plan Support Agreement and Backstop Commitment Agreement that survive termination of those agreements shall remain in effect in accordance with the terms thereof.

9.4 Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

ARTICLE X

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

10.1 Modification of Plan

Subject to the limitations and terms contained in the Plan, the Plan Support Agreement, the Backstop Commitment Agreement, and the approval rights of the Required Consenting Parties set forth therein, the Debtors reserve the right to (1) amend or modify the Plan before the entry of the Confirmation Order consistent with the terms set forth herein; and (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, the Plan Support Agreement, and the Backstop Commitment Agreement, remedy any defect or omission, or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan consistent with the terms set forth herein.

10.2 Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications to the Plan occurring after the solicitation of votes thereon pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

10.3 Revocation or Withdrawal of Plan

The Debtors reserve the right, subject to the terms of the Plan Support Agreement and the approval rights of the Required Consenting Parties set forth therein, to revoke or withdraw the Plan with respect to any or all Debtors before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects; and (c) nothing contained in the Plan shall (1) constitute a waiver or release of any Claims, Interests, or Causes of Action by any Entity, (2) prejudice in any manner the rights of any Debtor or any other Entity, or (3) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity; provided, however, that all provisions of the Plan Support Agreement and Backstop Commitment Agreement that survive termination of those agreements shall remain in effect in accordance with the terms thereof.

ARTICLE XI

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim against a Debtor, including the resolution of any request for payment of any Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption or assumption and assignment of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to holders of Allowed Claims and Existing HoldCo Common Stock are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan;

7. enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

9. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

10. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid pursuant to Section 6.4(a) of this Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of this Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan; or (d) related to section 1141 of the Bankruptcy Code;

11. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

12. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

13. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

14. enter an order or Final Decree concluding or closing the Chapter 11 Cases;

15. enforce all orders previously entered by the Bankruptcy Court;

16. decide and resolve all matters related to the Rights Offering;

17. decide and resolve all matters related to the OpCo Note Makewhole Claims; and

18. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, exculpations, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and Interests shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or Interest has voted on the Plan.

12.2 Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan; provided, that such agreements and other documents shall be consistent in all material respects with the terms and conditions of the Plan Support Agreement and Backstop Commitment Agreement, including the condition that such documents be in form and substance reasonably satisfactory to the Required Consenting Parties. The Debtors or the Reorganized Debtors, as applicable, and all holders of Claims and Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

12.3 Dissolution of the Committee

On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Effective Date by the Committee and its Professionals.

12.4 Payment of Statutory Fees

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid in accordance with Section 2.4 of this Plan.

12.5 Reservation of Rights

The Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

12.6 Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

12.7 Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

Reorganized Debtors	**Ultra Petroleum Corp.** 400 N. Sam Houston Parkway E., Suite 1200 Houston, Texas 77060 Attn: Chief Financial Officer
Counsel to the Debtors	**Kirkland & Ellis LLP** 300 North LaSalle Chicago, Illinois 60654 Attn: David R. Seligman, P.C. Gregory F. Pesce **Kirkland & Ellis LLP** 601 Lexington Avenue New York, New York 10022 Attn: Christopher T. Greco Matthew C. Fagen
Counsel to the HoldCo Noteholder Committee	**Paul, Weiss, Rifkind, Wharton & Garrison LLP** 1285 Avenue of the Americas New York, New York 10019-6064 Attn: Andrew N. Rosenberg Elizabeth R. McColm **Porter Hedges LLP** 1000 Main St Houston, TX 77002 Attn: John F. Higgins Joshua W. Wolfshohl
Counsel to the Equityholder Committee	**Brown Rudnick LLP** Seven Times Square New York, New York 10036 Attn: Edward Weisfelner Howard Steel
The Committee	**Weil, Gotshal & Manges LLP** 767 Fifth Avenue New York, NY 10153 Attn.: Alfredo R. Pèrez
The U.S. Trustee	**Office of the United States Trustee** **for the Southern District of Texas**

515 Rusk Street, Suite 3401
Houston, Texas 77002
Attn.: Christine March

12.8 Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases (pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court) and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

12.9 Entire Agreement

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

12.10 Plan Supplement

After any of such documents included in the Plan Supplement are filed, copies of such documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from http://dm.epiq11.com/UPT/info or the Bankruptcy Court's website at www.txs.uscourts.gov. Unless otherwise ordered by the Bankruptcy Court, to the extent any document in the Plan Supplement is inconsistent with the terms of the Plan, the Plan shall control.

12.11 Non-Severability

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted; provided, that any such alteration or interpretation shall be consistent with the Plan Support Agreement and in form and substance reasonably satisfactory to the Required Consenting Parties. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent, consistent with the terms set forth herein; and (c) nonseverable and mutually dependent.

12.12 Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, the Rights Offering Participants, the Consenting HoldCo Noteholders, the Consenting HoldCo Equityholders, and each of their respective Affiliates, agents, representatives, members, principals, equity holders (regardless of whether such interests are held directly or indirectly), officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan.

12.13 Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases; provided, that, following the Effective Date, the Reorganized Debtors may seek to close certain of the Chapter 11 Cases, other than the Chapter 11 Case pending for HoldCo, that have been fully administered, notwithstanding the fact that the reconciliation of Claims is ongoing.

12.14 Waiver or Estoppel

Each holder of a Claim shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement or the Debtors or Reorganized Debtors' right to enter into settlements was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court or the Notice and Claims Agent prior to the Confirmation Date.

[*Remainder of page intentionally left blank*]

Dated: December 6, 2016

ULTRA PETROLEUM CORP.
on behalf of itself and all other Debtors

/s/ Michael D. Watford

Michael D. Watford
Chairman of the Board, President, and Chief Executive Officer

Exhibit B

Plan Support Agreement

EXECUTION VERSION

THIS AGREEMENT IS NOT A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN OF THE DEBTORS IN THESE CHAPTER 11 CASES. THIS AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES. ACCEPTANCES OF THE PLAN CONTEMPLATED BY THIS AGREEMENT MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE. THE PLAN CONTEMPLATED BY THIS AGREEMENT, TOGETHER WITH A RELATED DISCLOSURE STATEMENT TO BE FILED IN CONNECTION THEREWITH, HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AND IS SUBJECT TO AMENDMENT PRIOR TO SUCH APPROVAL BEING GRANTED. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS AGREEMENT FOR ANY PURPOSE BEFORE THE CONFIRMATION OF THE PLAN CONTEMPLATED BY THIS AGREEMENT BY THE BANKRUPTCY COURT.

ULTRA PETROLEUM CORP.

PLAN SUPPORT AGREEMENT

November 21, 2016

This Plan Support Agreement (together with the exhibits and schedules attached hereto, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, this "Agreement"),[1] dated as of November 21, 2016, is entered into by and among:

(i) Ultra Petroleum Corp. ("HoldCo"), UP Energy Corporation, Ultra Resources, Inc., Keystone Gas Gathering, LLC, Ultra Wyoming, Inc., Ultra Wyoming LGS, LLC, UPL Pinedale, LLC, UPL Three Rivers Holdings, LLC (together with HoldCo, collectively, the "Ultra Entities");

(ii) the holders of the 5.75% Senior Notes Due 2018 issued by HoldCo pursuant to the Indenture, dated as of December 12, 2013, and the 6.125% Senior Notes Due 2024 issued by HoldCo pursuant to the Indenture, dated as of September 18, 2014 (such notes, collectively, the "HoldCo Notes") that are signatories to this Agreement (together with any holder of the HoldCo Notes that becomes a signatory to this Agreement in accordance with Section 12 hereof, collectively, the "Consenting HoldCo Noteholders" and the ad hoc committee of HoldCo Noteholders that is represented by, inter alia, Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss") and Houlihan Lokey, the "HoldCo Noteholder Committee"); and

(iii) the holders of common equity interests in HoldCo (such common equity interests, collectively, the "HoldCo Equity Interests") that are signatories to this Agreement (together with any holder of HoldCo Equity Interests that may become a signatory to this Agreement in accordance with Section 12 hereof, collectively, the

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[1] Unless otherwise noted, capitalized terms used but not defined shall have the meanings given to such terms elsewhere in this Agreement or in the Plan Term Sheet (including any exhibits thereto), as applicable.

"Consenting HoldCo Equityholders", and the ad hoc committee of equity holders that is represented by Brown Rudnick LLP and Peter J. Solomon Company, the "Equityholder Committee").

This Agreement collectively refers to the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders as the "Plan Support Parties" and each individually as a "Plan Support Party." This Agreement collectively refers to the Ultra Entities and the Plan Support Parties as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, on April 29, 2016 (the "Petition Date"), the Ultra Entities commenced voluntary cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court");

WHEREAS, the Parties have engaged in good-faith, arm's-length negotiations regarding certain restructuring transactions (the "Restructuring Transactions") pursuant to the terms and conditions set forth in this Agreement, including a joint plan of reorganization for the Ultra Entities, substantially on the terms reflected in the term sheet attached hereto as **Exhibit A** (the "Plan Term Sheet") (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms and this Agreement, the "Plan"); and

WHEREAS, certain of the Plan Support Parties that hold HoldCo Notes (the "HoldCo Noteholder Backstop Parties") and HoldCo Equity Interests (the "Equityholder Backstop Parties" and, together with the HoldCo Noteholder Backstop Parties, the "Backstop Parties") have committed to fund an offering of common stock in HoldCo in connection with the Restructuring Transactions, as set forth in the Backstop Commitment Agreement attached hereto as **Exhibit B** (as may be amended, supplemented, or otherwise modified from time to time, in accordance therewith and in accordance with the terms of this Agreement, including all exhibits thereto, the "Backstop Commitment Agreement," and rights offering procedures attached as an exhibit to the Backstop Commitment Agreement or otherwise agreed to between the Parties, the "Rights Offering Procedures");

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

AGREEMENT

1. PSA Effective Date. This Agreement shall become effective, and the obligations contained herein shall become binding upon each Party upon the first date (such date, the "PSA Effective Date") that:

(a) the Backstop Commitment Agreement has been executed and delivered by the parties thereto;

(b) this Agreement has been executed by all of the following:

(i) each Ultra Entity;

(ii) Consenting HoldCo Noteholders holding the principal amount of all claims on account of the HoldCo Notes set forth in the schedules delivered pursuant to Section 15(a)(vii) of this Agreement; and

(iii) Consenting HoldCo Equityholders holding, in the aggregate, at least a majority of all outstanding HoldCo Equity Interests.

2. Exhibits and Schedules Incorporated by Reference. Each of the exhibits attached hereto and any schedules to such exhibits (collectively, the "Exhibits and Schedules") is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the Exhibits and Schedules. Without limitation of the generality of the foregoing, the Plan Term Sheet is expressly incorporated herein by reference and made a part of this Agreement as if fully set forth herein. The terms and conditions of the Restructuring Transactions are as set forth in the Plan Term Sheet. In the event of any inconsistency between the terms of this Agreement (without reference to the Exhibits) and the Plan Term Sheet, the terms of the Plan Term Sheet shall govern.

3. Definitive Documentation.

(a) The definitive documents and agreements governing the Restructuring Transactions (collectively, the "Definitive Documentation") shall consist of all documents (including any related orders, agreements, instruments, schedules, or exhibits) that are contemplated by and referenced in the Plan, including, without limitation:

(i) the Plan (and all exhibits and other documents and instruments related thereto);

(ii) the documents governing the New OpCo Notes and, if applicable, the Additional New OpCo Notes (and any agreements, documents or instruments related thereto);

(iii) the Backstop Commitment Agreement and Rights Offering Procedures (and all exhibits and other documents and instruments related thereto);

(iv) the documents comprising the supplement to the Plan (the "Plan Supplement"), which shall include, without limitation, the revised charter and other organizational documents for the Ultra Entities;

(v) the disclosure statement (and all exhibits and other documents and instruments related thereto) with respect to the Plan (the "Disclosure Statement");

(vi) the solicitation materials with respect to the Plan (collectively, the "Solicitation Materials");

(vii) the motion seeking approval of the Disclosure Statement and materials related thereto and the order of the Bankruptcy Court approving the adequacy of the Disclosure Statement and Solicitation Materials and approving the Rights Offering Procedures (the "Disclosure Statement Order");

(viii) the motion (the "Approval Motion") seeking an order of the Bankruptcy Court (i) approving the Ultra Entities' entry into the Backstop Commitment Agreement and the Commitment Premium (as defined therein) and (ii) providing that the Commitment Premium and Expense Reimbursement shall constitute allowed administrative expenses of the Debtors' estates and shall be payable by the Ultra Entities as provided in this Agreement and the Backstop Commitment Agreement (such order, the "Approval Order"); and

(ix) the order of the Bankruptcy Court confirming the Plan (the "Confirmation Order").

(b) The Definitive Documentation identified in Section 3(a) shall each be consistent in all material respects with, and shall otherwise conform to, the terms and conditions set forth in this Agreement (and the respective Exhibits and Schedules attached hereto and thereto, including the Plan Term Sheet and the Backstop Commitment Agreement) (in each case as amended or modified, as they may be amended or otherwise modified from time to time in accordance with the terms hereof) and shall be in form and substance reasonably satisfactory to the Ultra Entities and each of: (i) Consenting HoldCo Noteholders who hold, in the aggregate, as of the date of determination, at least 66.67 percent in principal amount outstanding of all HoldCo Notes held by Consenting HoldCo Noteholders as of such date (the "Majority Consenting HoldCo Noteholders"); and (ii) Consenting HoldCo Equityholders who hold, in the aggregate, as of the date of determination, at least 66.67 percent of the HoldCo Equity Interests held by Consenting HoldCo Equityholders as of such date (the "Majority Consenting HoldCo Equityholders," and, together with the Majority Consenting HoldCo Noteholders, collectively, the "Required Consenting Parties"); provided, however, that notwithstanding anything to the contrary in this Agreement or the exhibits or schedules attached hereto, the Backstop Commitment Agreement and Approval Order shall be in form and substance reasonably acceptable to (i) the HoldCo Noteholder Backstop Parties that hold, as of the date of determination, at least 66.67 percent in principal amount outstanding of all HoldCo Notes held by HoldCo Noteholder Backstop Parties as of such date (the "Majority HoldCo Noteholder Backstop Parties") and (ii) Equityholder Backstop

Parties that hold, as of the date of determination, at least 66.67 percent in principal amount outstanding of all HoldCo Equity Interests held by Equityholder Backstop Parties as of such date (the "Majority Equityholder Backstop Parties").

4. Milestones. The Ultra Entities shall use commercially reasonable efforts to comply with each of the following (the "Milestones"):

(a) no later than December 6, 2016, the Ultra Entities shall file with the Bankruptcy Court (i) the Plan, (ii) the Disclosure Statement and Solicitation Materials, (iii) a motion seeking entry of the Disclosure Statement Order, and (iv) the Approval Motion;

(b) no later than January 20, 2017, the Bankruptcy Court shall enter the Disclosure Statement Order and the Approval Order;

(c) no later than March 17, 2017, the Bankruptcy Court shall enter the Confirmation Order; and

(d) no later than April 15, 2017 or such later date as has been agreed to by the Required Consenting Parties and the Ultra Entities (such date, the "Outside Date"), the Ultra Entities shall consummate the transactions contemplated by the Plan (the date of such consummation, the "Effective Date").

5. Commitment of Plan Support Parties. Each Plan Support Party shall (severally and not jointly), from the PSA Effective Date until the occurrence of a Termination Date (as defined in Section 10) applicable to such Plan Support Party:

(a) use commercially reasonable efforts to support and cooperate with the Ultra Entities to take all commercially reasonable actions necessary to consummate the Restructuring Transactions in accordance with the Plan and the terms and conditions of this Agreement (but without limiting consent and approval rights provided in this Agreement and the Definitive Documentation), including by:

(i) subject to the last paragraph of this Section 5 and Section 14**,** voting all of its claims against, or interests in, as applicable, the Ultra Entities now or hereafter owned by such Plan Support Party (or for which such Plan Support Party now or hereafter serves as the nominee, investment manager, or advisor for holders thereof), to the extent such claims or interests are to be voted under the Plan;

(ii) timely returning a duly-executed ballot and/or master ballot, as applicable, in connection therewith; and

(iii) to the extent it is permitted to elect whether to opt out of the releases set forth in the Plan, not "opting out" of any releases under the Plan;

(b) use commercially reasonable efforts to support, not object to, delay, or impede, or take any other action to interfere, directly or indirectly, with, and make commercially reasonable efforts to complete the Restructuring Transactions set forth in the Plan and this Agreement;

(c) negotiate in good faith to execute all Definitive Documentation that is subject to negotiation as of the PSA Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement;

(d) not directly or indirectly seek the appointment of, or agree to serve on, any additional official committee that has not been formed as of the PSA Effective Date (including any official committee of creditors of HoldCo or official committee of holders of HoldCo Equity Interests);

(e) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, or vote with respect to the Plan;

(f) not take any action to support any alternative reorganization plan or any other alternative restructuring transaction(s) concerning the Ultra Entities; and

(g) not transfer any HoldCo Equity Interests in over-the-counter transactions (each, an "OTC Transfer") other than in accordance with the Over-The-Counter Transfer Procedures attached hereto as **Exhibit D**.

Notwithstanding the foregoing, but subject to the last sentence of this paragraph, nothing in this Agreement and neither a vote to accept the Plan by any Plan Support Party nor the acceptance of the Plan by any Plan Support Party shall (x) be construed to prohibit any Plan Support Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising rights or remedies reserved herein; (y) be construed to prohibit or limit any Plan Support Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, from the PSA Effective Date until the occurrence of a Termination Date, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement and are not for a primary purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions or (z) affect the ability of any Plan Support Party to consult with other Plan Support Parties or the Debtors; provided, that any delay or other impact on consummation of the Restructuring Transactions contemplated by the Plan caused by a Plan Support Party's opposition to (i) any relief that is inconsistent with such Restructuring Transactions; (ii) a motion by the Debtors to enter into a material executory contract, lease, or other arrangement outside of the ordinary course of its business without obtaining the prior consent of the Required Consenting Parties; or (iii) any relief that is adverse to interests of the

Plan Support Parties sought by the Debtors (or any other party), shall not constitute a violation of this Agreement. Notwithstanding the foregoing, nothing in this Section 5 or elsewhere in this Agreement shall require any Plan Support Party to incur any material expenses, liabilities or obligations, or agree to any commitments, undertaking, concessions, indemnities or other agreements that would result in expenses, liabilities or obligations to any Plan Support Party, other than as expressly stated in other provisions of this Agreement (including the Plan Term Sheet) or any other Definitive Documentation.

6. Commitment of the Ultra Entities.

(a) Subject to Sub-Clause (b) of this Section 6, the Ultra Entities shall, from execution of this Agreement until the occurrence of a Termination Date (as defined in Section 10 hereof), without limitation:

(i) use commercially reasonable efforts to support and cooperate with the Plan Support Parties to take all commercially reasonable actions necessary to consummate the Restructuring Transactions in accordance with the Plan Term Sheet and the Plan and the terms and conditions of this Agreement (but without limiting consent and approval rights expressly provided in this Agreement and the Definitive Documentation);

(ii) use commercially reasonable efforts to support and make commercially reasonable efforts to complete the Restructuring Transactions set forth in the Plan and this Agreement;

(iii) negotiate in good faith to execute all Definitive Documentation that is subject to negotiation as of the PSA Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement;

(iv) make commercially reasonable efforts to complete the Restructuring Transactions set forth in the Plan in accordance with each Milestone set forth in Section 4 hereof;

(v) timely object to any motion filed with the Bankruptcy Court by a party seeking the entry of an order (A) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), (B) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) dismissing any of the Chapter 11 Cases;

(vi) timely object to any motion filed with the Bankruptcy Court by a party seeking the entry of an order modifying or terminating the Ultra Entities' exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable;

(vii) (A) support and take such actions as are necessary or appropriate or reasonably requested by the Majority Consenting HoldCo Noteholders or Majority Consenting HoldCo Equityholders in furtherance of the solicitation, confirmation, and consummation of the Plan and the Restructuring Transactions in accordance with, and within the time frames contemplated by, this Agreement (including within the Milestones; provided, that no Ultra Party nor the Plan Support Parties shall be obligated to agree to any modification of any document that is inconsistent with this Agreement (including the Backstop Commitment Agreement) or any of the Definitive Documentation; (B) not take any action that is inconsistent with, or that would delay or impede the solicitation, confirmation or consummation of the Plan; (C) perform its obligations under this Agreement and all of the Definitive Documentation; and (D) support the release, exculpation, and indemnification provisions set forth in the Definitive Documentation;

(viii) subject to professional responsibilities, prosecute the Plan in all respects;

(ix) subject to professional responsibilities, timely file a formal written objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order modifying or terminating the Ultra Entities' exclusive right to file or solicit acceptances of a plan of reorganization;

(x) comply in all material respects with applicable laws (including making or seeking to obtain all required material consents and/or appropriate filings or registrations with, notifications to, or authorizations, consents or approvals of any regulatory or governmental authority, and paying all material taxes as they become due and payable except to the extent nonpayment thereof is permitted by the Bankruptcy Code);

(xi) maintain the good standing (or equivalent status under the laws of its incorporation or organization) under the laws of the state or other jurisdiction in which each of the Ultra Parties' are incorporated or organized;

(xii) (A) operate the business of each of the Ultra Entities in the ordinary course and consistent with past practice, and in a manner that is consistent with this Agreement and the business plan of the Ultra Entities, (B) keep the Plan Support Parties informed about the operations of the Ultra Parties and provide prompt written notice of any material government or third party complaints, litigations, investigations or hearings (or

communications indicating that the same may be contemplated or threatened) and (C) provide the Plan Support Parties with any information reasonably requested regarding the Ultra Entities and reasonable access to management and advisors of the Ultra Entities for the purposes of evaluating the Ultra Entities' assets, liabilities, operations, businesses, finances, strategies, prospects and affairs; and

(xiii) subject to professional responsibilities, use commercially reasonable efforts to minimize the amount of claims allowed against each of the Ultra Entities.

(b) Notwithstanding anything to the contrary in this Agreement, nothing contained in this Agreement shall require the board of directors or such similar governing body of each Ultra Entity (the "Board") to take any action or refrain from taking any action with respect to the Restructuring Transactions (including such Ultra Entity's obligations under this Agreement) to the extent the Board believes in good faith, upon the advice of legal counsel, that such action or inaction would constitute a breach of its fiduciary obligations under applicable law; provided, however, that to the extent that taking such action or refraining from taking such action absent this Section 6(b) would be reasonably expected to, result in a breach of this Agreement, the Ultra Entities shall, to the extent practicable, give the Plan Support Parties not less than two (2) business days prior written notice in accordance with Section 23 of this Agreement of such anticipated action or anticipated refraining from taking such action.

(c) Negative Covenants. The Ultra Entities agree that, until the occurrence of a Termination Date, unless otherwise permitted or required by this Agreement, and except as otherwise consented to in writing by the Majority Consenting HoldCo Noteholders and Majority Consenting HoldCo Equityholders, each in their sole discretion, the Ultra Parties shall not directly or indirectly, do or, to the extent it has the ability to control such action, permit to occur any of the following:

(i) except as contemplated by the Plan, sell or otherwise divest any of the Ultra Entities' assets other than in the ordinary course of business and consistent with past practice;

(ii) change their respective financial accounting or any material tax accounting methods, except insofar as may be required by a change in generally accepted accounting principles in the U.S. or applicable jurisdiction, or applicable law or regulation;

(iii) enter into, adopt or materially amend any employment agreements or any insider compensation or incentive plans, or increase in any manner the compensation or benefits (including severance) of

any director of the Ultra Entities or any of the five highest compensated officers of all of the Ultra Entities, without the prior consent of the Majority Consenting HoldCo Noteholders and Majority Consenting HoldCo Equityholders, which consent shall not be unreasonably withheld; and

(iv) seek or enter into any debtor-in-possession financing under section 364(d) of the Bankruptcy Code without the consent of the Majority Consenting HoldCo Noteholders and Majority Consenting HoldCo Equityholders, each in their sole discretion.

7. Plan Support Party Termination Events. Each of the (a) Majority Consenting HoldCo Noteholders and (b) the Majority Consenting HoldCo Equityholders shall have the right, but not the obligation, by providing notice to the other Parties in accordance with Section 23 hereof (the holders that provide such notice, "Terminating Support Holders"), to terminate the obligations of all, and not less than all, Plan Support Parties under this Agreement upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting Parties on a prospective or retroactive basis (each, a "Plan Support Party Termination Event"); provided, that this Agreement may not be terminated in accordance with this Section 7 by any Plan Support Party that is in material breach of this Agreement (including the Backstop Commitment Agreement or any of the Definitive Documentation):

(a) the failure of the Ultra Entities to use commercially reasonable efforts to comply with any of the Milestones unless such failure is the result of any act, omission, or delay on the part of any Plan Support Party who is among the Terminating Support Holders seeking termination, in violation of its obligations under this Agreement;

(b) the denial of the Disclosure Statement Order (unless such denial requires specific changes to the Disclosure Statement that are reasonably acceptable to the Ultra Entities and the Majority Consenting HoldCo Noteholders and Majority Consenting HoldCo Equityholders);

(c) the denial of the Approval Motion (unless such denial requires specific changes to the Approval Motion that are reasonably acceptable to the Ultra Entities and the Majority HoldCo Noteholder Backstop Parties and the Majority Equityholder Backstop Parties);

(d) the denial of confirmation of the Plan (unless such denial requires specific changes to the Plan that are reasonably acceptable to the Ultra Entities and the Majority Consenting HoldCo Noteholders and Majority Consenting HoldCo Equityholders);

(e) the termination of the Backstop Commitment Agreement;

(f) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(g) the Ultra Entities file a motion for the appointment of, or there is the appointment of, a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(h) any Ultra Entity (i) amends, or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement; or (ii) suspends or revokes the Restructuring Transactions;

(i) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions; provided, that the Ultra Entities shall have five (5) business days after issuance of such ruling or order to seek relief that would allow consummation of the Restructuring Transactions in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement, or (ii) is reasonably acceptable to the Required Consenting Parties;

(j) a breach by any Ultra Entity of any representation, warranty, or covenant of such Ultra Entity set forth in Sections 6, 11, 15, 17, and 27 hereof that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) remains uncured for a period of five (5) business days after the receipt by the Ultra Entities of written notice and description of such breach from any other Party;

(k) any Ultra Entity terminates its obligations under and in accordance with Section 8 hereof;

(l) any Ultra Entity supports any alternative reorganization plan to the Plan or any other alternative restructuring transaction(s) concerning the Ultra Entities;

(m) a breach by the Majority Consenting HoldCo Noteholders (with respect to the trigger of a Plan Support Party Termination Event for the Consenting HoldCo Equityholders) or the Majority Consenting HoldCo Equityholders (with respect to the trigger of a Plan Support Party Termination Event for the Consenting HoldCo Noteholders) of any representation, warranty, or covenant of such Plan Support Party set forth in this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) remains uncured for a period of five (5) business days after notice to all Parties of such breach and a description thereof;

(n) the failure to obtain entry of the Approval Order by January 20, 2017; or

(o) the failure to achieve the Outside Date by April 15, 2017.

8. The Ultra Entities' Termination Events. The Ultra Entities may, upon notice to the Plan Support Parties, terminate their obligations of all, and not less than all, Ultra Entities, under this Agreement upon the occurrence of any of the following events (each a "Company Termination Event," and, together with the Plan Support Party Termination Events, the "Termination Events"), in which case this Agreement shall terminate with respect to all Parties, subject to the rights of the Ultra Entities to fully or conditionally waive, in writing, on a prospective or retroactive basis, the occurrence of a Company Termination Event:

(a) a breach by a Plan Support Party of any representation, warranty, or covenant of such Plan Support Party set forth in this Agreement (unless such Plan Support is not necessary, at the time of such notice, for the Plan Support Parties to reach the thresholds required for this Agreement to become effective) that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) remains uncured for a period of five (5) business days after notice to all Plan Support Parties of such breach and a description thereof;

(b) the occurrence of a breach of this Agreement by any Plan Support Party that has the effect of materially impairing any of the Ultra Entities' ability to effectuate the Restructuring Transactions and has not been cured (if susceptible to cure) within five (5) business days after notice to all Plan Support Parties of such breach and a description thereof;

(c) upon notice to the Plan Support Parties that the Board has made a determination pursuant to Section 6, after receiving advice from counsel, hereof to terminate its obligations under this Agreement;

(d) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions; provided, that the Ultra Entities have made commercially reasonable efforts to cure, vacate, or have overruled such ruling or order prior to terminating this Agreement;

(e) Terminating Support Holders terminate their obligations under and in accordance with Section 7 hereof; or

(f) the failure of the Consenting HoldCo Noteholders to hold, in the aggregate, at least 66.67 percent in principal amount of the HoldCo Notes on or after December 6, 2016.

9. Mutual Termination; Automatic Termination. This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among the Ultra Entities and all of the Plan Support Parties. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically upon the occurrence of the effective date of the Plan.

10. Effect of Termination. The earliest date on which termination of this Agreement as to a Party is effective in accordance with Sections 7, 8, or 9 hereof shall be referred to, with respect to such Party, as a "Termination Date." Upon the occurrence of a Termination Date, all Parties' obligations under this Agreement shall be terminated effective immediately, and such Party or Parties shall be released from its commitments, undertakings, and agreements hereunder, and any vote in favor of the Plan delivered by any Parties shall be immediately revoked and deemed void *ab initio*; provided, that each of the following shall survive any such termination: (a) any claim for breach of this Agreement that occurs prior to such Termination Date, and all rights and remedies with respect to such claims shall not be prejudiced in any way; and (b) Sections 10, 14, 16, 17, 19, 20, 22, 24, 27, 30, and 31 hereof. The automatic stay imposed by section 362 of the Bankruptcy Code shall not prohibit a Party from taking any action necessary to effectuate the termination of this Agreement pursuant to and in accordance with the terms hereof.

11. Cooperation and Support.

(a) The Ultra Entities will use reasonable efforts to provide draft copies of all other material pleadings the Ultra Entities intend to file with the Bankruptcy Court to counsel to the HoldCo Noteholder Committee and counsel to the Equityholder Committee, at least three (3) business days prior to filing such pleading, and shall consult in good faith with such counsel regarding the form and substance of any such proposed pleading. For the avoidance of doubt, the Parties agree, consistent with Sub-Clause (b) of Section 3 hereof, (a) to negotiate in good faith to execute the Definitive Documentation that is subject to negotiation and completion on the PSA Effective Date and (b) that, notwithstanding anything herein to the contrary, the Definitive Documentation, including any motions or orders related thereto, shall be consistent with this Agreement and shall be in form and substance reasonably satisfactory to the Required Consenting Parties.

(b) Each Party hereby covenants and agrees to cooperate with the other Parties in good faith and shall coordinate their activities (to the extent practicable and subject to the terms hereof) with respect to, (i) all matters relating to their rights hereunder; (ii) all matters concerning the implementation of the Plan Term Sheet and the Restructuring Transactions; and (iii) the pursuit, approval and support of the Restructuring Transactions (including confirmation of the Plan). Furthermore, subject to the terms hereof, each of the Parties shall take such action as may be reasonably necessary or reasonably requested by the other Parties to carry out the purposes and intent of this Agreement, or to

effectuate the solicitation of the Plan and/or the Restructuring Transactions, including making and filing any required regulatory filings, executing and delivering any other necessary agreements or instruments, and voting any claims against or interests in the Ultra Entities in favor of the Plan, and shall refrain from taking any action that would frustrate the purposes and intent of this Agreement.

12. Transfers of Claims and Interests.

(a) Each Plan Support Party shall not (i) sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, its right, title, or interest in respect of any of such Plan Support Party's claims against, or interests in, any Ultra Entity, as applicable, in whole or in part, or (ii) deposit any of such Plan Support Party's claims against or interests in any Ultra Entity, as applicable, into a voting trust, or grant any proxies, or enter into a voting agreement with respect to any such claims or interests (the actions described in clauses (i) and (ii) are collectively referred to herein as a "Transfer" and the Plan Support Party making such Transfer is referred to herein as the "Transferor"), unless such Transfer is (i) to another Plan Support Party, (ii) to any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering to Ultra a Transferee Joinder substantially in the form attached hereto as **Exhibit C** (the "Transferee Joinder"), or (iii) with respect to OTC Transfers of HoldCo Equity Interests, in compliance with the Over-The-Counter Transfer Procedures attached hereto as **Exhibit D**; provided, that the Ultra Entities shall cooperate and use reasonable efforts in facilitating OTC Transfers of HoldCo Equity Interests in accordance with the Plan Support Agreement and the Backstop Commitment Agreement. Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations. Any Transfer made in violation of this Sub-Clause (a) of this Section 12 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the Ultra Entities and/or any Plan Support Party, and shall not create any obligation or liability of any Ultra Entity or any other Plan Support Party to the purported transferee.

(b) Notwithstanding Sub-Clause (a) of this Section 12, (i) an entity that is acting in its capacity as a Qualified Marketmaker shall not be required to be or become a Plan Support Party to effect any transfer (by purchase, sale, assignment, participation, or otherwise) of any claim against, or interest in, any Ultra Entity, as applicable, by a Plan Support Party to a transferee; provided, that such transfer by a Plan Support Party to a transferee shall be in all other respects in accordance with and subject to Sub-Clause (a) of this Section 12; and (ii) to the extent that a Plan Support

Party, acting in its capacity as a Qualified Marketmaker, acquires any claim against, or interest in, any Ultra Entity from a holder of such claim or interest who is not a Plan Support Party, it may transfer (by purchase, sale, assignment, participation, or otherwise) such claim or interest without the requirement that the transferee be or become a Plan Support Party in accordance with this Section 12. For purposes of this Sub-Clause (b), a "Qualified Marketmaker" means an entity that (x) holds itself out to the market as standing ready in the ordinary course of its business to purchase from customers and sell to customers claims against, or interests in, the Ultra Entities (including debt securities or other debt) or to enter with customers into long and short positions in claims against, or interests in, the Ultra Entities (including debt securities or other debt), in its capacity as a dealer or market maker in such claims against, or interests in, the Ultra Entities, and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

13. Further Acquisition of Claims or Interests. Except as set forth in Section 12 hereof, nothing in this Agreement shall be construed as precluding any Plan Support Party or any of its controlled affiliates from acquiring additional claims arising from the HoldCo Notes or the HoldCo Equity Interests, or interests in the instruments underlying the HoldCo Notes or the HoldCo Equity Interests; provided, that any such additional HoldCo Notes or HoldCo Equity Interests, or interests acquired by any Plan Support Party or by any controlled affiliate of a Plan Support Party, shall automatically be subject to the terms and conditions of this Agreement and, if such acquiring Plan Support Party is a Backstop Party, to the terms and conditions of the Backstop Commitment Agreement. Upon any such further acquisition by a Plan Support Party or any controlled affiliates of a Plan Support Party, such Plan Support Party shall promptly notify the Ultra Entities' primary restructuring counsel, who will then promptly notify the counsel to the HoldCo Noteholder Committee and counsel to the Equityholder Committee.

14. Consents and Acknowledgments.

(a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Plan. The acceptance of the Plan by each of the Plan Support Parties will not be solicited until such Plan Support Party has received the Disclosure Statement and Solicitation Materials in accordance with applicable law, and will be subject to sections 1125, 1126, and 1127 of the Bankruptcy Code.

(b) By executing this Agreement, each Consenting HoldCo Noteholder (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the PSA Effective Date) irrevocably waives any Default or Event of Default as defined under the HoldCo Indentures that is caused by the Ultra Entities' entry into this Agreement; provided, however, that for the avoidance of doubt, each Party acknowledges and agrees that neither this Agreement nor the

Restructuring Transactions contemplated hereunder shall be deemed to constitute a waiver of any Default or Event of Default that existed under the HoldCo Indentures prior to entry into this Agreement.

15. Representations and Warranties.

(a) Each Plan Support Party hereby represents and warrants on a several and not joint basis for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases or any Ultra Entity's undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution, delivery, and performance by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, except (i) any of the foregoing as may be necessary and/or required for disclosure by the Securities and Exchange Commission and applicable state securities or "blue sky" laws, (ii) any of the foregoing as may be necessary and/or required in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and confirmation of the Plan, (iii) filings of amended certificates of incorporation or articles of formation or other organizational documents with applicable state authorities, and other registrations, filings, consents, approvals, notices, or other actions that are reasonably necessary to maintain permits, licenses, qualifications, and governmental approvals to carry on the business of the Ultra Entities, and (iv) any other registrations, filings, consents, approvals, notices, or other actions, the failure of which to make,

obtain or take, as applicable, would not be reasonably likely, individually or in the aggregate, to materially delay or materially impair the ability of any Party hereto to consummate the transactions contemplated hereby;

(v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, and has been afforded the opportunity to discuss other information concerning the Ultra Entities with the Ultra Entities' representatives, and to consult with its legal and financial advisors with respect to its investment decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement; and

(vii) it (A) either (1) is an economic interest holder of the claims and interests, or (2) has all necessary investment or voting discretion with respect to the principal amount of claims and interests, in each case, as identified in schedules delivered to the Ultra Entities by counsel to the HoldCo Noteholder Committee and counsel to the Equityholder Committee simultaneously with the execution of this Agreement, or otherwise separately identified in a schedule delivered on behalf of such Plan Support Party (all of which schedules shall be held in confidence pursuant to Section 27(b) hereof); and (B) to the knowledge of the individuals working on the Restructuring Transactions, does not directly or indirectly own economic interests in any HoldCo Notes or HoldCo Equity Interests, other than as identified in separate schedules to the Ultra Entities delivered by counsel to the HoldCo Noteholder Committee and counsel to the Equityholder Committee simultaneously with the execution of this Agreement (all of which schedules shall be held in confidence pursuant to Section 27(b) hereof), or otherwise separately identified in a schedule delivered on behalf of such Plan Support Party, simultaneously with the execution of this Agreement.

(b) Each Ultra Entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than the Ultra Entities) that

the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement; and

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part of each of the corporate entities that comprise the Ultra Entities.

16. Waiver. If the transactions contemplated herein are or are not consummated, or following the occurrence of a Termination Date, if applicable, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, other than as provided in Section 14 hereof, and the Parties expressly reserve any and all of their respective rights. The Parties acknowledge that this Agreement, the Plan, and all negotiations relating hereto are part of a proposed settlement of matters that could otherwise be the subject of litigation. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence, and any other applicable law, foreign or domestic, the Plan Term Sheet, this Agreement, the Plan, any related documents, and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

17. Relationship Among Parties.

(a) Notwithstanding anything herein to the contrary, the duties and obligations of the Plan Support Parties, on the one hand, and the Ultra Entities, on the other hand, arising under this Agreement shall be several, not joint. No Party shall have any responsibility by virtue of this Agreement for any trading by any other entity. No prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement. The Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Ultra Entities and the Plan Support Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended. Nothing contained herein or any of the Definitive Documentation and no action taken by any Plan Support Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Parties that the Plan Support Party are in any way acting in concert or as a "group" (or a joint venture, partnership or association), and the Ultra Entities will not assert any such claim with respect to such obligations or the transactions contemplated by this Agreement or any Definitive Documentation, and the Ultra Entities acknowledge that neither the Consenting HoldCo Equityholders nor the consenting HoldCo

Noteholders are acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement or the Definitive Documentation. The Ultra Entities acknowledge and each Consenting HoldCo Equityholder and each Consenting HoldCo Noteholder confirms that it has independently participated in the negotiation of the transactions contemplated under this Agreement and the Definitive Documentation with the advice of counsel and advisors.

(b) In connection with any matter requiring consent or a request of the Majority Consenting HoldCo Noteholders or Majority Consenting HoldCo Equityholders under this Agreement, there is no requirement or obligation that such holders agree among themselves to take such action and no agreement among such holders with respect to any such action. In connection with any matter that may be requested by the Majority Consenting HoldCo Noteholders or Majority Consenting HoldCo Equityholders, each such holder may, through its counsel, make such request; provided, that Ultra will only be required to take such action if it receives the request of the Majority Consenting HoldCo Noteholders or Majority Consenting HoldCo Equityholders, as the case may be. In connection with any matter requiring consent of the Majority Consenting HoldCo Noteholders or Majority Consenting HoldCo Equityholders hereunder, Ultra will solicit consent independently from each such holder or its respective counsel; provided, that such consent shall only be granted if the approval of the Majority Consenting HoldCo Noteholders or Majority Consenting HoldCo Equityholders (as applicable) is obtained.

(c) It is understood and agreed that none of the Plan Support Parties has any duty of trust or confidence in any form with any other Plan Support Party, the Ultra Entities, or any of the Ultra Entities' creditors or other stakeholders and, except as expressly provided in this Agreement, there are no agreements, commitments or undertakings by, among or between any of them with respect to the subject matter hereof. For the avoidance of doubt, the foregoing sentence does not include any fiduciary obligations owed by any Plan Support Party that has been appointed an officer of any Ultra Entity.

(d) The Ultra Entities shall notify the Plan Support Parties in writing as promptly as practicable and in no event more than two (2) business days after receipt by the Ultra Entities or their representatives or agents, as applicable, of any written (including email), definitive proposal or offer from any person or entity to effect a restructuring of the Ultra Entities, any alternative transaction or restructuring or a transaction in conflict with the Restructuring Transactions or any request for confidential information relating to the Ultra Entities, which notice, subject to confidentiality obligations shall indicate the identity of the person or entity making the proposal, offer or request. The Ultra Entities shall additionally, subject to confidentiality obligations provide copies of

such written proposals or offers received by any of the Ultra Entities, as applicable, as promptly as practicable and in no event more than two (2) business days after receipt by the Ultra Entities or their representatives or agents.

18. Specific Performance. It is understood and agreed by the Parties that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

19. Governing Law & Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

20. Waiver of Right to Trial by Jury. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

21. Successors and Assigns. Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives.

22. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

23. Notices. All notices (including, without limitation, any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to any Ultra Entity:

Ultra Petroleum Corp.
Attn.: Legal Department
400 North Sam Houston Parkway East, Suite 1200
Houston, Texas 77060
Tel: (281) 876-0120
Fax: (281) 876-2831
Email: gsmith@ultrapetroleum.com

With a copy to, which shall not constitute notice:

Kirkland & Ellis LLP
Attn.: David Seligman
300 North LaSalle
Chicago, IL 60654-5108
Tel: (312) 862-2463
Fax: (312) 862-2200
Email: david.seligman@kirkland.com

and

Kirkland & Ellis LLP
Attn.: Christopher T. Greco
601 Lexington Avenue
New York, NY 10022-4611
Tel: (212) 446-4800
Fax: (212) 446-4900
Email: christopher.greco@kirkland.com

(b) If to the Consenting HoldCo Noteholders:

To each Consenting Noteholder at the addresses or e-mail addresses set forth in the letter to the Ultra Entities delivered by counsel to the HoldCo Noteholder Committee simultaneously with this Agreement, or otherwise separately identified in a letter on behalf of such Plan Support Party, simultaneously with this Agreement (or to the signature page to a Joinder Agreement as the case may be).

With a copy to, which shall not constitute notice:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
Attn.: Andrew Rosenberg
1285 Avenue of the Americas
New York, New York 10019-6064
Tel: (212) 373-3000
Fax: (212) 757-3990
Email: arosenberg@paulweiss.com

(c) If to the Consenting HoldCo Equityholders:

To each Consenting HoldCo Equityholders at the addresses or e-mail addresses set forth in the letter to the Ultra Entities delivered by counsel to the Equityholder Committee simultaneously with this Agreement, or otherwise separately identified in a letter on behalf of such Plan Support Party (or to the signature page to a Joinder Agreement as the case may be).

With a copy to, which shall not constitute notice:

Brown Rudnick LLP
Attn.: Edward Weisfelner
Seven Times Square
New York, New York 10036
Tel: (212) 209-4800
Fax: (212) 209-4801
Email: eweisfelner@brownrudnick.com

24. Entire Agreement. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

25. Amendments. Except as otherwise provided herein, this Agreement (including the Exhibits and Schedules) may not be modified, amended, or supplemented without the prior written consent of the Ultra Entities and the Required Consenting Parties; provided, that any modification of, amendment or supplement to, any exhibit hereto that materially and adversely affects any Plan Support Party shall require the prior written consent of each Plan Support Party so affected (it being understood that any materially adverse change in the economic treatment provided to any holder of HoldCo Notes or HoldCo Equity Interests under the Plan Term Sheet, including any change to the "Equity splits" set forth in the Plan Term Sheet, shall constitute a material adverse change for purposes of this section); provided, further, that the prior written consent of all Parties shall be required to modify, amend or supplement (a) any of Sections 1, 7, 8, 9, or 25 hereof or (b) the definition of "Majority Consenting HoldCo Noteholders," "Majority Consenting HoldCo Equityholders," or "Required Consenting Parties" herein.

26. Restructuring Fees and Expenses. Subject to entry of the Approval Order, regardless of whether a restructuring is implemented, the Ultra Entities shall pay all accrued and ongoing reasonable and documented fees, costs and expenses of counsel and other professional advisors engaged by the HoldCo Noteholder Committee and the counsel and other professionals engaged by the Consenting HoldCo Equityholder Committee, including without limitation (a) Brown Rudnick LLP, as co-counsel to the Equityholder Committee, (b) Gray, Reed & McGraw, P.C., as co-counsel to the Equityholder Committee, (c) Peter J. Solomon Company, as financial advisor to the Equityholder Committee, (d) Paul Weiss, as co-counsel to the HoldCo Noteholder Committee, (e) Porter Hedges LLP, as co-counsel to the HoldCo Noteholder Committee, and (f) Houlihan Lokey, as financial advisor to the HoldCo Noteholder Committee, that are specifically related to the restructuring of the Ultra Entities or Chapter 11 Cases of the Ultra Entities and

were incurred (i) on or prior to the Effective Date or (ii) within three (3) months following the Effective Date, but only to the extent such costs and expenses relate to services rendered in the course of consummation and implementation of the Plan or as contemplated under the Plan, whether such fees, costs and expenses were previously incurred or invoiced (the "Restructuring Expenses"), on a regular and continuing basis, within two (2) business days following fifteen (15) calendar days after delivery of an invoice to the Ultra Parties (redacted for privilege and work product), each in accordance with the agreements between the Ultra Entities and the applicable firm, without any requirement for Bankruptcy Court review or further Bankruptcy Court order. The Ultra Entities shall have ten (10) days following their receipt of any invoices to review and object to the reasonableness of the fees and expenses included in such invoice. If any such objection is not resolved within ten (10) days after such objection is interposed, a hearing with respect thereto shall be conducted at a regularly scheduled omnibus hearing in the Chapter 11 Cases; provided, that the Ultra Entities shall pay any undisputed portion of such fees, costs, and expenses on the first Thursday following fifteen (15) days after the initial presentment of such invoices. To the extent not previously paid by the Ultra Entities, the Ultra Entities shall pay all accrued Restructuring Expenses, including estimated amounts, through the Effective Date on the Effective Date in cash. Restructuring Expenses invoiced after the Effective Date for services rendered no later than three (3) months after the Effective Date and otherwise payable under this Section 26 shall be paid promptly by the reorganized Ultra Entities following receipt of invoices therefor.

27. Confidentiality and Publicity.

(a) Other than as may be required by applicable law and regulation or by any governmental or regulatory authority, no Party shall issue any press release, make any filing with the SEC (other than required under applicable securities law and regulation as reasonably determined in good faith by outside counsel to the Ultra Entities) or make any other public announcement regarding this Agreement without the consent of the Ultra Entities and the Required Consenting Parties, which consent shall not be unreasonably delayed, conditioned, or withheld, and each Party shall coordinate with the other Parties regarding any public statements made, including any communications with the press, public filings or filings with the SEC, with respect to this Agreement; for the avoidance of doubt, each Party shall have the right, without any obligation to any other Party, to decline to comment to the press with respect to this Agreement.

(b) Under no circumstances may any Party make any public disclosure of any kind that would disclose (i) the particular holdings of any Plan Support Party or (ii) the identity of any Plan Support Party, in each case without the prior written consent of such Plan Support Party; provided, that (W) the Ultra Entities may disclose such identities and the aggregate holdings of the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders, respectively, but not individual holdings of any individual Plan Support Party (which shall be treated as "advisors' eyes only") in any filing with the SEC in respect of this Agreement and in any materials filed in the Chapter 11 Cases in support of the Approval Motion; (X) the Ultra

Entities may disclose such identities or amounts without consent to the extent that, upon the advice of counsel, it is required to do so by any governmental or regulatory authority (including as it may be directed by the Securities and Exchange Commission) or court of competent jurisdiction (including the Bankruptcy Court), or by applicable law, in which case the Ultra Entities, prior to making such disclosure, shall allow the Plan Support Parties to whom such disclosure relates reasonable time at its own cost to seek a protective order with respect to such disclosures, (Y) the Ultra Entities may disclose the existence and terms of this Agreement, including the execution of this Agreement by the Plan Support Parties, and (Z) the Ultra Entities may disclose the aggregate percentage or aggregate principal amount held by the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders, respectively. The Ultra Entities shall not use the name of any Plan Support Party in any press release without such Party's prior written consent.

(c) The Ultra Entities will issue a press release announcing this Agreement on November 22, 2016 and provide the HoldCo Noteholder Committee and counsel to the Equityholder Committee with a draft of such press release and all future press releases, public filings, public announcements or other communications with any news media relating to this Agreement or the Restructuring Transactions at least one (1) business day prior to issuing such releases, filings, announcements or other communications; provided, that the Ultra Entities shall be under no obligation to consult with, or obtain the prior approval of, any other Party as it relates to communications with vendors, customers and other third parties regarding the general nature of the Restructuring Transactions.

28. Reservation of Rights. Except as expressly provided in this Agreement or the Plan Term Sheet, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies and interests, including without limitation, its claims against any of the other Parties.

29. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

30. Headings. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

31. Interpretation. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

[*Signatures and exhibits follow*]

ULTRA ENTITIES

Ultra Petroleum Corp.

By: _____

Name: Michael D. Watford

Title: Chairman, President and CEO

UP Energy Corporation

By: _____

Name: Michael D. Watford

Title: President and CEO

Ultra Resources, Inc.

By: _____

Name: Michael D. Watford

Title: President and CEO

Keystone Gas Gathering, LLC

By: _____

Name: Michael D. Watford

Title: President and CEO

Ultra Wyoming, Inc.

By:  _____

Name: Michael D. Watford

Title: President and CEO

Ultra Wyoming LGS, LLC

By:  _____

Name: Michael D. Watford

Title: President and CEO

UPL Pinedale, LLC

By:  _____

Name: Michael D. Watford

Title: President and CEO

UPL Three Rivers Holdings, LLC

By:  _____

Name: Michael D. Watford

Title: President and CEO

Exhibit A to the Plan Support Agreement

Plan Term Sheet

Ultra Petroleum Corp., et al.

Plan Term Sheet

Summary of Key Terms	
Material Claims and Interests to be Restructured Under the Plan	• ***HoldCo Note Claims***: Approximately $1.3 billion in obligations under senior unsecured notes issued by HoldCo, plus applicable allowed pre and postpetition interest. • ***OpCo RCF Claims***: Approximately $1.0 billion in unsecured revolving credit facility obligations of OpCo, plus applicable allowed pre and postpetition interest. • ***OpCo PPN Claims***: Approximately $1.46 billion in senior unsecured private placement notes issued by OpCo, plus applicable allowed pre and postpetition interest. Excludes OpCo PPN Make-Whole Claim. • ***OpCo PPN Make-Whole Claim***: Make-whole claim (if any) on account of the OpCo PPN Claims. • ***Other OpCo / HoldCo Claims***: Non-funded prepetition general unsecured claims against the Debtors. • ***HoldCo Equity Interests***: common equity interests in HoldCo.
Rights Offering	• Holders of HoldCo Note Claims and HoldCo Equity Interests will have right to participate in rights offering of equity for $580 million of cash at an implied 20% discount (the "Rights Offering Price") to the total enterprise value of the Debtors under the Plan ("Rights Offering"). • Total enterprise value of the Debtors under the Plan to be $6.0 billion (the "Plan Value") based on a 12-month forward Henry Hub ("HH") strip price of $3.25 to $3.65 at the time of the Rights Offering solicitation,[1] subject to the following adjustments if at such time the HH strip price is: o HH Strip Price > $3.65: Plan Value = $6.25 billion o HH Strip Price < $3.25: Plan Value = $5.50 billion • 25% of Rights Offering offered to holders of HoldCo Equity Interests; remaining 75% offered to holders of HoldCo Note Claims.

[1] All strip prices to be based on the average closing price for the seven (7) trading days preceding such date.

Backstop by certain holders of HoldCo Note Claims and HoldCo Equity Interests	• Certain holders of HoldCo Note Claims and HoldCo Equity Interests will backstop the Rights Offering. 25% of the backstop will be allocated to members of the HoldCo Noteholder Committee and Equityholder Committee based on each member's *pro rata* share of the aggregate HoldCo Equity Interests held by members of the HoldCo Noteholder Committee and Equityholder Committee and the remaining 75% will be allocated to members of the HoldCo Noteholder Committee and Equityholder Committee based on each member's *pro rata* share of the aggregate HoldCo Note Claims held by members of the HoldCo Noteholder Committee and Equityholder Committee. • Commitment Premium: Equity distribution equal to 6% of Rights Offering.
New OpCo Notes	• ***New OpCo Notes***: OpCo will issue on the Effective Date of the Plan $2.0 billion in new unsecured notes bearing the most favorable terms to OpCo (as determined by the Debtors in consultation with the HoldCo Noteholder Committee and Equityholder Committee) that are permitted under applicable law (*See* Section 1129(b)(2)(B)). • ***Additional New OpCo Notes***: A further $200 million (or such other amount as may be determined by the court) in New OpCo Notes will be "held in reserve" pending, or issued by OpCo following, the determination of the court on the allowance of the OpCo PPN Make-Whole Claim (if any), provided that the amount of any Additional New OpCo Notes received in respect of any allowed OpCo PPN Make-Whole Claim may be reduced to account for the fact that interest on the New OpCo Notes should be taken into account in connection with determining the OpCo PPN Make-Whole Claim (if any).
Treatment of Claims and Interests under the Plan	
Administrative and Priority Claims	• Paid in full in cash on the Effective Date of the Plan.
OpCo PPN Claims; RCF Claims	• Holders of such claims will receive their pro rata share of New OpCo Notes, with the balance paid in cash.
OpCo PPN **Make-Whole Claims**	• In connection with plan confirmation, the OpCo PPN Make-Whole Claims will either be adjudicated or "reserved" for. • Upon a determination by the court on the allowed amount of the OpCo PPN Make-Whole Claim, if any, holders of OpCo PPN Claims will receive Additional New OpCo Notes in the amount equal to their allowed claim, provided that the amount of any Additional New OpCo Notes received in respect of any allowed OpCo PPN Make-Whole Claim may be reduced to account for the fact that interest on the New OpCo Notes should be taken into account in connection with determining the OpCo PPN Make-Whole Claim (if any).
Other OpCo Claims	• Paid in full in cash within 6 months of the Effective Date of the Plan or to receive such other mutually acceptable treatment.

HoldCo Note Claims[2]	• *Pro rata* share of 36.2% of equity in HoldCo. • Right to participate in the Rights Offering for 17.1% of equity in Holdco (inclusive of equity from Commitment Premium). • Upon the conclusion of the transactions described herein, the Holders of HoldCo Note Claims will hold 53.3% of the equity in HoldCo. • All distributions subject to dilution by the MIP.
Other HoldCo Claims	• Paid in full in cash within 6 months of the Effective Date of the Plan or to receive such other mutually acceptable treatment.
HoldCo Equity Interests[3]	• *Pro rata* share of 41.0% of equity in HoldCo. • Right to participate in the Rights Offering for 5.7% of equity in Holdco (inclusive of equity from Commitment Premium). • Upon the conclusion of the transactions described herein, the Holders of HoldCo Equity Interests will hold 46.7% of the equity in HoldCo. • All distributions subject to dilution by the MIP.
Other Key Terms	
New Revolver	• TBD
Management Equity Incentive Plan	• The Plan of Reorganization will provide for the establishment of a management equity incentive plan (the "MIP") under which 7.5% of the fully-diluted, fully-distributed shares of HoldCo will be reserved for issuance to management (the "Share Reserve"). Forty percent (40%) of the Share Reserve will be granted to members of management identified by the pre-Effective Date HoldCo Board (the "Initial Grants") on the Effective Date in the form of full shares (or equivalent) and will vest as follows: (i) one-third (1/3) of the Initial Grants will vest on the Effective Date; (ii) one-third (1/3) of the Initial Grants will vest, if at all, at such time when the total enterprise value of the Reorganized Debtors equals or exceeds the Plan Value based upon the volume weighted average price of the New Common Stock during a consecutive 30-day period; and (iii) one-third (1/3) of the Initial Grants will vest, if at all, at such time when the total enterprise value of the Reorganized Debtors equals or exceeds 110% of the Plan Value based upon the volume weighted average price of the New Common Stock during a consecutive 30-day period; provided, however, that if any Initial Grants do not vest before the fifth anniversary of the Effective Date, such Initial Grants shall automatically expire. The remaining sixty percent (60%) of the Share Reserve will be available to be granted by the post-Effective Date HoldCo Board from time to time to management in accordance with a management incentive plan, the form of which shall be approved by the parties hereto on or before the Effective Date. Provisions customary for emergence grants of equity-related awards to be agreed

[2] Equity percentages are based on $6 billion Plan Value and will be adjusted based on actual Plan Value utilized as set forth on Schedule A attached hereto.

[3] Equity percentages are based on $6 billion Plan Value and will be adjusted based on actual Plan Value utilized as set forth on Schedule A attached hereto.

	regarding forfeiture or acceleration of unvested stock.
Corporate Governance	• The Reorganized Board shall have seven (7) members. The five (5) members of the Board of HoldCo as of the date prior to the Effective Date shall remain on the Board of HoldCo post-Effective Date and two (2) additional directors reasonably acceptable to the Chairman of the pre-Effective Date Board shall be selected by the Reorganized Board after solicitation from a list of directors proposed by individual members of the HoldCo Noteholder Committee and the Equityholder Committee. These two (2) additional directors shall have a two-year term and the votes of such directors shall be required to approve any material M&A transaction during such two-year term. Michael D. Watford shall remain Chairman of the Board post-Effective Date.
Executory Contracts and Unexpired Leases	• TBD
Releases, Exculpation, Discharge, and Injunction	• Standard and customary exculpation, discharge, exculpation, releases, and injunction provisions.
Listing	• The shares of HoldCo to be listed on the Nasdaq, NYSE or other comparable national exchange as of emergence.
Subclassification; Convenience Class	• TBD
Limited Permitted Dilution	• The Debtors may issue equity in HoldCo to certain parties under the Plan with the prior written consent of the HoldCo Noteholder Committee and the Equityholder Committee.

Schedule A

	Memo: Gas Price Threshold		
($ / MMbtu)	*< $3.25*	*$3.25 - $3.65*	*> $3.65*
($ in millions)	Plan Value		
Plan Value	$ 5,500	$ 6,000	$ 6,250
Less: Estimated Post-Petition Net Debt	(2,100)	(2,100)	(2,100)
Implied Plan Equity Value	$ 3,400	$ 3,900	$ 4,150
Pre-Rights Offering Equity Splits			
HoldCo Claim	$ 1,412	$ 1,412	$ 1,412
Residual to Equity	1,988	2,488	2,738
Total	**$ 3,400**	**$ 3,900**	**$ 4,150**
HoldCo Claim	41.5%	36.2%	34.0%
Residual to Equity	58.5%	63.8%	66.0%
Total	100.0%	100.0%	100.0%
Rights Offering			
Discount to Plan Value	*20.0%*	*20.0%*	*20.0%*
Amount ($)			
New Money	$ 580	$ 580	$ 580
Commitment Premium	35	35	35
Total	**$ 615**	**$ 615**	**$ 615**
% of Equity	*26.7%*	*22.8%*	*21.2%*
Rights Offering Splits (%)			
HoldCo Notes (75%)	20.0%	17.1%	15.9%
Existing Equity (25%)	6.7%	5.7%	5.3%
Total	26.7%	22.8%	21.2%
Post-Rights Offering Equity Splits, assuming full participation (%) (Pre-MIP)			
Rights Offering New Money - HoldCo share	18.9%	16.1%	15.0%
Rights Offering Commitment Premium - Holdco Commitment Parties share	1.1%	1.0%	0.9%
HoldCo Claim	41.5%	36.2%	34.0%
Total	61.6%	53.3%	49.9%
Rights Offering New Money - Equity share	6.3%	5.4%	5.0%
Rights Offering Commitment Premium - Equity Commitment Parties share	0.4%	0.3%	0.3%
Residual to Equity	31.8%	41.0%	44.8%
Total	38.4%	46.7%	50.1%
Total Reorganized Equity	100.0%	100.0%	100.0%

Note: This Schedule A is solely for use in connection with a determination of equity splits under the Plan Term Sheet

Exhibit B to the Plan Support Agreement

Backstop Commitment Agreement

EXECUTION VERSION

BACKSTOP COMMITMENT AGREEMENT

AMONG

ULTRA PETROLEUM CORP.

AND

THE COMMITMENT PARTIES PARTY HERETO

Dated as of November 21, 2016

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BACKSTOP COMMITMENT AGREEMENT

THIS BACKSTOP COMMITMENT AGREEMENT (this "**Agreement**"), dated as of November 21, 2016, is made by and among Ultra Petroleum Corp., a company incorporated under the laws of Yukon, Canada and the ultimate parent of each of the other Debtors (as the debtor in possession and a reorganized debtor, as applicable, the "**Company**"), on behalf of itself and each of the other Debtors (as defined below), on the one hand, and each Commitment Party (as defined below), on the other hand. The Company and each Commitment Party is referred to herein, individually, as a "**Party**" and, collectively, as the "**Parties**." Capitalized terms that are used but not otherwise defined in this Agreement shall have the meanings given to them in Section 1.1 hereof or, if not defined therein, shall have the meanings given to them in the Plan Support Agreement.

RECITALS

WHEREAS, the Company, the Commitment Parties and the Plan Support Parties (as defined in the Plan Support Agreement) have entered into a Plan Support Agreement, dated as of November 21, 2016 (including the terms and conditions set forth in the Plan Term Sheet attached as Exhibit A to the Plan Support Agreement (the "**Plan Term Sheet**" and collectively, including all the exhibits thereto, as may be amended, supplemented or otherwise modified from time to time, the "**Plan Support Agreement**")), which (a) provides for the restructuring of the Debtors' capital structure and financial obligations pursuant to a plan of reorganization to be filed in jointly administered cases (the "**Chapter 11 Cases**") under Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as it may be amended from time to time, the "**Bankruptcy Code**"), in the United States Bankruptcy Court for Southern District of Texas (the "**Bankruptcy Court**"), implementing the terms and conditions of the Restructuring Transactions and (b) requires that the Plan be consistent with the Plan Support Agreement.

WHEREAS, pursuant to the Plan and this Agreement, and in accordance with the Rights Offering Procedures, the Company, on behalf of the Reorganized Company, will conduct (a) a rights offering for the HoldCo Noteholders Rights Offering Shares (excluding the Common Shares to be issued pursuant to the Commitment Premium) at an aggregate purchase price equal to the HoldCo Noteholders Rights Offering Amount and a per-share purchase price equal to the Per Share Purchase Price and (b) a rights offering for the HoldCo Equityholders Rights Offering Shares (excluding the Common Shares to be issued pursuant to the Commitment Premium) at an aggregate purchase price equal to the HoldCo Equityholders Rights Offering Amount and a per-share purchase price equal to the Per Share Purchase Price, and, on the Effective Date the Reorganized Company shall assume and perform any remaining obligations with respect to the Rights Offerings and issue the Rights Offering Shares.

WHEREAS, subject to the terms and conditions contained in this Agreement, (a) each HoldCo Noteholders Commitment Party has agreed to purchase (on a several and not joint basis) its HoldCo Noteholders Backstop Commitment Percentage of the HoldCo Noteholders Unsubscribed Shares, if any, and (b) each HoldCo Equityholders Commitment Party has agreed to purchase (on a several and not joint basis) its HoldCo Equityholders Backstop Commitment Percentage of the HoldCo Equityholders Unsubscribed Shares, if any.

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, the Company (on behalf of itself and each other Debtor) and each of the Commitment Parties hereby agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Except as otherwise expressly provided in this Agreement, whenever used in this Agreement (including any Exhibits and Schedules hereto), the following terms shall have the respective meanings specified therefor below or in the Plan, as applicable:

"**Additional Commitment Party**" means a Person that becomes a Commitment Party pursuant to Section 2.6 of this Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, Controls or is Controlled by or is under common Control with such Person, and shall include the meaning of "affiliate" set forth in section 101(2) of the Bankruptcy Code. "**Affiliated**" has a correlative meaning.

"**Affiliated Fund**" means any investment fund the primary investment advisor to or manager of which is a Commitment Party or an Affiliate thereof.

"**Aggregate Backstop Commitment Percentage**" has the meaning set forth in Section 2.6(c).

"**Aggregate Common Shares**" means the fully diluted number of Common Shares of the Reorganized Company before taking into account issuances of Common Shares pursuant to the MIP.

"**Agreement**" has the meaning set forth in the Preamble.

"**Alternative Transaction**" means any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets, financing (debt or equity), or restructuring of any of the Debtors, other than the Restructuring Transactions.

"**Antitrust Authorities**" means the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other Governmental Entity, whether domestic or foreign, having jurisdiction pursuant to the Antitrust Laws, and "**Antitrust Authority**" means any of them.

"**Antitrust Laws**" means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and any other Law, whether domestic or foreign, governing agreements in restraint of trade, monopolization, pre-merger notification, the lessening of

competition through merger or acquisition or anti-competitive conduct, and any foreign investment Laws.

"**Applicable Consent**" has the meaning set forth in Section 4.6.

"**Approval Order**" has the meaning set forth in the Plan Support Agreement.

"**Articles of Incorporation**" means the articles of incorporation of the Reorganized Company as in effect on the Effective Date, which shall be consistent with the terms set forth in the Plan Support Agreement and the Plan, and otherwise be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

"**Available Shares**" means all of the HoldCo Noteholders Available Shares and the HoldCo Equityholders Available Shares.

"**Backstop Commitment**" means the HoldCo Equityholders Backstop Commitment and/or the HoldCo Noteholders Backstop Commitment, as applicable.

"**Backstop Commitment Percentage**" means the HoldCo Equityholders Backstop Commitment Percentage and/or the HoldCo Noteholders Backstop Commitment Percentage, as applicable.

"**Backstop Commitment Schedules**" means Schedule 1A and Schedule 1B to this Agreement, as each may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

"**Bankruptcy Code**" has the meaning set forth in the Recitals.

"**Bankruptcy Court**" has the meaning set forth in the Recitals.

"**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.

"**BCA Approval Obligations**" means the obligations of the Company and the other Debtors under this Agreement and the Approval Order.

"**Business Day**" means any day, other than a Saturday, Sunday or legal holiday, as defined in Bankruptcy Rule 9006(a).

"**Bylaws**" means the bylaws of the Reorganized Company, which shall become effective as of the Effective Date, and which shall be consistent with the terms set forth in the Plan Support Agreement and the Plan, and otherwise be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

"**Chapter 11 Cases**" has the meaning set forth in the Recitals.

"**Claim**" has the meaning set forth in section 101(5) of the Bankruptcy Code.

"**Claims Cap**" has the meaning set forth in Section 7.1(r).

"**Closing**" has the meaning set forth in Section 2.5(a).

"**Closing Date**" has the meaning set forth in Section 2.5(a).

"**Code**" means the Internal Revenue Code of 1986.

"**Commitment Party**" means the HoldCo Equityholder Commitment Parties, the HoldCo Noteholder Commitment Parties and any Additional Commitment Party.

"**Commitment Party Default**" means a HoldCo Noteholders Commitment Party Default or a HoldCo Equityholders Commitment Party Default.

"**Commitment Party Replacement**" has the meaning set forth in Section 2.3(b).

"**Commitment Party Replacement Period**" has the meaning set forth in Section 2.3(b).

"**Commitment Premium**" has the meaning set forth in Section 3.1.

"**Common Shares**" means the shares of common stock that constitute equity interests in the Reorganized Company.

"**Company**" has the meaning set forth in the Preamble.

"**Company Disclosure Schedules**" means the disclosure schedules delivered by the Company to the Commitment Parties on the date of this Agreement.

"**Company Plan**" means any employee pension benefit plan, as such term is defined in Section 3(2) of ERISA (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 or 430 of the Code or Section 302 of ERISA, and (i) sponsored or maintained (at the time of determination or at any time within the six years prior thereto) by any of the Debtors or any ERISA Affiliate, or with respect to which any such entity has any actual or contingent liability or obligation or (ii) in respect of which any of the Debtors or any ERISA Affiliate is (or, if such plan were terminated, could under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Company SEC Documents**" means all of the reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) filed with the SEC by the Company.

"**Confirmation Order**" means a Final Order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"Consenting HoldCo Equityholders" has the meaning set forth in the Plan Support Agreement.

"**Consenting HoldCo Noteholders**" has the meaning set forth in the Plan Support Agreement.

"**Contract**" means any agreement, contract or instrument, including any loan, note, bond, mortgage, indenture, guarantee, deed of trust, license, franchise, commitment, lease, franchise agreement, letter of intent, memorandum of understanding or other obligation, and any amendments thereto, whether written or oral, but excluding the Plan.

"**Control**" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or agency or otherwise.

"**Debtors**" means, collectively Ultra Petroleum Corp. and its direct and indirect Subsidiaries, as the debtors in possession and reorganized debtors, as applicable.

"**Defaulting Commitment Party**" means in respect of a Commitment Party Default that is continuing, the applicable defaulting Commitment Party.

"**Definitive Documentation**" means the definitive documents and agreements governing the Restructuring Transactions as set forth in the Plan Support Agreement.

"**Disclosure Statement**" has the meaning set forth in the Plan Support Agreement.

"Disclosure Statement Order" has the meaning set forth in the Plan Support Agreement.

"**Effective Date**" means the date upon which (a) no stay of the Confirmation Order is in effect, (b) all conditions precedent to the effectiveness of the Plan (or each respective Plan, if separate) have been satisfied or are expressly waived in accordance with the terms thereof, as the case may be, and (c) on which the Restructuring and the other transactions to occur on the Effective Date pursuant to the Plan become effective or are consummated.

"**Environmental Laws**" means all applicable laws (including common law), rules, regulations, codes, ordinances, orders in council, Orders, decrees, treaties, directives, judgments or legally binding agreements promulgated or entered into by or with any Governmental Entity, relating in any way to the environment, preservation or reclamation of natural resources, the generation, management, Release or threatened Release of, or exposure to, any Hazardous Material.

"**Equityholder Committee**" has the meaning set forth in the Plan Support Agreement.

"**ERISA**" means the Employee Retirement Income Security Act of 1974.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with any of the Debtors, is, or at any relevant time during the past six years was, treated as a single employer under any provision of Section 414 of the Code.

"**ERISA Event**" means (a) any Reportable Event with respect to a Company Plan; (b) any failure by any Company Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Company Plan, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Company Plan, the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Company Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the incurrence by any of the Debtors or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Company Plan, including the imposition of any Lien in favor of any Company Plan or Multiemployer Plan; (e) a determination that any Company Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 303 of ERISA or Section 430 of the Code); (f) the receipt by any of the Debtors or any ERISA Affiliate from a plan administrator of any notice relating to an intention to terminate any Company Plan or to appoint a trustee to administer any Company Plan under Section 4042 of ERISA; (g) the incurrence by any of the Debtors or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Company Plan or Multiemployer Plan; (h) the receipt by any of the Debtors or any ERISA Affiliate of any notice concerning the impending imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, "insolvent" (within the meaning of Section 4245 of ERISA), or in "endangered" or "critical status" (within the meaning of Section 305 of ERISA or Section 432 of the Code); (i) the conditions for imposition of a Lien under Section 303(k) of ERISA or Section 430(k) of the Code shall have been met with respect to any Company Plan; (j) the adoption of an amendment to a Company Plan requiring the provision of security to such Company Plan pursuant to Section 307 of ERISA; (k) the assertion of a material claim (other than routine claims for benefits) against any Company Plan or the assets thereof, or against any of the Debtors in connection with any Company Plan; or (l) receipt from the IRS of notice of the failure of any Company Plan (or any other employee benefit plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Company Plan to qualify for exemption from taxation under Section 501(a) of the Code.

"**Escrow Account**" has the meaning set forth in **Section 2.4(a)**.

"**Escrow Account Funding Date**" has the meaning set forth in **Section 2.4(b)**.

"**Event**" means any event, development, occurrence, circumstance, effect, condition, result, state of facts or change.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Expense Reimbursement**" has the meaning set forth in Section 3.3(a).

"**Filing Party**" has the meaning set forth in Section 6.12(b).

"**Final Order**" means, as applicable, an Order of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the Order could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such Order, or has otherwise been dismissed with prejudice.

"**Funding Notice**" has the meaning set forth in Section 2.4(a).

"**Funding Notice Date**" has the meaning set forth in Section 2.4(a).

"**GAAP**" means United States generally accepted accounting principles.

"**Governmental Entity**" has the meaning of "governmental unit" set forth in section 101(27) of the Bankruptcy Code.

"**Hazardous Materials**" means all pollutants, contaminants, wastes, chemicals, materials, substances and constituents, including explosive or radioactive substances or petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls or radon gas, of any nature subject to regulation or which can give rise to liability under any Environmental Law other than naturally occurring radioactive material on or inside of equipment wells or oil and gas property to the extent each of the foregoing is in service.

"HoldCo Equity Interests" means all of the common equity interests in the Company.

"**HoldCo Equityholders**" means all holders of the HoldCo Equity Interests.

"**HoldCo Equityholders Available Shares**" means the HoldCo Equityholders Unsubscribed Shares and Rights Offering Shares that any HoldCo Equityholders Commitment Party fails to purchase as a result of a HoldCo Equityholders Commitment Party Default by such HoldCo Equityholders Commitment Party.

"**HoldCo Equityholders Backstop Commitment**" has the meaning set forth in Section 2.2.

"**HoldCo Equityholders Backstop Commitment Percentage**" means, with respect to any HoldCo Equityholders Commitment Party, such HoldCo Equityholders Commitment Party's percentage of the HoldCo Equityholders Backstop Commitment as set forth opposite such HoldCo Equityholders Commitment Party's name under the column titled "HoldCo Equityholders Backstop Commitment Percentage" on Schedule 1B to this Agreement. Any reference to "HoldCo Equityholders Backstop Commitment Percentage" in this Agreement means the HoldCo Equityholders Backstop Commitment Percentage in effect at the time of the relevant determination.

"**HoldCo Equityholders Commitment Parties**" means all Commitment Parties that are also HoldCo Equityholders, acting in their capacity as such and including each of their permitted successors and assigns.

"**HoldCo Equityholders Commitment Party Default**" means the failure by any HoldCo Equityholders Commitment Party to (a) deliver and pay the aggregate Per Share Purchase Price for such HoldCo Equityholders Commitment Party's Backstop Commitment Percentage of any HoldCo Equityholders Unsubscribed Shares by the Escrow Account Funding Date in accordance with Section 2.4(b) or (b) fully exercise all HoldCo Equityholders Subscription Rights that are owned by it (or its managed funds or accounts) as of the Rights Offering Expiration Time pursuant to the HoldCo Equityholders Rights Offering and duly purchase all HoldCo Equityholders Rights Offering Shares pursuant to such exercise, in accordance with this Agreement and the Plan.

"**HoldCo Equityholders Commitment Party Replacement**" has the meaning set forth in Section 2.3(b).

"**HoldCo Equityholders Commitment Party Replacement Period**" has the meaning set forth in Section 2.3(b).

"**HoldCo Equityholders Replacing Commitment Parties**" has the meaning set forth in Section 2.3(b).

"**HoldCo Equityholders Rights Offering**" means the rights offering that is backstopped by the HoldCo Equityholders Commitment Parties for the HoldCo Equityholders Rights Offering Amount in connection with the Restructuring Transactions substantially on the terms reflected in the Plan Support Agreement and this Agreement, and in accordance with the Rights Offering Procedures.

"**HoldCo Equityholders Rights Offering Shares**" means the Common Shares (including all HoldCo Equityholders Unsubscribed Shares purchased by the HoldCo Equityholders Commitment Parties pursuant to this Agreement) distributed pursuant to and in accordance with the Rights Offering Procedures in the HoldCo Equityholders Rights Offering.

"**HoldCo Equityholders Rights Offering Amount**" means an amount equal to $145,000,000.

"**HoldCo Equityholders Rights Offering Participants**" means those Persons who duly subscribe for HoldCo Equityholders Rights Offering Shares in accordance with the Rights Offering Procedures.

"**HoldCo Equityholders Subscription Rights**" means the subscription rights to purchase HoldCo Equityholders Rights Offering Shares.

"**HoldCo Equityholders Unsubscribed Shares**" means the HoldCo Equityholders Rights Offering Shares that have not been duly purchased in the HoldCo Equityholders Rights Offering by HoldCo Equityholders that are not HoldCo Equityholders Commitment Parties in accordance with the Rights Offering Procedures and the Plan.

"**HoldCo Noteholder Committee**" has the meaning set forth in the Plan Support Agreement.

"**HoldCo Noteholders**" means all holders of the HoldCo Notes.

"**HoldCo Noteholders Available Shares**" means the HoldCo Noteholders Unsubscribed Shares and Rights Offering Shares that any HoldCo Noteholders Commitment Party fails to purchase as a result of a HoldCo Noteholders Commitment Party Default by such HoldCo Noteholders Commitment Party.

"**HoldCo Noteholders Backstop Commitment**" has the meaning set forth in Section 2.2.

"**HoldCo Noteholders Backstop Commitment Percentage**" means, with respect to any HoldCo Noteholders Commitment Party, such HoldCo Noteholders Commitment Party's percentage of the HoldCo Noteholders Backstop Commitment as set forth opposite such HoldCo Noteholders Commitment Party's name under the column titled "HoldCo Noteholders Backstop Commitment Percentage" on Schedule 1A to this Agreement. Any reference to "HoldCo Noteholders Backstop Commitment Percentage" in this Agreement means the HoldCo Noteholders Backstop Commitment Percentage in effect at the time of the relevant determination.

"**HoldCo Noteholders Commitment Parties**" means all Commitment Parties that are also HoldCo Noteholders, acting in their capacity as such and including each of their permitted successors and assigns.

"**HoldCo Noteholders Commitment Party Default**" means the failure by any HoldCo Noteholders Commitment Party to (a) deliver and pay the aggregate Per Share Purchase Price for such HoldCo Noteholders Commitment Party's Backstop Commitment Percentage of any HoldCo Noteholders Unsubscribed Shares by the Escrow Account Funding Date in accordance with Section 2.4(b) or (b) fully exercise all HoldCo Noteholders Subscription Rights that are owned by it (or its managed funds or accounts) as of the Rights Offering Expiration Time pursuant to the HoldCo Noteholders Rights Offering and duly purchase all HoldCo Noteholders Rights Offering Shares pursuant to such exercise, in accordance with this Agreement and the Plan.

"**HoldCo Noteholders Commitment Party Replacement**" has the meaning set forth in Section 2.3(a).

"**HoldCo Noteholders Commitment Party Replacement Period**" has the meaning set forth in Section 2.3(a).

"**HoldCo Noteholders Replacing Commitment Parties**" has the meaning set forth in Section 2.3(a).

"**HoldCo Noteholders Rights Offering**" means the rights offering that is backstopped by the HoldCo Noteholders Commitment Parties for the HoldCo Noteholders Rights Offering Amount in connection with the Restructuring Transactions substantially on the

terms reflected in the Plan Support Agreement and this Agreement, and in accordance with the Rights Offering Procedures.

"**HoldCo Noteholders Rights Offering Amount**" means an amount equal to $435,000,000.

"**HoldCo Noteholders Rights Offering Participants**" means those Persons who duly subscribe for HoldCo Noteholders Rights Offering Shares in accordance with the Rights Offering Procedures.

"**HoldCo Noteholders Rights Offering Shares**" means the Common Shares (including all HoldCo Noteholders Unsubscribed Shares purchased by the HoldCo Noteholders Commitment Parties pursuant to this Agreement) distributed pursuant to and in accordance with the Rights Offering Procedures in the HoldCo Noteholders Rights Offering.

"**HoldCo Noteholders Subscription Rights**" means the subscription rights to purchase HoldCo Noteholders Rights Offering Shares.

"**HoldCo Noteholders Unsubscribed Shares**" means the HoldCo Noteholders Rights Offering Shares that have not been duly purchased in the HoldCo Noteholders Rights Offering by HoldCo Noteholders that are not HoldCo Noteholders Commitment Parties in accordance with the Rights Offering Procedures and the Plan.

"**HoldCo Notes**" means the 5.75% Senior Notes Due 2018 issued by the Company pursuant to the Indenture, dated as of December 12, 2013, and the 6.125% Senior Notes Due 2024 issued by Company pursuant to the Indenture, dated as of September 18, 2014.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

"**Indemnified Claim**" has the meaning set forth in Section 8.2.

"**Indemnified Person**" has the meaning set forth in Section 8.1.

"**Indemnifying Party**" has the meaning set forth in Section 8.1.

"**Intellectual Property Rights**" has the meaning set forth in Section 4.12.

"**IRS**" means the United States Internal Revenue Service.

"**Joint Filing Party**" has the meaning set forth in Section 6.12(c).

"**Knowledge of the Company**" means the actual knowledge, after reasonable inquiry of their direct reports, of the chief executive officer, chief financial officer, chief operating officer and general counsel of the Company. As used herein, "actual knowledge" means information that is personally known by the listed individual(s).

"**Law**" means any law (statutory or common), statute, regulation, rule, code or ordinance enacted, adopted, issued or promulgated by any Governmental Entity.

"**Legal Proceedings**" has the meaning set forth in Section 4.10.

"**Legend**" has the meaning set forth in Section 6.11.

"**Lien**" means any lien, adverse claim, charge, option, right of first refusal, servitude, security interest, mortgage, pledge, deed of trust, easement, encumbrance, restriction on transfer, conditional sale or other title retention agreement, defect in title, lien or judicial lien as defined in sections 101(36) and (37) of the Bankruptcy Code or other restrictions of a similar kind.

"**Losses**" has the meaning set forth in Section 8.1.

"**Material Adverse Effect**" means any Event, which individually, or together with all other Events, has had or would reasonably be expected to have a material and adverse effect on (a) the business, assets, liabilities, finances, properties, results of operations or condition (financial or otherwise) of the Debtors, taken as a whole, or (b) the ability of the Debtors, taken as a whole, to perform their obligations under, or to consummate the transactions contemplated by, the Transaction Agreements, including the Rights Offerings, in each case, except to the extent such Event results from, arises out of, or is attributable to, the following (either alone or in combination): (i) any change after the date hereof in global, national or regional political conditions (including hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or material worsening of any such hostilities, acts of war, sabotage, terrorism or military actions existing or underway) or in the general business, market, financial or economic conditions affecting the industries, regions and markets in which the Debtors operate, including any change in the United States or applicable foreign economies or securities, commodities or financial markets, or force majeure events or "acts of God"; (ii) any changes after the date hereof in applicable Law or GAAP, or in the interpretation or enforcement thereof; (iii) the execution, announcement or performance of this Agreement or the other Transaction Agreements or the transactions contemplated hereby or thereby (including any act or omission of the Debtors expressly required or prohibited, as applicable, by this Agreement or consented to or required by the Requisite Commitment Parties in writing); (iv) changes in the market price or trading volume of the claims or equity or debt securities of the Debtors (but not the underlying facts giving rise to such changes unless such facts are otherwise excluded pursuant to the clauses contained in this definition); (v) the departure of officers or directors of any of the Debtors not in contravention of the terms and conditions of this Agreement (but not the underlying facts giving rise to such departure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); (vi) the filing or pendency of the Chapter 11 Cases; (vii) declarations of national emergencies in the United States or natural disasters in the United States; (viii) any matters expressly disclosed in the Disclosure Statement or the Company Disclosure Schedules as delivered on the date hereof; or (ix) the occurrence of a Commitment Party Default; provided, that the exceptions set forth in clauses (i) and (ii) shall not apply to the extent that such Event is disproportionately adverse to the Debtors, taken as a whole, as compared to other companies in the industries in which the Debtors operate.

"**Material Contracts**" means (a) all material definitive agreements that the Debtors are required to file under the requirements of Section 13 or 15 of the Exchange Act and (b) the contracts described in Section 1.1 of the Company Disclosure Schedules.

"**MIP**" means the new management incentive plan to be adopted by the Reorganized Company on the terms and conditions set forth in the Plan Term Sheet.

"**Money Laundering Laws**" has the meaning set forth in Section 4.23.

"**Multiemployer Plan**" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any of the Debtors is making or accruing an obligation to make contributions, or each such plan with respect to which any such entity has any liability or obligation (including on account of an ERISA Affiliate).

"**Order**" means any judgment, order, award, injunction, writ, permit, license or decree of any Governmental Entity or arbitrator of applicable jurisdiction.

"**Outside Date**" has the meaning set forth in Section 9.2(a).

"**Party**" has the meaning set forth in the Preamble.

"**Per Share Purchase Price**" shall mean $2.7 billion divided by the Aggregate Common Shares; provided, that if the Total Enterprise Value at the close of business on the Subscription Commencement Date is not $6.0 billion, then the Per Share Purchase Price shall be adjusted as follows: (a) if the Total Enterprise Value is $5.5 billion, then the Per Share Purchase Price shall mean $2.3 billion divided by the Aggregate Common Shares; or (b) if the Total Enterprise Value is $6.25 billion, then the Per Share Purchase Price shall mean $2.9 billion divided by the Aggregate Common Shares.

"**Permitted Liens**" means (a) Liens for Taxes that (i) are not yet delinquent or (ii) are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (b) landlord's, operator's, vendors', carriers', warehousemen's, mechanics', materialmen's, repairmen's and other similar Liens for labor, materials or supplies or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of oil and gas properties provided with respect to any Real Property or personal property incurred in the ordinary course of business consistent with past practice and as otherwise not prohibited under this Agreement, for amounts that are not more than sixty (60) days delinquent and that do not materially detract from the value of, or materially impair the use of, any of the Real Property or personal property of any of the Debtors, or, if for amounts that do materially detract from the value of, or materially impair the use of, any of the Real Property or personal property of any of the Debtors, if such Lien is being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (c) zoning, building codes and other land use Laws regulating the use or occupancy of any Real Property or the activities conducted thereon that are imposed by any Governmental Entity having jurisdiction over such Real Property; provided, that no such zoning, building codes and other land use Laws prohibit the use or occupancy of such Real Property; (d) easements, covenants, conditions, minor encroachments, restrictions on transfer and other similar matters affecting title to any Real

Property (including any title retention agreement) and other title defects and encumbrances that do not or would not materially impair the ownership, use or occupancy of such Real Property or the operation of the Debtors' business; (e) Liens granted under any Contracts (including joint operating agreements, oil and gas leases, farmout agreements, joint development agreements, transportation agreements, marketing agreements, seismic licenses and other similar operational oil and gas agreements), in each case, to the extent the same are ordinary and customary in the oil and gas business and do not or would not materially impair the ownership, use or occupancy of any Real Property or the operation of the Debtors' business and which are for claims not more than sixty (60) days delinquent or, if such claim does materially impair such ownership, use, occupancy or operation and are for obligations that are more than sixty (60) days delinquent, are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (f) mortgages on a lessor's interest in a lease or sublease; provided, that no foreclosure proceedings have been duly filed (unless, in such case, such mortgage has been subordinated to the applicable lease); and (g) Liens that, pursuant to the Plan and the Confirmation Order, will be discharged and released on the Effective Date.

"**Person**" means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, association, trust, Governmental Entity or other entity or organization.

"**Plan**" has the meaning set forth in the Plan Support Agreement.

"**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and the Plan Support Agreement), including without limitation disclosure required under section 1129(a)(5) of the Bankruptcy Code, to be filed by the Debtors no later than 14 days before the Confirmation Hearing, and additional documents or amendments to previously filed documents, filed before the Effective Date as amendments to the Plan Supplement, including the following, as applicable: (a) the Reorganized Company Organizational Documents; (b) a list of retained causes of action; (c) the Registration Rights Agreement; (d) the Schedule of Assumed Executory Contracts and Unexpired Leases that the Debtors intend to assume under the Plan; (e) the Schedule of Rejected Executory Contracts and Unexpired Leases that the Debtors intend to reject under the Plan; (f) the Agreement; (g) documents governing the New OpCo Notes (as described in the Plan Term Sheet) and, if applicable, the Additional New OpCo Notes (as described in the Plan Term Sheet) (and any agreements, documents or instruments related thereto); (h) the MIP; and (i) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date consistent with and subject to the Plan Support Agreement. Each of the documents referenced herein shall be consistent in all material respects with, and shall conform to, the terms and conditions of the Plan Support Agreement, including, without limitation, that such documents be in form and manner reasonably satisfactory to the Required Consenting Parties (as defined in the Plan Support Agreement).

"**Plan Support Agreement**" has the meaning set forth in the Recitals.

"Plan Support Parties" means the Consenting HoldCo Equityholders and the Consenting HoldCo Noteholders.

"**Plan Term Sheet**" has the meaning set forth in the Recitals.

"**Pre-Closing Period**" has the meaning set forth in Section 6.3.

"**Real Property**" means, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee or leased by any of the Debtors, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures incidental to the ownership or lease thereof.

"**Registration Rights Agreement**" has the meaning set forth in Section 6.6(a).

"**Related Party**" means, with respect to any Person, (i) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of such Person and (ii) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of any of the foregoing.

"**Related Purchaser**" has the meaning set forth in Section 2.6(a).

"**Release**" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migrating. "**Released**" has a correlative meaning.

"**Reorganized Company**" means Ultra Petroleum Corp. from and after the Effective Date.

"**Reorganized Company Organizational Documents**" means, collectively, the Charter, Bylaws, Articles of Incorporation and any other organizational documents for the Reorganized Company.

"**Reorganized Debtors**" means the Reorganized Company and its direct and indirect subsidiaries from and after the Effective Date.

"**Replacing Commitment Parties**" has the meaning set forth in Section 2.3(b).

"**Reportable Event**" means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30 day notice period referred to in Section 4043(c) of ERISA has been waived, with respect to a Company Plan.

"**Representatives**" means, with respect to any Person, such Person's directors, officers, members, partners, managers, employees, agents, investment bankers, attorneys, accountants, advisors and other representatives.

"**Requisite Commitment Parties**" means (a) HoldCo Noteholder Commitment Parties holding at least sixty-six and two-thirds percent (66-2/3%) of all outstanding HoldCo Noteholders Backstop Commitments at the time of the relevant determination and (b) HoldCo Equityholders Commitment Parties holding at least sixty-six and two-thirds percent (66-2/3%) of all outstanding HoldCo Equityholders Backstop Commitments at the time of the relevant determination, in the case of each of (a) and (b), voting as a separate class.

"**Restructuring**" has the meaning set forth in the Plan Support Agreement.

"**Restructuring Transactions**" means, collectively, the transactions contemplated by the Plan Support Agreement.

"**Rights Offerings**" means the HoldCo Noteholders Rights Offering and the HoldCo Equityholders Rights Offering.

"**Rights Offering Expiration Time**" means the time and the date on which the rights offering subscription forms must be duly delivered to the Rights Offering Subscription Agent in accordance with the Rights Offering Procedures, together with the applicable aggregate Per Share Purchase Price, if applicable.

"**Rights Offering Participants**" means all of the HoldCo Equityholders Rights Offering Participants and the HoldCo Noteholders Rights Offering Participants.

"**Rights Offering Procedures**" means the procedures with respect to the Rights Offerings that are approved by the Bankruptcy Court pursuant to the Disclosure Statement Order, which procedures shall be in form and substance substantially as set forth on Exhibit A hereto, as may be modified in a manner that is reasonably acceptable to the Requisite Commitment Parties and the Company.

"**Rights Offering Shares**" means all of the HoldCo Noteholders Rights Offering Shares and the HoldCo Equityholders Rights Offering Shares, which aggregate number of Rights Offering Shares shall be reasonably acceptable to the Requisite Commitment Parties.

"**Rights Offering Subscription Agent**" means a subscription agent appointed by the Company and satisfactory to the Requisite Commitment Parties.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Subscription Rights**" means all of the HoldCo Noteholders Subscription Rights and the HoldCo Equityholders Subscription Rights.

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other subsidiary), (a) owns, directly or indirectly, more than fifty percent (50%) of the

stock or other equity interests, (b) has the power to elect a majority of the board of directors or similar governing body, or (c) has the power to direct the business and policies.

"**Taxes**" means all taxes, assessments, duties, levies or other mandatory governmental charges paid or payable to a Governmental Entity, including all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, excise, severance, windfall profits, stamp, payroll, social security, withholding and other taxes, assessments, duties, levies or other mandatory governmental charges of any kind whatsoever paid to a Governmental Entity (whether payable directly or by withholding and whether or not requiring the filing of a return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest thereon and shall include any liability for such amounts as a result of being a member of a combined, consolidated, unitary or affiliated group. For the avoidance of doubt, such term shall exclude any tax, penalties or interest thereon that result or have resulted from the non-payment of royalties.

"**Total Enterprise Value**" means the enterprise value of the Debtors under the Plan. The Total Enterprise Value is $6.0 billion, based on a 12-month forward Henry Hub strip price of $3.25 to $3.65 at close of business on the Subscription Commencement Date. The Total Enterprise Value shall be adjusted as follows: (i) if at such time the Henry Hub strip price is greater than $3.65, the Total Enterprise Value shall be $6.25 billion and (ii) if at such time the Henry Hub strip price is less than $3.25, the Total Enterprise Value shall be $5.50 billion. All strip prices are based on the average closing 12-month forward Henry Hub strip price for the seven (7) trading days preceding such date.

"**Transaction Agreements**" has the meaning set forth in Section 4.2(a).

"**Transfer**" means to sell, transfer, assign, pledge, hypothecate, participate, donate or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales or other transactions in which any Person receives the right to own or acquire any current or future interest in a Subscription Right), a Rights Offering Share, Common Share or Backstop Commitment. "**Transfer**" used as a noun has a correlative meaning.

"**Ultimate Purchaser**" has the meaning set forth in Section 2.6(b).

"**Unlegended Shares**" has the meaning set forth in Section 6.8.

"**Unsubscribed Shares**" means all of the HoldCo Noteholders Unsubscribed Shares and the HoldCo Equityholders Unsubscribed Shares.

"**willful or intentional breach**" has the meaning set forth in Section 9.4.

"**Withdrawal Liability**" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan.

Section 1.2 Construction. In this Agreement, unless the context otherwise requires:

(a) references to Articles, Sections, Exhibits and Schedules are references to the articles and sections or subsections of, and the exhibits and schedules attached to, this Agreement;

(b) references in this Agreement to "writing" or comparable expressions include a reference to a written document transmitted by means of electronic mail in portable document format (pdf), facsimile transmission or comparable means of communication;

(c) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;

(d) the words "hereof," "herein," "hereto" and "hereunder," and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits and Schedules attached to this Agreement, and not to any provision of this Agreement;

(e) the term "this Agreement" shall be construed as a reference to this Agreement as the same may have been, or may from time to time be, amended, modified, varied, novated or supplemented;

(f) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words;

(g) references to "day" or "days" are to calendar days;

(h) references to "the date hereof" means the date of this Agreement;

(i) unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder in effect from time to time; and

(j) references to "dollars" or "$" refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II

BACKSTOP COMMITMENT

Section 2.1 The Rights Offering; Subscription Rights. On and subject to the terms and conditions hereof, including entry of the Approval Order, the Company, on behalf of the Reorganized Company, shall conduct the Rights Offerings pursuant to and in accordance with the Rights Offering Procedures and the Disclosure Statement Order. If reasonably requested by Commitment Parties satisfying the definition of Requisite Commitment Parties pursuant to clause (a) thereof, from time to time prior to the Rights Offering Expiration Time (and any extensions thereto), the Company shall notify, or cause the Rights Offering Subscription Agent to notify, as soon as practicable and, in any event, within 48 hours of receipt of such request by the Company, the HoldCo Noteholders Commitment Parties of the aggregate

number of HoldCo Noteholders Subscription Rights known by the Company or the Rights Offering Subscription Agent to have been exercised pursuant to the HoldCo Noteholders Rights Offering as of the most recent practicable time before such request. If reasonably requested by Commitment Parties satisfying the definition of "Requisite Commitment Parties" pursuant to clause (b) thereof, from time to time prior to the Rights Offering Expiration Time (and any extensions thereto), the Company shall notify, or cause the Rights Offering Subscription Agent to notify, as soon as practicable and, in any event, within 48 hours of receipt of such request by the Company, the HoldCo Equityholders Commitment Parties of the aggregate number of HoldCo Equityholders Subscription Rights known by the Company or the Rights Offering Subscription Agent to have been exercised pursuant to the HoldCo Equityholders Rights Offering as of the most recent practicable time before such request. The Rights Offerings will be conducted, at the Company's election with the consent of the Requisite Commitment Parties (i) pursuant to an effective registration statement under the Securities Act or (ii) in reliance upon the exemption from registration under the Securities Act provided in Section 1145 of the Bankruptcy Code, and all Rights Offering Shares, including the Common Shares to be issued pursuant to the Commitment Premium (other than the Unsubscribed Shares purchased by the Commitment Parties pursuant to this Agreement) will be issued pursuant to such registration statement or in reliance upon such exemption, and the Disclosure Statement shall include a statement to such effect. The offer and sale of the Unsubscribed Shares purchased by the Commitment Parties pursuant to this Agreement will be made (i) pursuant to an effective registration statement under the Securities Act or (ii) in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act or another available exemption from registration under the Securities Act, and the Disclosure Statement shall include a statement to such effect.

Section 2.2 The Backstop Commitment. On and subject to the terms and conditions hereof, including entry of the Approval Order, each HoldCo Noteholders Commitment Party and each HoldCo Equityholders Commitment Party agrees, severally and not jointly, to fully exercise (or cause certain of its and its affiliates' managed funds and/or accounts to fully exercise) all Subscription Rights that are owned by it (or such managed funds or accounts) as of the Rights Offering Expiration Time pursuant to the Rights Offerings, respectively, and duly purchase all Rights Offering Shares issuable to it pursuant to such exercise, in accordance with the Rights Offering Procedures and the Plan; provided, that any Defaulting Commitment Party shall be liable to each non-Defaulting Commitment Party, the Company and the Reorganized Debtors as a result of any breach of its obligations hereunder. On and subject to the terms and conditions hereof, including entry of the Confirmation Order, (a) each HoldCo Noteholders Commitment Party agrees, severally and not jointly, to purchase (or cause certain of its and its affiliates' managed funds and/or accounts to purchase), and the Reorganized Company shall sell to such HoldCo Noteholders Commitment Party (or such managed funds or accounts), on the Closing Date for the applicable aggregate Per Share Purchase Price, the number of HoldCo Noteholders Unsubscribed Shares equal to (x) such HoldCo Noteholders Commitment Party's HoldCo Noteholders Backstop Commitment Percentage multiplied by (y) the aggregate number of HoldCo Noteholders Unsubscribed Shares (such obligation to purchase, the "**HoldCo Noteholders Backstop Commitment**"), rounded among the HoldCo Noteholders Commitment Parties solely to avoid fractional shares as the applicable Requisite Commitment Parties may determine in its sole discretion (provided, that in no event shall such rounding reduce the aggregate commitment of such HoldCo Noteholders Commitment Parties) and (b) each HoldCo Equityholders Commitment Party agrees, severally

and not jointly, to purchase (or cause certain of its and its affiliates' managed funds and/or accounts to purchase), and the Reorganized Company shall sell to such HoldCo Equityholders Commitment Party (or such managed funds and/or accounts), on the Closing Date for the applicable aggregate Per Share Purchase Price, the number of HoldCo Equityholders Unsubscribed Shares equal to (x) such HoldCo Equityholders Commitment Party's HoldCo Equityholders Backstop Commitment Percentage multiplied by (y) the aggregate number of HoldCo Equityholders Unsubscribed Shares (such obligation to purchase, the "**HoldCo Equityholders Backstop Commitment**"), rounded among the HoldCo Equityholders Commitment Parties solely to avoid fractional shares as the applicable Requisite Commitment Parties may determine in its sole discretion (provided, that in no event shall such rounding reduce the aggregate commitment of such HoldCo Equityholders Commitment Parties).

Section 2.3 Commitment Party Default.

(a) Upon the occurrence of a HoldCo Noteholders Commitment Party Default, the HoldCo Noteholders Commitment Parties that are, or are Affiliated with, a HoldCo Noteholders Commitment Party (other than any Defaulting Commitment Party) shall have the right, but not the obligation, within three (3) Business Days after receipt of written notice from the Company to all HoldCo Noteholders Commitment Parties of such HoldCo Noteholders Commitment Party Default, which notice shall be given promptly following the occurrence of such HoldCo Noteholders Commitment Party Default and to all HoldCo Noteholders Commitment Parties concurrently (such three (3) Business Day period, the "**HoldCo Noteholders Commitment Party Replacement Period**"), to make arrangements for one or more of the HoldCo Noteholders Commitment Parties that is, or is Affiliated with, a HoldCo Noteholders Commitment Party (other than any Defaulting Commitment Party) to purchase all or any portion of the HoldCo Noteholders Available Shares (any such purchase, and any purchase by HoldCo Equityholders Commitment Parties pursuant to the last sentence of this paragraph, an "**HoldCo Noteholders Commitment Party Replacement**") on the terms and subject to the conditions set forth in this Agreement and in such amounts as may be agreed upon by all of the HoldCo Noteholders Commitment Parties electing to purchase all or any portion of the HoldCo Noteholders Available Shares, or, if no such agreement is reached, based upon the relative applicable HoldCo Noteholders Backstop Commitment Percentages of any such HoldCo Noteholders Commitment Parties that are, or are Affiliated with, a HoldCo Noteholders Commitment Party (other than any Defaulting Commitment Party) (such Commitment Parties, and any HoldCo Equityholders Commitment Parties that purchase HoldCo Noteholders Available Shares pursuant to the last sentence of this paragraph, the "**HoldCo Noteholders Replacing Commitment Parties**"). In the event the HoldCo Noteholders Commitment Parties (or their applicable affiliates) do not elect to purchase all of the HoldCo Noteholders Available Shares pursuant to the foregoing provisions of this paragraph, the Company shall give prompt written notice thereof to each of the HoldCo Equityholders Commitment Parties, and such HoldCo Equityholders Commitment Parties shall have the right, but not the obligation, to purchase all or any portion of the remaining HoldCo Noteholders Available Shares on the same terms and conditions as if they were HoldCo Equityholders Available Shares under Section 2.3(b) within three (3) Business Days of receiving notice from the Company.

(b) Upon the occurrence of a HoldCo Equityholders Commitment Party Default, the HoldCo Equityholders Commitment Parties that are, or are Affiliated with, a

HoldCo Equityholders Commitment Party (other than any Defaulting Commitment Party) shall have the right, but not the obligation, within three (3) Business Days after receipt of written notice from the Company to all HoldCo Equityholders Commitment Parties of such HoldCo Equityholders Commitment Party Default, which notice shall be given promptly following the occurrence of such HoldCo Equityholders Commitment Party Default and to all HoldCo Equityholders Commitment Parties concurrently (such three (3) Business Day period, the "**HoldCo Equityholders Commitment Party Replacement Period**" and, together with the HoldCo Noteholders Commitment Party Replacement Period, the "**Commitment Party Replacement Period**"), to make arrangements for one or more of the HoldCo Equityholders Commitment Parties that is, or is Affiliated with, a HoldCo Equityholders Commitment Party (other than any Defaulting Commitment Party) to purchase all or any portion of the HoldCo Equityholders Available Shares (any such purchase, and any purchase by HoldCo Noteholders Commitment Parties pursuant to the last sentence of this paragraph, a "**HoldCo Equityholders Commitment Party Replacement**" and, together with the HoldCo Noteholders Commitment Party Replacement and any purchase of Available Shares pursuant to Section 2.3(c), the "**Commitment Party Replacement**") on the terms and subject to the conditions set forth in this Agreement and in such amounts as may be agreed upon by all of the HoldCo Equityholders Commitment Parties electing to purchase all or any portion of the HoldCo Equityholders Available Shares, or, if no such agreement is reached, based upon the relative applicable HoldCo Equityholders Backstop Commitment Percentages of any such HoldCo Equityholders Commitment Parties that are, or are Affiliated with, a HoldCo Equityholders Commitment Party (other than the Defaulting Commitment Party) (such Commitment Parties, and any HoldCo Noteholders Commitment Parties that purchase HoldCo Equityholders Available Shares pursuant to the last sentence of this paragraph, the "**HoldCo Equityholders Replacing Commitment Parties**" and, together with the HoldCo Noteholders Replacing Commitment Parties and any Commitment Party that purchases Available Shares pursuant to Section 2.3(c), the "**Replacing Commitment Parties**"). In the event the HoldCo Equityholders Commitment Parties (or their applicable affiliates) do not elect to purchase all of the HoldCo Equityholders Available Shares pursuant to the foregoing provisions of this paragraph, the Company shall give prompt written notice thereof to each of the HoldCo Noteholders Commitment Parties, and such HoldCo Noteholders Commitment Parties shall have the right, but not the obligation, to purchase all or any portion of the remaining HoldCo Equityholders Available Shares on the same terms and conditions as if they were HoldCo Noteholders Available Shares under Section 2.3(a) within three (3) Business Days of receiving notice from the Company.

(c) [Reserved].

(d) In the event that any Commitment Parties do not elect to purchase all Available Shares available for purchase pursuant to Section 2.3(a) and Section 2.3(b), the Company may, in its sole discretion, elect to utilize the Cover Transaction Period to consummate a Cover Transaction. As used herein, "**Cover Transaction**" means a circumstance in which the Company arranges for the sale of all or any portion of the Available Shares to any other Person, on the terms and subject to the conditions set forth in this Agreement, during the Cover Transaction Period, and "**Cover Transaction Period**" means the ten (10) Business Day period following expiration of the three (3) Business Day period specified in the last sentence of Section 2.3(a) and Section 2.3(b), as applicable. For the avoidance of doubt, the Company's

election to pursue a Cover Transaction, whether or not consummated, shall not relieve any Commitment Party of its obligation to fulfill its Backstop Commitment.

(e) Any Available Shares purchased by a Replacing Commitment Party (and any commitment and applicable aggregate Per Share Purchase Price associated therewith) shall be included, among other things, in the determination of (x) the HoldCo Noteholders Unsubscribed Shares or HoldCo Equityholders Unsubscribed Shares of such HoldCo Noteholders Replacing Commitment Party or HoldCo Equityholders Replacing Commitment Party, respectively, for all purposes hereunder, (y) the Backstop Commitment Percentage of such Replacing Commitment Party for purposes of Section 2.3(g), Section 2.4(b), Section 3.1 and Section 3.2 and (z) the Backstop Commitment of such Replacing Commitment Party for purposes of the definition of "Requisite Commitment Parties." If a Commitment Party Default occurs, the Outside Date shall be delayed only to the extent necessary to allow for (i) the Commitment Party Replacement to be completed within the Commitment Party Replacement Period and/or (ii), if applicable, the Cover Transaction to be completed within the Cover Transaction Period.

(f) If a Commitment Party is a Defaulting Commitment Party, it shall not be entitled to any of the Commitment Premium hereunder. Any portion of the Commitment Premium otherwise payable to any Defaulting Commitment Party except for such Commitment Party Default shall be paid pro-rata to any Replacing Commitment Party.

(g) Nothing in this Agreement shall be deemed to require a Commitment Party to purchase more than its Backstop Commitment Percentage of the Unsubscribed Shares.

(h) For the avoidance of doubt, notwithstanding anything to the contrary set forth in Section 9.4 but subject to Section 10.10, no provision of this Agreement shall relieve any Defaulting Commitment Party from liability hereunder, or limit the availability of the remedies set forth in Section 10.9, in connection with any such Defaulting Commitment Party's Commitment Party Default.

Section 2.4 Escrow Account Funding.

(a) Funding Notice. No later than the seventh (7th) Business Day following the Rights Offering Expiration Time, the Rights Offering Subscription Agent shall, on behalf of the Company, deliver to each Commitment Party a written notice (the "**Funding Notice**," and the date of such delivery, the "**Funding Notice Date**") setting forth (i) the number of HoldCo Noteholders Rights Offering Shares and the number of HoldCo Equityholders Rights Offering Shares elected to be purchased by the Rights Offering Participants, and the aggregate Per Share Purchase Price therefor in each case; (ii) the aggregate number of HoldCo Noteholders Unsubscribed Shares and the aggregate number of HoldCo Equityholders Unsubscribed Shares, if any, and the aggregate Per Share Purchase Price therefor in each case; (iii) the aggregate number of HoldCo Noteholders Rights Offering Shares and/or HoldCo Equityholders Rights Offering Shares, as applicable (based upon such Commitment Party's HoldCo Noteholders Backstop Commitment Percentage and/or HoldCo Equityholders Backstop Commitment Percentage, as applicable) to be issued and sold by the Reorganized Company to such Commitment Party on account of any HoldCo Noteholders Unsubscribed Shares and/or HoldCo

Equityholders Unsubscribed Shares, as applicable, and the aggregate Per Share Purchase Price therefor; (iv) if applicable, the number of HoldCo Noteholders Rights Offering Shares and/or HoldCo Equityholders Rights Offering Shares, as applicable, such Commitment Party is subscribed for in the Rights Offerings and for which such Commitment Party had not yet paid to the Rights Offering Subscription Agent the aggregate Per Share Purchase Price therefor, together with such aggregate Per Share Purchase Price; and (v) subject to the last sentence of Section 2.4(b), the escrow account designated in escrow agreements satisfactory to the Requisite Commitment Parties and the Company, each acting reasonably, to which such Commitment Party shall deliver and pay the aggregate Per Share Purchase Price for such Commitment Party's HoldCo Noteholders Backstop Commitment Percentage and/or HoldCo Equityholders Backstop Commitment Percentage of the HoldCo Noteholders Unsubscribed Shares and/or HoldCo Equityholders Unsubscribed Shares, as applicable, and, if applicable, the aggregate Per Share Purchase Price for the HoldCo Noteholders Rights Offering Shares and/or HoldCo Equityholders Rights Offering Shares such Commitment Party has subscribed for in the Rights Offerings (the "**Escrow Account**"). The Company shall promptly direct the Rights Offering Subscription Agent to provide any written backup, information and documentation relating to the information contained in the applicable Funding Notice as any Commitment Party may reasonably request.

(b) Escrow Account Funding. On the date agreed with the Requisite Commitment Parties pursuant to escrow agreements satisfactory to the Requisite Commitment Parties and the Company, each acting reasonably (the "**Escrow Account Funding Date**"), each Commitment Party shall deliver and pay an amount equal to the sum of (i) the aggregate Per Share Purchase Price for such Commitment Party's HoldCo Noteholders Backstop Commitment Percentage and/or HoldCo Equityholders Backstop Commitment Percentage of the HoldCo Noteholders Unsubscribed Shares and/or HoldCo Equityholders Unsubscribed Shares, as applicable, plus (ii) the aggregate Per Share Purchase Price for the Common Shares issuable pursuant to such Commitment Party's exercise of all the Subscription Rights owned by it (or its managed funds or accounts) as of the Rights Offering Expiration Time pursuant to the Rights Offerings, by wire transfer of immediately available funds in U.S. dollars into the Escrow Account in satisfaction of such Commitment Party's Backstop Commitment and its obligation to fully exercise its Subscription Rights; provided, that in no event shall the Escrow Account Funding Date be less than four (4) Business Days after the Funding Notice Date or more than five (5) Business Days prior to the Effective Date. Notwithstanding the foregoing, all payments contemplated to be made by any Commitment Party to the Escrow Account pursuant to this Section 2.4 may instead be made, at the option of such Commitment Party, to a segregated bank account of the Rights Offering Subscription Agent designated by the Rights Offering Subscription Agent in the Funding Notice and shall be delivered and paid to such account on the Escrow Account Funding Date.

Section 2.5 Closing.

(a) Subject to Article VII, unless otherwise mutually agreed in writing between the Company and the Requisite Commitment Parties, the closing of the Backstop Commitments (the "**Closing**") shall take place at the offices of Kirkland & Ellis LLP, 600 Travis Street, Suite 3300, Houston, Texas 77002, at 10:00 a.m., Houston, Texas time, on the date on which all of the conditions set forth in Article VII shall have been satisfied or waived in

accordance with this Agreement (other than conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date on which the Closing actually occurs shall be referred to herein as the "**Closing Date**."

(b) At the Closing, the funds held in the Escrow Account (and any amounts paid to a Rights Offering Subscription Agent bank account pursuant to the last sentence of Section 2.4(b)) shall, as applicable, be released and utilized in accordance with the Plan.

(c) At the Closing, issuance of the Unsubscribed Shares and Available Shares will be made by the Reorganized Company to each Commitment Party (or to its designee in accordance with Section 2.6(a)) against payment of the aggregate Per Share Purchase Price for the Unsubscribed Shares and Available Shares purchased by such Commitment Party, in satisfaction of such Commitment Party's Backstop Commitment. Unless a Commitment Party requests delivery of a physical stock certificate, the entry of any Unsubscribed Shares and Available Shares to be delivered pursuant to this Section 2.5(c) into the account of a Commitment Party pursuant to the Reorganized Company's book entry procedures and delivery to such Commitment Party of an account statement reflecting the book entry of such Unsubscribed Shares and Available Shares shall be deemed delivery of such Unsubscribed Shares and Available Shares for purposes of this Agreement. Notwithstanding anything to the contrary in this Agreement, all Unsubscribed Shares and Available Shares will be delivered with all issue, stamp, transfer, sales and use, or similar transfer Taxes or duties that are due and payable (if any) in connection with such delivery duly paid by the Company on behalf of the Reorganized Company.

Section 2.6 Designation and Assignment Rights.

(a) Each Commitment Party shall have the right to designate by written notice to the Company no later than two (2) Business Days prior to the Closing Date that some or all of the Unsubscribed Shares that it is obligated to purchase hereunder be issued in the name of, and delivered to, one or more of its Affiliates or Affiliated Funds (other than any portfolio company of such Commitment Party or its Affiliates) (each, a "**Related Purchaser**") upon receipt by the Company of payment therefor in accordance with the terms hereof, which notice of designation shall (i) be addressed to the Company and signed by such Commitment Party and each such Related Purchaser, (ii) specify the number of Unsubscribed Shares to be delivered to or issued in the name of such Related Purchaser and (iii) contain a confirmation by each such Related Purchaser of the accuracy of the representations set forth in Section 5.6 through Section 5.9 as applied to such Related Purchaser; provided, that no such designation pursuant to this Section 2.6(a) shall relieve such Commitment Party from its obligations under this Agreement.

(b) Commitment Parties shall not be entitled to Transfer all or any portion of their Backstop Commitments except as expressly provided in this Section 2.6. Each Commitment Party shall have the right to Transfer all or any portion of its Backstop Commitment to: (i) an Affiliated Fund; (ii) one or more special purpose vehicles that are wholly owned by one or more of such Commitment Party and its Affiliated Funds, created for the purpose of holding such Backstop Commitment or holding debt or equity of the Company; provided, that such Commitment Party or, in the case of a transfer to another Commitment

Party's Affiliated Fund, such other Commitment Party, either (A) shall have provided an adequate equity support letter or a guarantee of such special purpose vehicle's Backstop Commitment in form and substance reasonably acceptable to the Company or (B) shall remain (or in the case of a transfer to another Commitment Party's Affiliated Fund, such other Commitment Party, shall become) obligated to fund such Backstop Commitment; provided, further that such special purpose vehicle shall not be related to or Affiliated with any portfolio company of such Commitment Party or any of its Affiliates or Affiliated Funds (other than solely by virtue of its affiliation with such Commitment Party) and the equity of such special purpose vehicle shall not be directly or indirectly transferable other than to such Persons described in clauses (i) or (ii) of this Section 2.6(b), and in such manner as such Commitment Party's Backstop Commitment is transferable pursuant to this Section 2.6(b); or (iii) any other Commitment Party, including an Additional Commitment Party; (each of the Persons referred to in clauses (i), (ii) and (iii) above, an "**Ultimate Purchaser**"). In each case of a Commitment Party's Transfer of all or any portion of its Backstop Commitment pursuant to this Section 2.6(b), (1) the Ultimate Purchaser shall have provided a written agreement to the Company and counsel to the Commitment Parties under which it (w) confirms that it is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act or the accuracy of the representations set forth in Section 5.8 herein as applied to such Ultimate Purchaser, (x) agrees to purchase such portion of such Commitment Party's Backstop Commitment, (y) agrees to be fully bound by, and subject to, this Agreement as a Commitment Party hereto pursuant to a joinder agreement in the form set forth on Exhibit C and (z) agrees to be bound by the Plan Support Agreement pursuant to a transfer agreement in the form set forth on Exhibit D, and (2) the transferring Commitment Party and the Ultimate Purchaser shall have duly executed and delivered to the Company, Paul, Weiss, Rifkind, Wharton & Garrison LLP and Brown Rudnick, LLP, as applicable (at the addresses set forth in Section 10.1), written notice of such Transfer; provided, however, that, except in the case of (iii) above, or in the case of a transfer to another Commitment Party's Affiliated Fund in accordance with the foregoing, no such Transfer shall relieve the transferring Commitment Party from any of its obligations under this Agreement.

(c) In addition to Transfers pursuant to the preceding paragraph, each Commitment Party shall have the right to Transfer, directly or indirectly, all or any portion of its Backstop Commitment to any other entity; provided, that (i) with respect any such Transfer of a Backstop Commitment to a single transferee, the amount of such Backstop Commitment, as compared to the aggregate Backstop Commitment of all Commitment Parties (the "**Aggregate Backstop Commitment Percentage**") is no less than 0.2%, or all of the Backstop Commitment of such Commitment Party or the Backstop Commitment of any fund or account on behalf of which such Commitment Party is acting if such Commitment Party, fund or account holds a Backstop Commitment representing less than 0.2% of the Aggregate Backstop Commitment Percentage of all Commitment Parties, (ii) with respect to any transferee that is not a Commitment Party, such transferee agrees, pursuant to a joinder agreement in the form set forth on Exhibit C, to be bound by the obligations of such Commitment Party under this Agreement, and each of such Commitment Party, such transferee and the Company shall have duly executed and delivered to each other a copy of such joinder agreement, and (iii) with respect to any transferee that is a Commitment Party, such transferee and the transferring Commitment Party shall have duly executed and delivered to the Debtors written notice of such Transfer in form and substance reasonably acceptable to the Debtors, and the Debtors shall have delivered countersigned copies of such notice to such transferee and the transferring Commitment Party

and to counsel to the Commitment Parties; provided, further, that the transfer to any such transferee who is not a Commitment Party shall be on five (5) Business Days' notice to the Company and shall be effective unless the Company delivers a written objection to the transferring Commitment Party within such period, setting forth reasonable grounds for such objection. Upon compliance with this paragraph, the transferring Commitment Party shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations, and the transferee shall be fully bound as a Commitment Party hereunder for all purposes of this Agreement. Any Transfer made in violation of this paragraph shall be deemed null and void ab initio and of no force or effect, regardless of any prior notice provided to the Debtors or any Commitment Party, and shall not create any obligation or liability of any Debtor or any other Commitment Party to the purported transferee. Upon the effectiveness of any Transfer of all or a portion of a Backstop Commitment pursuant to this Section 2.6, the Company shall update Schedule IA and/or Schedule IB hereto, as applicable, to reflect such Transfer, and such updates shall not constitute an amendment to this Agreement. The Company shall provide a copy of any such Transfer notice, Joinder Agreement or other agreement entered into in connection with any Transfers pursuant to this Section 2.6, together with any updates to Schedules IA and/or IB hereto, to counsel to the Commitment Parties promptly, and in any event within one (1) Business Day following receipt by the Company of any such agreement or notice or the date of any such update, as applicable.

(d) Each Commitment Party, severally and not jointly, agrees that it will not Transfer, at any time prior to the Closing Date or the earlier termination of this Agreement in accordance with its terms, any of its rights and obligations under this Agreement to any Person other than in accordance with Section 2.6(a), Section 2.6(b) or Section 2.6(c), as applicable. After the Closing Date, nothing in this Agreement shall limit or restrict in any way the ability of any Commitment Party (or any permitted transferee thereof) to Transfer any of the Common Shares or any interest therein; provided, that any such Transfer shall be made pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements thereunder and pursuant to applicable securities Laws. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement, nothing contained in this Agreement shall prohibit or restrict the ability of any Commitment Party to Transfer its HoldCo Notes and/or HoldCo Noteholders Subscription Rights or Equity Interests and/or HoldCo Equityholders Subscription Rights, as applicable, at any time to any Person; provided, however, any Transfer of HoldCo Notes by a HoldCo Noteholders Commitment Party shall be in accordance with the terms of the Plan Support Agreement.

ARTICLE III

COMMITMENT PREMIUM AND EXPENSE REIMBURSEMENT

Section 3.1 Premium Payable by the Company. As consideration for the Backstop Commitments and the other agreements of the Commitment Parties in this Agreement, subject to the below, the Debtors shall pay or cause to be paid an aggregate premium payable in Shares an amount equal to 6.0% of the Shares offered pursuant to the Rights Offering to the Commitment Parties (including any Commitment Party Replacement, but excluding any

Commitment Party responsible for any Commitment Party Default) or their designees based upon their respective HoldCo Noteholder Backstop Commitment Percentage or HoldCo Equityholder Backstop Commitment Percentage at the time the payment is made (the "**Commitment Premium**").

The provisions for the payment of the Commitment Premium and Expense Reimbursement are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement, and the Commitment Premium and Expense Reimbursement shall constitute allowed administrative expenses of the Debtors' estate under Sections 503(b) and 507 of the Bankruptcy Code. The Commitment Premium shall be payable in shares of Common Stock, issued at the Per Share Price, or cash as set forth below.

Section 3.2 Payment of Commitment Premium. Subject to entry of the Approval Order, the Commitment Premium shall be fully earned upon entering into this Agreement and shall become payable upon the earlier to occur of (a) the termination of this Agreement in accordance with its terms (other than termination caused by the failure of any Commitment Party to complete the Rights Offerings in violation of this Agreement, which shall deem the Commitment Premium to not be earned) and (b) the Closing Date, and shall constitute allowed administrative expenses of the Debtors' estate under Sections 503(b) and 507 of the Bankruptcy Code; provided, however, the Commitment Premium shall not be paid to any Commitment Party if such Commitment Party has defaulted with respect to its respective Backstop Commitment or is otherwise in breach of this Agreement or any of the Definitive Documentation in any material respect; provided, further, that in the event that the Commitment Premium is payable upon termination of this Agreement in accordance with its terms as provided in this section, then the Commitment Premium shall be paid in cash in an amount equal to $23,200,000.

Section 3.3 Expense Reimbursement.

(a) Subject to the entry of the Approval Order, regardless of whether a restructuring is implemented, the Debtors agree to pay, in accordance with Section 3.3(b) below, all accrued and ongoing reasonable and documented fees, costs and expenses of all of: (i) in respect of the HoldCo Noteholder Committee, the fees, costs and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP, Porter Hedges LLP and Houlihan Lokey, Inc. and (ii) in respect of the Equityholder Committee, the fees, costs and expenses of Brown Rudnick LLP, Gray, Reed & McGraw, P.C., and Peter J. Solomon Company pursuant to Section 26 of the Plan Support Agreement (such payment obligations, the "**Expense Reimbursement**"). The Expense Reimbursement shall, pursuant to the Approval Order, constitute allowed administrative expenses against each of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code.

(b) The Expense Reimbursement accrued through the date on which the Approval Order is entered shall be paid upon its entry by the Bankruptcy Court and as promptly as reasonably practicable after the date of the entry of the Approval Order. The Expense Reimbursement shall thereafter be payable on a monthly basis by the Debtors in accordance with the Approval Order; provided, that the Debtors shall not owe Expense Reimbursements

from and after the date that is three (3) months following the Closing or termination of this Agreement pursuant to Article IX, and the final payment thereof (for periods preceding the Closing or termination, as applicable) shall be made contemporaneously with the Closing or as promptly as reasonably practicable after termination. The Commitment Parties shall promptly provide summary copies of all invoices (redacted as necessary to protect privileges) to the Debtors. No recipient of any payment hereunder shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except (i) as set forth in the corresponding section of the Company Disclosure Schedules or (ii) as disclosed in the Company SEC Documents filed with the SEC on or after December 31, 2015 and publicly available on the SEC's Electronic Data-Gathering, Analysis and Retrieval system prior to the date hereof (excluding the exhibits, annexes and schedules thereto, any disclosures contained in the "Forward-Looking Statements" or "Risk Factors" sections thereof, or any other statements that are similarly predictive, cautionary or forward looking in nature), the Company, on behalf of itself and each of the other Debtors, jointly and severally, hereby represents and warrants to the Commitment Parties (unless otherwise set forth herein, as of the date of this Agreement and as of the Closing Date) as set forth below.

Section 4.1 Organization and Qualification. Each of the Debtors (a) is a duly organized and validly existing corporation, limited liability company or limited partnership, as the case may be, and, if applicable, in good standing (or the equivalent thereof) under the Laws of the jurisdiction of its incorporation or organization, (b) has the corporate or other applicable power and authority to own its property and assets and to transact the business in which it is currently engaged and presently proposes to engage and (c) except where the failure to have such authority or qualification would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business as currently conducted requires such qualifications.

Section 4.2 Corporate Power and Authority.

(a) The Company has the requisite corporate power and authority (i) (A) subject to entry of the Approval Order and the Confirmation Order, to enter into, execute and deliver this Agreement and to perform the BCA Approval Obligations and (B) subject to entry of the Approval Order and the Confirmation Order, to perform each of its other obligations hereunder and (ii) subject to entry of the Approval Order, the Disclosure Statement Order, and the Confirmation Order, to consummate the transactions contemplated herein and in the Plan, to enter into, execute and deliver all agreements to which it will be a party as contemplated by this Agreement and the Plan (this Agreement, the Plan, the Disclosure Statement, the Plan Support Agreement, and such other agreements and any Plan supplements or documents referred to herein or therein or hereunder or thereunder, collectively, the "**Transaction Agreements**") and to perform its obligations under each of the Transaction Agreements (other than this Agreement). Subject to the receipt of the foregoing Orders, as

applicable, the execution and delivery of this Agreement and each of the other Transaction Agreements and the consummation of the transactions contemplated hereby and thereby have been or will be duly authorized by all requisite corporate action on behalf of the Company, and no other corporate proceedings on the part of the Company are or will be necessary to authorize this Agreement or any of the other Transaction Agreements or to consummate the transactions contemplated hereby or thereby.

(b) Subject to entry of the Approval Order, the Disclosure Statement Order, and the Confirmation Order, each of the other Debtors has the requisite power and authority (corporate or otherwise) to enter into, execute and deliver each Transaction Agreement to which such other Debtor is a party and to perform its obligations thereunder. Subject to entry of the Approval Order, the Disclosure Statement Order, and the Confirmation Order, the execution and delivery of this Agreement and each of the other Transaction Agreements and the consummation of the transactions contemplated hereby and thereby have been or will be duly authorized by all requisite action (corporate or otherwise) on behalf of each other Debtor party thereto, and no other proceedings on the part of any other Debtor party thereto are or will be necessary to authorize this Agreement or any of the other Transaction Agreements or to consummate the transactions contemplated hereby or thereby.

(c) Notwithstanding the foregoing, the Company makes no express or implied representations or warranties, on behalf of itself or the other Debtors, with respect to actions (including in the foregoing) to be undertaken by the Reorganized Debtors, which such actions shall be governed by with the Plan.

Section 4.3 Execution and Delivery; Enforceability. Subject to entry of the Approval Order, this Agreement will have been, and subject to the entry of the Approval Order, the Disclosure Statement Order, and the Confirmation Order, each other Transaction Agreement will be, duly executed and delivered by the Company and each of the other Debtors party thereto. Upon entry of the Approval Order and assuming due and valid execution and delivery hereof by the Commitment Parties, the BCA Approval Obligations will constitute the valid and legally binding obligations of the Company and, to the extent applicable, the other Debtors, enforceable against the Company and, to the extent applicable, the other Debtors in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar Laws now or hereafter in effect relating to creditor's rights generally and subject to general principles of equity. Upon entry of the Approval Order and assuming due and valid execution and delivery of this Agreement and the other Transaction Agreements by the Commitment Parties and, to the extent applicable, any other parties hereof and thereof, each of the obligations of the Company and, to the extent applicable, the other Debtors hereunder and thereunder will constitute the valid and legally binding obligations of the Company and, to the extent applicable, the other Debtors, enforceable against the Company and, to the extent applicable, the other Debtors, in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar Laws now or hereafter in effect relating to creditor's rights generally and subject to general principles of equity.

Section 4.4 Authorized and Issued Equity Interests. Except as set forth in this Agreement and any issuances or distributions pursuant to the Company's MIP, as of the Closing Date, none of the Debtors will be party to or otherwise bound by or subject to any

outstanding option, warrant, call, right, security, commitment, Contract, arrangement or undertaking (including any preemptive right) that (i) obligates any of the Debtors to issue, deliver, sell or transfer, or repurchase, redeem or otherwise acquire, or cause to be issued, delivered, sold or transferred, or repurchased, redeemed or otherwise acquired, any units or shares of capital stock of, or other equity or voting interests in, any of the Debtors or any security convertible or exercisable for or exchangeable into any units or shares of capital stock of, or other equity or voting interests in, any of the Debtors, (ii) obligates any of the Debtors to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking, (iii) restricts the Transfer of any units or shares of capital stock of, or other equity interests in, any of the Debtors or (iv) relates to the voting of any units or other equity interests in any of the Debtors.

Section 4.5 No Conflict. Assuming the consents described in clauses (a) through (g) of Section 4.6 are obtained, the execution and delivery by the Company and, if applicable, any other Debtor, of this Agreement, the Plan and the other Transaction Agreements, the compliance by the Company and, if applicable, any other Debtor, with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein will not (a) conflict with, or result in a breach, modification or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result, except to the extent specified in the Plan, in the acceleration of, or the creation of any Lien under, or cause any payment or consent to be required under any Contract to which any Debtor will be bound as of the Closing Date after giving effect to the Plan or to which any of the property or assets of any Debtor will be subject as of the Closing Date after giving effect to the Plan, (b) result in any violation of the provisions of any of the Debtors' organizational documents (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases or the Company's or any Debtor's undertaking to implement the Restructuring Transactions through the Chapter 11 Cases), or (c) result in any violation of any Law or Order applicable to any Debtor or any of their properties, except in each of the cases described in clause (a) or (c) for any conflict, breach, modification, violation, default, acceleration or Lien which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.6 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over any of the Debtors or any of their properties (each, an "**Applicable Consent**") is required for the execution and delivery by the Company and, to the extent relevant, the other Debtors, of this Agreement, the Plan and the other Transaction Agreements, the compliance by the Company and, to the extent relevant, the other Debtors, with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein, except for (a) the entry of the Approval Order authorizing the Company to assume this Agreement and perform the BCA Approval Obligations, (b) entry of the Disclosure Statement Order, (c) entry by the Bankruptcy Court, or any other court of competent jurisdiction, of Orders as may be necessary in the Chapter 11 Cases from time-to-time; (d) the entry of the Confirmation Order, (e) filings, notifications, authorizations, approvals, consents, clearances or termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement, (f) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or "Blue Sky" Laws in

connection with the purchase of the Unsubscribed Shares by the Commitment Parties, the issuance of the Subscription Rights, the issuance of the Rights Offering Shares pursuant to the exercise of the Subscription Rights, the issuance of Common Shares as payment of the Commitment Premium, and (g) any Applicable Consents that, if not made or obtained, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.7 Company SEC Documents and Disclosure Statement. Since December 31, 2015, the Company has filed all required Company SEC Documents with the SEC. No Company SEC Document that has been filed prior to the date this representation has been made, after giving effect to any amendments or supplements thereto and to any subsequently filed Company SEC Documents, in each case filed prior to the date this representation is made, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Disclosure Statement as approved by the Bankruptcy Court will contain "adequate information," as such term in defined in section 1125 of the Bankruptcy Code, and will otherwise comply in all material respects with section 1125 of the Bankruptcy Code.

Section 4.8 Absence of Certain Changes. Since December 31, 2015 to the date of this Agreement and except for the filing and pending Chapter 11 Proceedings, no Event has occurred or exists that constitutes, individually or in the aggregate, a Material Adverse Effect.

Section 4.9 No Violation; Compliance with Laws. (i) The Company is not in violation of its articles of incorporation, as amended, or bylaws, and (ii) no other Debtor is in violation of its respective charter or bylaws, certificate of formation or limited liability company operating agreement or similar organizational document in any material respect. None of the Debtors is or has been at any time since January 1, 2014 in violation of any Law or Order, except for any such violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.10 Legal Proceedings. Other than the Chapter 11 Cases and any adversary proceedings or contested motions commenced in connection therewith or any matters referenced in any proof of claim filed therein, there are no material legal, governmental, administrative, judicial or regulatory investigations, audits, actions, suits, claims, arbitrations, demands, demand letters, claims, notices of noncompliance or violations, or proceedings ("**Legal Proceedings**") pending or, to the Knowledge of the Company, threatened to which any of the Debtors is a party or to which any property of any of the Debtors is the subject, in each case that in any manner draws into question the validity or enforceability of this Agreement, the Plan or the other Transaction Agreements or that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.11 Labor Relations. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) there are no strikes or other labor disputes pending or threatened against any of the Debtors; (b) the hours worked and payments made to employees of any of the Debtors have not been in violation of the Fair Labor Standards Act or any other applicable Law dealing with such matters; and (c) all

payments due from any of the Debtors or for which any claim may be made against any of the Debtors on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of any of the Debtors to the extent required by GAAP. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the consummation of the transactions contemplated by the Transaction Agreements will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to which any of the Debtors (or any predecessor) is a party or by which any of the Debtors (or any predecessor) is bound. The Debtors are not parties to or bound by a collective bargaining agreement or similar labor agreement.

Section 4.12 Intellectual Property. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) each of the Debtors owns, or possesses the right to use, all of the patents, patent rights, trademarks, service marks, trade names, copyrights, mask works, domain names, and any and all applications or registrations for any of the foregoing (collectively, "**Intellectual Property Rights**") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, (b) to the Knowledge of the Company, none of the Debtors nor any Intellectual Property Right, proprietary right, product, process, method, substance, part, or other material now employed, sold or offered by or contemplated to be employed, sold or offered by such Person, is interfering with, infringing upon, misappropriating or otherwise violating any valid Intellectual Property Rights of any Person, and (c) no claim or litigation regarding any of the foregoing is pending or, to the Knowledge of the Company, threatened.

Section 4.13 Title to Real and Personal Property.

(a) Real Property. Each of the Debtors has good and defensible title to its respective Real Properties, in each case, except for Permitted Liens and except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes, and except where the failure (or failures) to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, however, the enforceability of such leased Real Properties may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditor's rights generally or general principles of equity, including the Chapter 11 Cases. To the Knowledge of the Company, all such properties and assets are free and clear of Liens, except for Permitted Liens and except for such Liens as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Leased Real Property. Each of the Debtors is in compliance with all obligations under all leases to which it is a party that have not been rejected in the Chapter 11 Cases, except where the failure to comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and none of the Debtors has received written notice of any good faith claim asserting that such leases are not in full force and effect, except leases in respect of which the failure to be in full force and effect would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each of the Debtors enjoys peaceful and undisturbed possession under all such leases, other

than leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to materially interfere with its ability to conduct its business as currently conducted or have, individually or in the aggregate, a Material Adverse Effect.

(c) Intellectual Property Rights. Each of the Debtors owns or possesses the right to use all Intellectual Property Rights and all licenses and rights with respect to any of the foregoing used in the conduct of their businesses, without any conflict (of which any of the Debtors has been notified in writing) with the rights of others, and free from any burdensome restrictions on the present conduct of the Debtors, as the case may be, except where such conflicts and restrictions would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.14 No Undisclosed Relationships. Other than Contracts or other direct or indirect relationships between or among any of the Debtors, there are no Contracts or other direct or indirect relationships existing as of the date hereof between or among any of the Debtors, on the one hand, and any director, officer or greater than five percent (5%) stockholder of any of the Debtors, on the other hand, that is required by the Exchange Act to be described in the Company's filings with the SEC and that is not so described, except for the transactions contemplated by this Agreement. Any Contract existing as of the date hereof between or among any of the Debtors, on the one hand, and any director, officer or greater than five percent (5%) stockholder of any of the Debtors, on the other hand, that is required by the Exchange Act to be described in the Company's filings with the SEC is filed as an exhibit to, or incorporated by reference as indicated in, the Annual Report on Form 10-K for the year ended December 31, 2015 that the Company filed on February 29, 2016 or any other Company SEC Document filed between February 29, 2016 and the date hereof.

Section 4.15 Licenses and Permits. The Debtors possess all licenses, certificates, permits and other authorizations issued by, have made all declarations and filings with and have maintained all financial assurances required by, the appropriate Governmental Entities that are necessary for the ownership or lease of their respective properties and the conduct of the business, except where the failure to possess, make or give the same would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. None of the Debtors (i) has received notice of any revocation or modification of any such license, certificate, permit or authorization or (ii) has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except to the extent that any of the foregoing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.16 Environmental. Except as to matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) no written notice, claim, demand, request for information, Order, complaint or penalty has been received by any of the Debtors, and there are no Legal Proceedings pending or, to the Knowledge of the Company, threatened which allege a violation of or liability under any Environmental Laws, in each case relating to any of the Debtors, (b) each Debtor has received (including timely application for renewal of the same), and maintained in full force and effect, all environmental permits, licenses and other approvals, and has maintained all financial assurances, in each case to the extent necessary for its operations to comply with all applicable

Environmental Laws and is, and since January 1, 2014, has been, in compliance with the terms of such permits, licenses and other approvals and with all applicable Environmental Laws, (c) to the Knowledge of the Company, no Hazardous Material is located at, on or under any property currently or formerly owned, operated or leased by any of the Debtors that would reasonably be expected to give rise to any cost, liability or obligation of any of the Debtors under any Environmental Laws other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, (d) no Hazardous Material has been Released, generated, owned, treated, stored or handled by any of the Debtors, and no Hazardous Material has been transported to or Released at any location in a manner that would reasonably be expected to give rise to any cost, liability or obligation of any of the Debtors under any Environmental Laws other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, and (e) there are no agreements in which any of the Debtors has expressly assumed responsibility for any known obligation of any other Person arising under or relating to Environmental Laws that remains unresolved other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, which has not been made available to the Commitment Parties prior to the date hereof. Notwithstanding the generality of any other representations and warranties in this Agreement, the representations and warranties in this Section 4.16 constitute the sole and exclusive representations and warranties in this Agreement with respect to any environmental, health or safety matters, including any arising under or relating to Environmental Laws or Hazardous Materials.

Section 4.17 Tax Returns.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each of the Debtors has filed or caused to be filed all U.S. federal, state, provincial, local and non-U.S. Tax returns required to have been filed by it and (ii) taken as a whole, each such Tax return is true and correct;

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each of the Debtors has timely paid or caused to be timely paid all Taxes shown to be due and payable by it on the returns referred to in clause (a) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the date hereof (except Taxes or assessments that are being contested in good faith by appropriate proceedings and for which the Debtors (as the case may be) has set aside on its books adequate reserves in accordance with GAAP or with respect to the Debtors only, except to the extent the non-payment thereof is permitted by the Bankruptcy Code), which Taxes, if not paid or adequately provided for, would reasonably be expected to be material to the Debtors taken as a whole; and

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, as of the date hereof, with respect to the Debtors, other than in connection with the Chapter 11 Cases and other than Taxes or assessments that are being contested in good faith and are not expected to result in significant negative adjustments

that would be material to the Debtors taken as a whole, (i) no claims have been asserted in writing with respect to any Taxes, (ii) no presently effective waivers or extensions of statutes of limitation with respect to Taxes have been given or requested and (iii) no Tax returns are being examined by, and no written notification of intention to examine has been received from, the IRS or any other Governmental Entity.

Section 4.18 Employee Benefit Plans.

(a) Except for the filing and pendency of the Chapter 11 Cases or otherwise as would not reasonably be expected to result in material liability to the Company taken as a whole: (i) each Company Plan, if any, is in compliance with the applicable provisions of ERISA and the Code; (ii) no Reportable Event has occurred during the past six years (or is reasonably likely to occur); (iii) no ERISA Event has occurred or is reasonably expected to occur; (iv) none of the Debtors has engaged in a "prohibited transaction" (as defined in Section 406 of ERISA and Section 4975 of the Code) in connection with any employee pension benefit plan (as defined in Section 3(2) of ERISA) that would subject any of the Debtors to Tax; and (v) no employee welfare plan (as defined in Section 3(1) of ERISA) maintained or contributed to by any of the Debtors provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA). During the past six years neither the Debtors nor any of its ERISA Affiliates, sponsored, maintained, contributed to or had any obligation to sponsor, main or contribute to any Company Plan.

(b) Except as would not reasonably be expected to result in material liability to the Company taken as a whole, or except as required by applicable Law, none of the Debtors has established, sponsored or maintained, or has any liability with respect to, any employee pension benefit plan or other employee benefit plan, program, policy, agreement or arrangement governed by or subject to the Laws of a jurisdiction other than the United States of America.

(c) Except as would not reasonably be expected to result in material liability to the Company taken as a whole, there are no pending, or to the Knowledge of the Company, threatened claims, sanctions, actions or lawsuits, asserted or instituted against any Company Plan or any Person as fiduciary or sponsor of any Company Plan, in each case other than claims for benefits in the normal course.

(d) Within the last six years, no Company Plan has been terminated, whether or not in a "standard termination" as that term is used in Section 4041(b)(1) of ERISA, except as would not reasonably be expected to result in material liability to the Company taken as a whole.

(e) Except as would not reasonably be expected to result in material liability to the Company taken as a whole, all compensation and benefit arrangements of the Debtors comply and have complied in both form and operation with their terms and all applicable Laws and legal requirements, and none of the Debtors has any obligation to provide any individual with a "gross up" or similar payment in respect of any Taxes that may become payable under Sections 409A or 4999 of the Code.

(f) Except as would not reasonably be expected to result in material liability to the Company taken as a whole, all liabilities (including all employer contributions and payments required to have been made by any of the Debtors) under or with respect to any compensation or benefit arrangement of any of the Debtors have been properly accounted for in the Company's financial statements in accordance with GAAP.

(g) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each of the Debtors is currently in compliance with all Laws and legal requirements in respect of personnel, employment and employment practices; (ii) all service providers of each of the Debtors are correctly classified as employees, independent contractors, or otherwise for all purposes (including any applicable tax and employment policies or law); and (iii) the Debtors have not and are not engaged in any unfair labor practice.

Section 4.19 Internal Control Over Financial Reporting. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company has established and maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and to the Knowledge of the Company, there are no weaknesses in the Company's internal control over financial reporting as of the date hereof.

Section 4.20 Disclosure Controls and Procedures. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company maintains disclosure controls and procedures (within the meaning of Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) designed to ensure that information required to be disclosed by the Company in the reports that it files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including that information required to be disclosed by the Company in the reports that it files and submits under the Exchange Act is accumulated and communicated to management of the Company as appropriate to allow timely decisions regarding required disclosure.

Section 4.21 Material Contracts. Other than as a result of a rejection motion filed by any of the Debtors in the Chapter 11 Cases, all Material Contracts are valid, binding and enforceable by and against the Debtor party thereto and, to the Knowledge of the Company, each other party thereto (except where the failure to be valid, binding or enforceable does not constitute a Material Adverse Effect), and no written notice to terminate, in whole or part, any Material Contract has been delivered to any of the Debtors (except where such termination would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect). Other than as a result of the filing of the Chapter 11 Cases, none of the Debtors nor, to the Knowledge of the Company, any other party to any Material Contract, is in material default or breach under the terms thereof, in each case, except for such instances of material default or breach that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.22 No Unlawful Payments. Since January 1, 2014, none of the Debtors nor, to the Knowledge of the Company, any of their respective directors, officers or employees has in any material respect: (a) used any funds of any of the Debtors for any unlawful contribution, gift, entertainment or other unlawful expense, in each case relating to political activity; (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (c) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; or (d) made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment.

Section 4.23 Compliance with Money Laundering Laws. The operations of the Debtors are and, since January 1, 2014 have been at all times, conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the U.S. Currency and Foreign Transactions Reporting Act of 1970, the money laundering statutes of all jurisdictions in which the Debtors operate (and the rules and regulations promulgated thereunder) and any related or similar Laws (collectively, the "**Money Laundering Laws**") and no material Legal Proceeding by or before any Governmental Entity or any arbitrator involving any of the Debtors with respect to Money Laundering Laws is pending or, to the Knowledge of the Company, threatened.

Section 4.24 Compliance with Sanctions Laws. None of the Debtors nor, to the Knowledge of the Company, any of their respective directors, officers, employees or other Persons acting on their behalf with express authority to so act is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department. The Company will not directly or indirectly use the proceeds of the Rights Offerings, or lend, contribute or otherwise make available such proceeds to any other Debtor, joint venture partner or other Person, for the purpose of financing the activities of any Person that, to the Knowledge of the Company, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

Section 4.25 No Broker's Fees. None of the Debtors is a party to any Contract with any Person (other than this Agreement) that would give rise to a valid claim against the Commitment Parties for a brokerage commission, finder's fee or like payment in connection with the Rights Offerings, the sale of the Unsubscribed Shares or the payment of the Commitment Premium.

Section 4.26 Investment Company Act. None of the Debtors is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended (the "Investment Company Act"), and this conclusion is based on one or more bases or exclusions other than Sections 3(c)(1) and 3(c)(7) of the Investment Company Act, including that none of the Debtors comes within the basic definition of 'investment company' under section 3(a)(1) of the Investment Company Act.

Section 4.27 Insurance. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) the Debtors have insured their properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses and have made available to the Commitment Parties a schedule of such insurance policies in force; (ii) all premiums due and payable in respect of

insurance policies maintained by the Debtors have been paid; (iii) the Company reasonably believes that the insurance maintained by or on behalf of the Debtors is adequate in all respects; and (iv) as of the date hereof, to the Knowledge of the Company, none of the Debtors has received notice from any insurer or agent of such insurer with respect to any insurance policies of the Debtors of cancellation or termination of such policies, other than such notices which are received in the ordinary course of business or for policies that have expired in accordance with their terms.

Section 4.28 Alternative Transactions. As of the date hereof, the Company is not pursuing, or in discussions or negotiations regarding, any solicitation, offer, or proposal from any Person concerning any actual or proposed Alternative Transaction and, as applicable, has terminated any existing discussions or negotiations regarding any actual or proposed Alternative Transaction.

Section 4.29 Issuance. The Common Shares to be issued pursuant to the Plan, including the Common Shares to be issued in connection with the consummation of the Rights Offering and pursuant to the terms of this Agreement, including in connection with the Commitment Premium, will, when issued and delivered on the Closing Date and any time thereafter, be duly and validly authorized, issued and delivered and shall be fully paid and non-assessable, and such Common Shares will be free and clear of all Taxes, Liens (other than transfer restrictions imposed hereunder or by applicable Law), preemptive rights, subscription and similar rights, other than any rights set forth in the Plan, the Plan Supplement, the Reorganized Company Organizational Documents, or Transaction Agreements.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMMITMENT PARTIES

Each Commitment Party, severally and not jointly, represents and warrants as to itself only (unless otherwise set forth herein, as of the date of this Agreement and as of the Closing Date) as set forth below.

Section 5.1 Organization. To the extent applicable, such Commitment Party is a legal entity duly organized, validly existing and, if applicable, in good standing (or the equivalent thereof) under the Laws of its jurisdiction of incorporation or organization.

Section 5.2 Organizational Power and Authority. To the extent applicable, such Commitment Party has the requisite power and authority (corporate or otherwise) to enter into, execute and deliver this Agreement and each other Transaction Agreement to which such Commitment Party is a party and to perform its obligations hereunder and thereunder and has taken all necessary action (corporate or otherwise) required for the due authorization, execution, delivery and performance by it of this Agreement and the other Transaction Agreements.

Section 5.3 Execution and Delivery. This Agreement and each other Transaction Agreement to which such Commitment Party is a party (a) has been, or prior to its execution and delivery will be, duly and validly executed and delivered by such Commitment

Party and (b) upon entry of the Approval Order and assuming due and valid execution and delivery hereof and thereof by the Company and the other Debtors (as applicable), will constitute valid and legally binding obligations of such Commitment Party, enforceable against such Commitment Party in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar Laws limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 5.4 No Conflict. Assuming that the consents referred to in clauses (a) and (b) of Section 5.5 are obtained, the execution and delivery by such Commitment Party of this Agreement and each other Transaction Agreement to which such Commitment Party is a party, the compliance by such Commitment Party with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein (a) will not conflict with, or result in breach, modification, termination or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time or both), or result in the acceleration of, or the creation of any Lien under, any Contract to which such Commitment Party is party or is bound or to which any of the property or assets or such Commitment Party are subject, (b) to the extent applicable, will not result in any violation of the provisions of the certificate of incorporation or bylaws (or comparable constituent documents) of such Commitment Party and (c) will not result in any material violation of any Law or Order applicable to such Commitment Party or any of its properties, except in each of the cases described in clauses (a) or (c), for any conflict, breach, modification, termination, violation, default, acceleration or Lien which would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 5.5 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over such Commitment Party or any of its properties is required for the execution and delivery by such Commitment Party of this Agreement and each other Transaction Agreement to which such Commitment Party is a party, the compliance by such Commitment Party with the provisions hereof and thereof and the consummation of the transactions (including the purchase by such Commitment Party of its Backstop Commitment Percentage of the Unsubscribed Shares and its portion of the Rights Offering Shares) contemplated herein and therein, except (a) any consent, approval, authorization, Order, registration or qualification which, if not made or obtained, would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement and each other Transaction Agreement to which such Commitment Party is a party and (b) filings, notifications, authorizations, approvals, consents, clearances or termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement.

Section 5.6 No Registration. Such Commitment Party understands that (a) the Unsubscribed Shares have not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Commitment Party's representations as expressed herein or otherwise made

pursuant hereto, and (b) the foregoing shares cannot be sold unless subsequently registered under the Securities Act or an exemption from registration is available.

Section 5.7 Purchasing Intent. Such Commitment Party is acquiring the Unsubscribed Shares for its own account or accounts or funds over which it holds voting discretion, not otherwise as a nominee or agent, and not otherwise with the view to, or for resale in connection with, any distribution thereof not in compliance with applicable securities Laws, and such Commitment Party has no present intention of selling, granting any other participation in, or otherwise distributing the same, except in compliance with applicable securities Laws.

Section 5.8 Sophistication; Investigation. Such Commitment Party has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its investment in the Unsubscribed Shares. Such Commitment Party is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act or a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act. Such Commitment Party understands and is able to bear any economic risks associated with such investment (including the necessity of holding such shares for an indefinite period of time). Except for the representations and warranties expressly set forth in this Agreement or any other Transaction Agreement, such Commitment Party has independently evaluated the merits and risks of its decision to enter into this Agreement and disclaims reliance on any representations or warranties, either express or implied, by or on behalf of any of the Debtors.

Section 5.9 No Broker's Fees. Such Commitment Party is not a party to any Contract with any Person (other than the Transaction Agreements and any Contract giving rise to the Expense Reimbursement hereunder) that would give rise to a valid claim against any of the Debtors for a brokerage commission, finder's fee or like payment in connection with the Rights Offerings, the sale of the Unsubscribed Shares or the payment of the Commitment Premium.

Section 5.10 Sufficient Funds. Such Commitment Party has sufficient assets and the financial capacity to perform all of its obligations under this Agreement, including the ability to fully exercise all Subscription Rights that are owned by it (or such managed funds or accounts) as of the Rights Offering Expiration Time pursuant to pursuant to the Rights Offerings and fund such Commitment Party's Backstop Commitment.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.1 Orders Generally. The Company and the Reorganized Debtors shall support and make commercially reasonable efforts, consistent with the Plan Support Agreement and the Plan, to (a) obtain the entry of the Approval Order, the Disclosure Statement Order, and the Confirmation Order, and (b) cause the Approval Order, the Disclosure Statement Order, and the Confirmation Order to become Final Orders (and request that such Orders become effective immediately upon entry by the Bankruptcy Court pursuant to a waiver of Rules 3020 and 6004(h) of the Bankruptcy Rules, as applicable), in each case, as soon as reasonably practicable, consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Plan

Support Agreement, following the filing of the respective motion seeking entry of such Orders. The Company shall provide to each of the Commitment Parties and its counsel copies of the proposed motions seeking entry of the Approval Order, the Disclosure Statement Order, and the Confirmation Order (together with the proposed Disclosure Statement Order and the proposed Approval Order), and a reasonable opportunity to review and comment on such motions and such Orders prior to such motions and such Orders being filed with the Bankruptcy Court (and in no event less than 48 hours prior to such filing), and such Orders must be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company. Any amendments, modifications, changes, or supplements to the Approval Order, Disclosure Statement Order, and Confirmation Order, and any of the motions seeking entry of such Orders, shall be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

Section 6.2 Confirmation Order; Plan and Disclosure Statement. The Debtors shall use their commercially reasonable efforts to obtain entry of the Confirmation Order in accordance with the milestones set forth in Section 4 of the Plan Support Agreement, as such milestones may be amended or moved in accordance with the terms of the Plan or Plan Support Agreement. The Company shall provide to each of the Commitment Parties and its counsel a copy of the proposed Plan, the Disclosure Statement, the Definitive Documentation and any proposed amendment, modification, supplement or change to the Plan, the Disclosure Statement or the Definitive Documentation, and a reasonable opportunity to review and comment on such documents (and in no event less than 48 hours prior to filing the Plan, the Disclosure Statement and/or the Definitive Documentation, as applicable, with the Bankruptcy Court), and each such amendment, modification, supplement or change to the Plan or the Disclosure Statement must be in form and substance reasonably satisfactory to each of the Requisite Commitment Parties and the Company. The Company shall provide to each of the Commitment Parties and its counsel a copy of the proposed Confirmation Order (together with copies of any briefs, pleadings and motions related thereto), and a reasonable opportunity to review and comment on such Order, briefs, pleadings and motions prior to such Order, briefs, pleadings and motions being filed with the Bankruptcy Court (and in no event less than 48 hours prior to a filing of such Order, briefs, pleadings or motions with the Bankruptcy Court), and such Order, briefs, pleadings and motions must be in form and substance reasonably satisfactory to each of the Requisite Commitment Parties and the Company.

Section 6.3 Conduct of Business. Except as expressly set forth in this Agreement, including with respect to the exercise of the board of directors' fiduciary duties in Section 9.3(e) herein, the Plan Support Agreement, the Plan or with the prior written consent of Requisite Commitment Parties (requests for which, including related information, shall be directed to the counsel and financial advisors to the HoldCo Noteholder Committee and the Equityholder Committee), during the period from the date of this Agreement to the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with its terms (the "**Pre-Closing Period**"): (a) the Company shall, and shall cause each of the other Debtors to, carry on its business in the ordinary course and use its commercially reasonable efforts to: (i) preserve intact its business, (ii) preserve its material relationships with customers, suppliers, licensors, licensees, distributors and others having material business dealings with any of the Debtors in connection with their business, and (iii) file Company SEC Documents within the time periods required under the Exchange Act, in each case in accordance with ordinary course

practices; (b) each of the Debtors shall not enter into any transaction that is material to the Debtors' business other than (A) transactions in the ordinary course of business that are consistent with prior business practices of the Debtors, (B) other transactions after prior notice to the Commitment Parties to implement tax planning which transactions are not reasonably expected to materially adversely affect any Commitment Party and (C) transactions expressly contemplated by the Transaction Agreements; and (c) the Debtors shall consult with the advisors to the HoldCo Noteholder Committee and HoldCo Equityholder Committee with respect to any amendment, modification, termination, waiver, supplement, replacement, restatement, reinstatement, or other change to any Material Contract.

For the avoidance of doubt, the Debtors' entry into, or any amendment, assumption, modification, termination, waiver, supplement, replacement, restatement, reinstatement, or other change to, any Material Contract that does not result in an increase (on a present value basis, applying a reasonable discount rate) of the Company's liabilities with respect to such Material Contract (other than any Material Contracts that are otherwise addressed by clause (4) below) may be accomplished without the consent of the Requisite Commitment Parties; but the following shall be deemed to occur outside of the ordinary course of business of the Debtors and shall require the prior written consent of the Requisite Commitment Parties unless the same would otherwise be expressly provided for under the Plan Support Agreement, the Plan or this Agreement (including the preceding clause (B) or (C)): (1) entry into, or any amendment, assumption, modification, termination, waiver, supplement, replacement, restatement, reinstatement or other change to, any Material Contract that results in an increase (on a present value basis, applying a reasonable discount rate) of the Company's liabilities with respect to such Material Contract (other than any Material Contracts that are otherwise addressed by clause (4) below); (2) entry into, or any amendment, modification, waiver, supplement or other change to, any employment agreement to which any of the Debtors is a party or any assumption of any such employment agreement in connection with the Chapter 11 Cases; (3) any (x) termination by any of the Debtors without cause or (y) reduction in title or responsibilities, in each case, of the individuals who are as of the date of this Agreement the Chief Executive Officer, the Chief Financial Officer, or the Senior Vice President of Operations of Ultra Petroleum Corp.; and (4) the adoption or amendment of any management or employee incentive or equity plan by any of the Debtors except for the MIP. Following a request for consent of the Requisite Commitment Parties under this Section 6.3 by or on behalf of the Debtors, if the consent of the Requisite Commitment Parties is not obtained or declined within five (5) Business Days following the date such request is made in writing and delivered to each of the HoldCo Noteholder Committee and Equityholder Committee (which notice will be deemed delivered if given in writing to Paul, Weiss and Brown, Rudnick), such consent shall be deemed to have been granted by the Requisite Commitment Parties. Except as otherwise provided in this Agreement, nothing in this Agreement shall give the Commitment Parties, directly or indirectly, any right to control or direct the operations of the Debtors. Prior to the Closing Date, the Debtors shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of the business of the Debtors.

Section 6.4 Access to Information; Confidentiality.

(a) Subject to applicable Law and Section 6.4(b), upon reasonable notice during the Pre-Closing Period, the Debtors shall afford the Commitment Parties and their

Representatives upon request reasonable access, during normal business hours and without unreasonable disruption or interference with the Debtors' business or operations, to the Debtors' employees, properties, books, Contracts and records and, during the Pre-Closing Period, the Debtors shall furnish promptly to such parties all reasonable information concerning the Debtors' business, properties and personnel as may reasonably be requested by any such party; provided, that the foregoing shall not require the Company (i) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company, would cause any of the Debtors to violate any of their respective obligations with respect to confidentiality to a third party if the Company shall have used its commercially reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure, (ii) to disclose any legally privileged information of any of the Debtors or (iii) to violate any applicable Laws or Orders. All requests for information and access made in accordance with this Section 6.4 shall be directed to an executive officer of the Company or such Person as may be designated by the Company's executive officers.

(b) From and after the date hereof until the date that is one (1) year after the expiration of the Pre-Closing Period, each Commitment Party shall, and shall cause its Representatives to, (i) keep confidential and not provide or disclose to any Person any documents or information received or otherwise obtained by such Commitment Party or its Representatives pursuant to Section 6.4(a) or in connection with a request for approval pursuant to Section 6.3 (except that provision or disclosure may be made to any Affiliate or Representative of such Commitment Party who needs to know such information for purposes of this Agreement or the other Transaction Agreements and who agrees to observe the terms of this Section 6.4(b) (and such Commitment Party will remain liable for any breach of such terms by any such Affiliate or Representative)), and (ii) not use such documents or information for any purpose other than in connection with this Agreement or the other Transaction Agreements or the transactions contemplated hereby or thereby. Notwithstanding the foregoing, the immediately preceding sentence shall not apply in respect of documents or information that (A) is now or subsequently becomes generally available to the public through no violation of this Section 6.4(b), (B) becomes available to a Commitment Party or its Representatives on a non-confidential basis from a source other than any of the Debtors or any of their respective Representatives, (C) becomes available to a Commitment Party or its Representatives through document production or discovery in connection with the Chapter 11 Cases or other judicial or administrative process, but subject to any confidentiality restrictions imposed by the Chapter 11 Cases or other such process, or (D) such Commitment Party or any Representative thereof is required to disclose pursuant to judicial or administrative process or pursuant to applicable Law or applicable securities exchange rules; provided, that, such Commitment Party or such Representative shall provide the Company with prompt written notice of such legal compulsion and cooperate with the Company to obtain a protective Order or similar remedy to cause such information or documents not to be disclosed, including interposing all available objections thereto, at the Company's sole cost and expense; provided, further, that, in the event that such protective Order or other similar remedy is not obtained, the disclosing party shall furnish only that portion of such information or documents that is legally required to be disclosed and shall exercise its commercially reasonable efforts (at the Company's sole cost and expense) to obtain assurance that confidential treatment will be accorded such disclosed information or documents. The provisions of this Section 6.4(b) shall not apply to any Commitment Party that, as of the

date hereof, is party to a confidentiality or non-disclosure agreement with the Debtors, for so long as such agreement remains in full force and effect.

Section 6.5 Commercially Reasonable Efforts.

(a) Without in any way limiting any other respective obligation of the Company or any Commitment Party in this Agreement or the Plan Support Agreement, each Party shall use (and the Company shall cause the other Debtors to use) commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Plan, including using commercially reasonable efforts in:

(i) timely preparing and filing all documentation reasonably necessary to effect all necessary notices, reports and other filings of such Person and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or Governmental Entity;

(ii) defending any Legal Proceedings in any way challenging (A) this Agreement, the Plan, the Registration Rights Agreement or any other Transaction Agreement, (B) the Approval Order, the Disclosure Statement Order or the Confirmation Order or (C) the consummation of the transactions contemplated hereby and thereby, including seeking to have any stay or temporary restraining Order entered by any Governmental Entity vacated or reversed; and

(iii) pursuant to the Plan Support Agreement, working in good faith to finalize the Reorganized Company Organizational Documents, Transaction Agreements, the Registration Rights Agreement, Definitive Documentation and all other documents relating thereto for timely inclusion in the Plan and filing other Plan Supplement Documents and HoldCo Notes with the Bankruptcy Court.

(b) Subject to Laws or applicable rules relating to the exchange of information, and in accordance with the Plan Support Agreement, the Commitment Parties and the Company shall have the right to review in advance, and to the extent practicable each will consult with the other on all of the information relating to Commitment Parties or the Company, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any Governmental Entity in connection with the transactions contemplated by this Agreement or the Plan; provided, however, that the Commitment Parties are not required to provide for review in advance declarations or other evidence submitted in connection with any filing with the Bankruptcy Court. In exercising the foregoing rights, the Parties shall act as reasonably and as promptly as practicable.

(c) Without limitation to Section 6.1 or Section 6.2, to the extent exigencies permit, the Company shall provide or cause to be provided to the Commitment Parties a draft of all motions, applications, pleadings, schedules, Orders, reports or other material papers (including all material memoranda, exhibits, supporting affidavits and evidence and other

supporting documentation) in the Chapter 11 Cases relating to or affecting the Transaction Agreements or the Registration Rights Agreement in accordance with the Plan Support Agreement and in no event less than 48 hours before such motions, applications, pleadings, schedules, Orders, reports or other material papers are filed with the Bankruptcy Court. All such motions, applications, pleadings, schedules, Orders, reports and other material papers shall be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

(d) Nothing contained in this Section 6.5(d) shall limit the ability of any Commitment Party to consult with the Debtors, to appear and be heard, or to file objections, concerning any matter arising in the Chapter 11 Cases to the extent not inconsistent with the Plan Support Agreement.

Section 6.6 Registration Rights Agreement; Reorganized Company Organizational Documents.

(a) The Plan will provide that from and after the Effective Date, (i) each HoldCo Equityholder and HoldCo Noteholder receiving at least ten percent (10%) or more of the Common Shares issued under the Plan and/or the Rights Offerings or that cannot sell its Common Shares under Rule 144 of the Securities Act of 1933 without volume or manner of sale restrictions and (ii) each Commitment Party, in each case, shall be entitled to registration rights that are customary for a transaction of this nature, pursuant to a registration rights agreement to be entered into as of the Effective Date, which agreement shall be in form and substance reasonably acceptable to the Requisite Commitment Parties and the Company (the "Registration Rights Agreement"), and shall provide for customary demand, shelf and piggyback registration rights with respect to all Common Shares beneficially owned by such persons (whether acquired at the Effective Date or thereafter) and shall provide for a shelf registration statement to be filed by the Company for the benefit of such persons within ten (10) Business Days following the later of (i) the Effective Date and (ii) the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2016. A form of the Registration Rights Agreement shall be filed with the Bankruptcy Court as part of the Plan Supplement or an amendment thereto.

(b) The Plan will provide that on the Effective Date, the Reorganized Company Organizational Documents will be duly authorized, approved, adopted and in full force and effect. Forms of the Reorganized Company Organizational Documents shall be filed with the Bankruptcy Court as part of the Plan Supplement or an amendment thereto.

Section 6.7 Blue Sky. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the offer and sale of the Unsubscribed Shares to the Commitment Parties pursuant to this Agreement under applicable securities and "Blue Sky" Laws of the states of the United States (or to obtain an exemption from such qualification) and any applicable foreign jurisdictions, and shall provide evidence of any such action so taken to the Commitment Parties on or prior to the Closing Date. The Reorganized Company shall timely make all filings and reports relating to the offer and sale of the Unsubscribed Shares issued hereunder required under applicable securities and "Blue Sky" Laws of the states of the United States following the

Closing Date. The Company or the Reorganized Company, as applicable, shall pay all fees and expenses in connection with satisfying its obligations under this Section 6.7.

Section 6.8 DTC Eligibility. Unless otherwise requested by the Requisite Commitment Parties, the Reorganized Company shall use commercially reasonable efforts to promptly make, when applicable from time to time after the Closing, all Unlegended Shares eligible for deposit with The Depository Trust Company. The Confirmation Order shall provide that The Depository Trust Company shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the Unlegended Shares are exempt from registration and/or eligible for The Depository Trust Company book-entry delivery, settlement, and depository services. "**Unlegended Shares**" means any Common Shares acquired by the Commitment Parties and their respective Affiliates (including any Related Purchaser or Ultimate Purchaser in respect thereof) pursuant to this Agreement and the Plan, including all shares issued to the Commitment Parties and their respective Affiliates in connection with the Rights Offerings, that do not require, or are no longer subject to, the Legend. The Debtor will use commercially reasonable efforts to cause the new Common Shares to become publicly traded and listed on the New York Stock Exchange, Nasdaq or another national securities exchange on or as soon as reasonably practicable after the Effective Date.

Section 6.9 Use of Proceeds. The Debtors will apply the proceeds from the exercise of the Subscription Rights and the sale of the Unsubscribed Shares for the purposes identified in the Disclosure Statement and the Plan and will not apply such proceeds in a manner that is inconsistent with the Plan Support Agreement.

Section 6.10 Funded Debt. The Company shall cause the funded debt position upon emergence to not exceed the sum of $2,000,000,000 plus the amount of Additional New OpCo Notes (as defined in the Plan), if any, issued in respect of any Allowed OpCo PPN Make-Whole Claims (as defined in the Plan), if any.

Section 6.11 Share Legend. Each certificate evidencing Unsubscribed Shares issued hereunder, and each certificate issued in exchange for or upon the Transfer of any such shares, shall be stamped or otherwise imprinted with a legend (the "**Legend**") in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER."

In the event that any such shares are uncertificated, such shares shall be subject to a restrictive notation substantially similar to the Legend in the stock ledger or other appropriate records maintained by the Reorganized Company or agent and the term "Legend" shall include such restrictive notation. The Reorganized Company shall remove the Legend (or restrictive notation,

as applicable) set forth above from the certificates evidencing any such shares (or the share register or other appropriate Reorganized Company records, in the case of uncertified shares), upon request, at any time after the restrictions described in such Legend cease to be applicable, including, as applicable, when such shares may be sold under Rule 144 of the Securities Act. The Reorganized Company may reasonably request such opinions, certificates or other evidence that such restrictions no longer apply as a condition to removing the Legend.

Section 6.12 Antitrust Approval.

(a) Each Party agrees to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective the transactions contemplated by this Agreement, the Plan and the other Transaction Agreements, including (i) if applicable, filing, or causing to be filed, the Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by this Agreement with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission and any filings (or, if required by any Antitrust Authority, any drafts thereof) under any other Antitrust Laws that are necessary to consummate and make effective the transactions contemplated by this Agreement as soon as reasonably practicable and (ii) promptly furnishing any documents or information reasonably requested by any Antitrust Authority.

(b) The Company and each Commitment Party subject to an obligation pursuant to the Antitrust Laws to notify any transaction contemplated by this Agreement, the Plan or the other Transaction Agreements that has notified the Company in writing of such obligation (each such Commitment Party, a "**Filing Party**") agree to reasonably cooperate with each other as to the appropriate time of filing such notification and its content. The Company and each Filing Party shall, to the extent permitted by applicable Law: (i) promptly notify each other of, and if in writing, furnish each other with copies of (or, in the case of material oral communications, advise each other orally of) any material communications from or with an Antitrust Authority; (ii) not participate in any meeting with an Antitrust Authority unless it consults with each other Filing Party and the Company, as applicable, in advance and, to the extent permitted by the Antitrust Authority and applicable Law, give each other Filing Party and the Company, as applicable, a reasonable opportunity to attend and participate thereat; (iii) furnish each other Filing Party and the Company, as applicable, with copies of all material correspondence and communications between such Filing Party or the Company and the Antitrust Authority; (iv) furnish each other Filing Party with such necessary information and reasonable assistance as may be reasonably necessary in connection with the preparation of necessary filings or submission of information to the Antitrust Authority; and (v) not withdraw its filing, if any, under the HSR Act without the prior written consent of the Requisite Commitment Parties and the Company.

(c) Should a Filing Party be subject to an obligation under the Antitrust Laws to jointly notify with one or more other Filing Parties (each, a "**Joint Filing Party**") any transaction contemplated by this Agreement, the Plan or the other Transaction Agreements, such Joint Filing Party shall promptly notify each other Joint Filing Party of, and if in writing, furnish each other Joint Filing Party with copies of (or, in the case of material oral

communications, advise each other Joint Filing Party orally of) any communications from or with an Antitrust Authority.

(d) The Company and each Filing Party shall use their commercially reasonable efforts to obtain all authorizations, approvals, consents, or clearances under any applicable Antitrust Laws or to cause the termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement at the earliest possible date after the date of filing. The communications contemplated by this Section 6.12 may be made by the Company or a Filing Party on an outside counsel-only basis or subject to other agreed upon confidentiality safeguards. The obligations in this Section 6.12 shall not apply to filings, correspondence, communications or meetings with Antitrust Authorities unrelated to the transactions contemplated by this Agreement, the Plan or the other Transaction Agreements.

Section 6.13 Alternative Transactions. The Company and the other Debtors shall not seek, solicit, or support any Alternative Transaction, and shall not cause or allow any of their agents or representatives to solicit any agreements relating to an Alternative Transaction; provided, however, that nothing in this Section 6.12 shall limit the Company's and the other Debtors' boards of directors' fiduciary duties consistent with Section 6 of the Plan Support Agreement.

Section 6.14 Securities Laws Disclosure.

(a) The Company shall, on the Business Day immediately following the date hereof, file a Current Report on Form 8-K.

(b) The Company shall timely file all required reports under Section 13 or 15(d) of the Exchange Act, as applicable. The Company understands and confirms that the Commitment Parties will rely on the foregoing covenant and the covenant in Section 6.14(a) above in effecting transactions in securities of the Company.

Section 6.15 Reorganized Company as Successor. On the Effective Date, all rights and obligations of the Company under this Agreement shall vest in the Reorganized Company and the Plan shall include language to such effect. From and after the Effective Date, the Reorganized Company shall be deemed to be a party to this Agreement as the successor to all rights and obligations of the Company hereunder.

Section 6.16 NOL Order. For the avoidance of doubt, the Parties agree that the *Final Order Approving Notification and Hearing Procedures For Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock* entered by the Bankruptcy Court June 13, 2016 [Docket No. 297] does not preclude transfers of the Backstop Commitments or Subscription Rights, or the fulfillment of the Backstop Commitments or the exercise of the Subscription Rights, all as contemplated by this Agreement.

ARTICLE VII
CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to the Obligations of the Commitment Parties. The obligations of each Commitment Party to consummate the transactions contemplated hereby shall be subject to (unless waived in accordance with Section 7.2) the satisfaction of the following conditions prior to or at the Closing:

(a) Approval Order. The Bankruptcy Court shall have entered the Approval Order in form and substance reasonably acceptable to the Requisite Commitment Parties, and such Order shall be a Final Order.

(b) Disclosure Statement Order. The Bankruptcy Court shall have entered the Disclosure Statement Order in form and substance reasonably acceptable to the Requisite Commitment Parties, and such Order shall be a Final Order.

(c) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Requisite Commitment Parties, and such Order shall be a Final Order.

(d) Plan. The Company and all of the other Debtors shall have substantially complied with the terms of the Plan and the Plan Support Agreement (as amended or supplemented from time to time) that are to be performed by the Company, the Reorganized Debtors and the other Debtors on or prior to the Effective Date and the conditions to the occurrence of the Effective Date (other than any conditions relating to occurrence of the Closing) set forth in the Plan shall have been satisfied or waived in accordance with the terms of the Plan.

(e) Rights Offerings. Each of: (i) the HoldCo Noteholders Rights Offering and (ii) the HoldCo Equityholders Rights Offering, shall have been conducted and completed and the Rights Offering Expiration Time shall have passed in accordance with the Disclosure Statement Order and this Agreement.

(f) Effective Date. The Effective Date shall have occurred, or shall be deemed to have occurred concurrently with the Closing, as applicable, in accordance with the terms and conditions in the Plan and in the Confirmation Order.

(g) Registration Rights Agreement; Reorganized Company Organizational Documents.

(i) The Registration Rights Agreement shall have been executed and delivered by the Reorganized Company, shall otherwise have become effective with respect to the Commitment Parties and the other parties thereto, and shall be in full force and effect.

(ii) The Reorganized Company Organizational Documents shall have been duly approved and adopted and shall be in full force and effect.

(h) Expense Reimbursement. The Debtors shall have paid all Expense Reimbursements accrued through the Closing Date pursuant to Section 3.3; provided, that invoices for such Expense Reimbursements shall have been received by the Debtors at least three (3) Business Days prior to the Closing Date in order to be required to be paid on the Closing Date.

(i) Governmental Approvals. All waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by this Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws or otherwise required by any Governmental Entity in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(j) No Legal Impediment to Issuance. No Law or Order shall have become effective or been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or the transactions contemplated by this Agreement;

(k) Representations and Warranties.

(i) The representations and warranties of the Debtors contained in Section 4.8 shall be true and correct in all respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(ii) The representations and warranties of the Debtors contained in Section 4.2, Section 4.3, Section 4.4 and Section 4.5(b) shall be true and correct in all material respects on and as of the Closing Date after giving effect to the Plan with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(iii) The representations and warranties of the Debtors contained in this Agreement other than those referred to in clauses (i) and (ii) above shall be true and correct (disregarding all materiality or Material Adverse Effect qualifiers) on and as of the Closing Date after giving effect to the Plan with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date), except where the failure to be so true and correct does not constitute, individually or in the aggregate, a Material Adverse Effect.

(l) Covenants. The Debtors shall have performed and complied, in all material respects, with all of their respective covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing Date.

(m) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred, and there shall not exist, any Event that constitutes, individually or in the aggregate, a Material Adverse Effect.

(n) Officer's Certificate. The Commitment Parties shall have received on and as of the Closing Date a certificate of the chief executive officer or chief financial officer of the Company confirming that the conditions set forth in subparagraphs (k), (l) and (m) of this Section 7.1 have been satisfied.

(o) Funding Notice. The Commitment Parties shall have received the Funding Notice.

(p) Key Contracts. Subject to Section 7.1(q), the assumption or rejection (in each case, pursuant to section 365 of the Bankruptcy Code) and/or amendment of the Contracts described in Section 1.1 of the Company Disclosure Schedules as of the Closing Date and the liabilities of the Reorganized Debtors with respect to such Contracts shall, in the aggregate, be reasonably satisfactory to the Requisite Commitment Parties.

(q) Full Funding of Backstop Commitments. The Commitment Parties together with any other participants in the Rights Offerings shall have sufficient funds to complete the Rights Offerings following the procedures set forth in Section 2.1, Section 2.2, Section 2.3 and Section 2.4.

(r) GUC Claims Cap. On the day that is 10 days prior to the Escrow Account Funding Date, the Company and the Commitment Parties shall have reasonably determined that the aggregate amount of general unsecured claims (other than funded debt claims) that will be paid in cash pursuant to the terms of the Plan and the present value (applying a reasonable discount rate) of the Company's liabilities with respect to any Material Contract that is amended, assumed, modified, terminated, waived, supplemented, replaced, restated, reinstated, or otherwise changed in accordance with Section 6.3, shall not exceed $330 million (the "**Claims Cap**"). In making such determination: (a) the Company and the Commitment Parties may consider any such general unsecured claims that have been allowed pursuant to the terms of settlements with respect to Material Contracts that are amended, assumed, modified, terminated, waived, supplemented, replaced, restated, reinstated, or otherwise changed by the Company; (b) the Company, upon the reasonable request of the Commitment Parties, shall, subject to professional responsibilities, estimate and/or object to any claims; and (c) if the Company and the Commitment Parties do not agree on such determination, they shall seek such a determination from the Bankruptcy Court.

Section 7.2 Waiver of Conditions to Obligations of Commitment Parties. All or any of the conditions set forth in Section 7.1 may only be waived in whole or in part with respect to all Commitment Parties by a written instrument executed by the Requisite Commitment Parties in their sole discretion and if so waived, all Commitment Parties shall be bound by such waiver; provided, however, that the conditions set forth in subsections (f), (i) and (j) of Section 7.1 shall not be subject to waiver except by a written instrument executed by all Commitment Parties.

Section 7.3 Conditions to the Obligations of the Debtors. The obligations of the Debtors to consummate the transactions contemplated hereby with the Commitment Parties is subject to (unless waived by the Company) the satisfaction of each of the following conditions:

(a) Approval Order. The Bankruptcy Court shall have entered the Approval Order and such Order shall be a Final Order.

(b) Disclosure Statement Order. The Bankruptcy Court shall have entered the Disclosure Statement Order, and such Order shall be a Final Order.

(c) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order, and such Order shall be a Final Order.

(d) Effective Date. The Effective Date shall have occurred, or shall be deemed to have occurred concurrently with the Closing, as applicable, in accordance with the terms and conditions in the Plan and in the Confirmation Order.

(e) Governmental Approvals. All waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by this Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws or otherwise required by any Governmental Entity in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(f) No Legal Impediment to Issuance. No Law or Order shall have become effective or been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or the transactions contemplated by this Agreement.

(g) Representations and Warranties.

(i) The representations and warranties of the Commitment Parties contained in this Agreement that are qualified by "materiality" or "material adverse effect" or words or similar import shall be true and correct in all respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct in all respects only as of the specified date).

(ii) The representations and warranties of the Commitment Parties contained in this Agreement that are not qualified by "materiality" or "material adverse effect" or words or similar import shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(h) Covenants. Each of the Commitment Parties, severally and not jointly, shall have performed and complied, in all material respects, with all of their covenants and agreements contained in this Agreement and in any other document delivered pursuant to this Agreement.

ARTICLE VIII

INDEMNIFICATION AND CONTRIBUTION

Section 8.1 Indemnification Obligations. Following the entry of the Approval Order, the Company, the Reorganized Debtors and the other Debtors (the "**Indemnifying Parties**" and each, an "**Indemnifying Party**") shall, jointly and severally, indemnify and hold harmless each Commitment Party and its Affiliates, equity holders, members, partners, general partners, managers and its and their respective Representatives and controlling persons (each, an "**Indemnified Person**") from and against any and all losses, claims, damages, liabilities and costs and expenses (other than Taxes of the Commitment Parties except to the extent otherwise provided for in this Agreement) arising out of a claim asserted by a third party (collectively, "**Losses**") that any such Indemnified Person may incur or to which any such Indemnified Person may become subject arising out of or in connection with this Agreement and the obligations hereunder, including the Backstop Commitment, the Rights Offerings, the payment of the Commitment Premium or the use of the proceeds of the Rights Offerings, or any claim, challenge, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, whether or not such proceedings are brought by the Company, the Reorganized Debtors, the other Debtors, their respective equity holders, Affiliates, creditors or any other Person, and reimburse each Indemnified Person upon demand for reasonable documented (with such documentation subject to redaction to preserve attorney client and work product privileges) legal or other third-party expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including in connection with the enforcement of the indemnification obligations set forth herein), irrespective of whether or not the transactions contemplated by this Agreement or the Plan are consummated or whether or not this Agreement is terminated; provided, that the foregoing indemnity will not, as to any Indemnified Person, apply to Losses (a) as to a Defaulting Commitment Party, its Related Parties or any Indemnified Person related thereto, caused by a Commitment Party Default by such Commitment Party, or (b) to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction, whether such judgment is in such underlying action, suit or proceeding, or otherwise, to arise from the bad faith, willful misconduct or gross negligence of such Indemnified Person.

Section 8.2 Indemnification Procedure. Promptly after receipt by an Indemnified Person of notice of the commencement of any claim, challenge, litigation, investigation or proceeding (an "**Indemnified Claim**"), such Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, notify the Indemnifying Party in writing of the commencement thereof; provided, that (a) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and

(b) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have to such Indemnified Person otherwise than on account of this Article VIII. In case any such Indemnified Claims are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, at its election by providing written notice to such Indemnified Person, the Indemnifying Party will be entitled to assume the defense thereof, with counsel reasonably acceptable to such Indemnified Person; provided, that if the parties (including any impleaded parties) to any such Indemnified Claims include both such Indemnified Person and the Indemnifying Party and based on advice of such Indemnified Person's counsel there are legal defenses available to such Indemnified Person that are different from or additional to those available to the Indemnifying Party, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Indemnified Claims. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election to so assume the defense of such Indemnified Claims with counsel reasonably acceptable to the Indemnified Person, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof or participation therein (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel (in addition to any local counsel) in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel representing the Indemnified Persons who are parties to such Indemnified Claims (in addition to one local counsel in each jurisdiction in which local counsel is required)), (ii) the Indemnifying Party shall not have employed counsel reasonably acceptable to such Indemnified Person to represent such Indemnified Person within a reasonable time after the Indemnifying Party has received notice of commencement of the Indemnified Claims from, or delivered on behalf of, the Indemnified Person, (iii) after the Indemnifying Party assumes the defense of the Indemnified Claims, the Indemnified Person determines in good faith that the Indemnifying Party has failed or is failing to defend such claim and provides written notice of such determination and the basis for such determination, and such failure is not reasonably cured within ten (10) Business Days of receipt of such notice, or (iv) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person. Notwithstanding anything herein to the contrary, the Debtors shall have sole control over any Tax controversy or Tax audit and shall be permitted to settle any liability for Taxes of the Debtors.

Section 8.3 Settlement of Indemnified Claims. In connection with any Indemnified Claim for which an Indemnified Person is assuming the defense in accordance with this Article VIII, the Indemnifying Party shall not be liable for any settlement of any Indemnified Claims effected by such Indemnified Person without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed). If any settlement of any Indemnified Claims is consummated with the written consent of the Indemnifying Party or if there is a final judgment for the plaintiff in any such Indemnified Claims, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or judgment to the extent such Losses are otherwise subject to indemnification by the Indemnifying Party hereunder in accordance with, and subject to the limitations of, this Article VIII. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall be

granted or withheld, conditioned or delayed in the Indemnified Person's sole discretion), effect any settlement of any pending or threatened Indemnified Claims in respect of which indemnity or contribution has been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person in form and substance satisfactory to such Indemnified Person from all liability on the claims that are the subject matter of such Indemnified Claims and (ii) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

Section 8.4 Contribution. If for any reason the foregoing indemnification is unavailable to any Indemnified Person or insufficient to hold it harmless from Losses that are subject to indemnification pursuant to Section 8.1, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Person as a result of such Loss in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, but also the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, as well as any relevant equitable considerations. It is hereby agreed that the relative benefits to the Indemnifying Party, on the one hand, and all Indemnified Persons, on the other hand, shall be deemed to be in the same proportion as (a) the total value received or proposed to be received by the Company and the Reorganized Debtors pursuant to the issuance and sale of the Rights Offering Shares in the Rights Offerings contemplated by this Agreement and the Plan bears to (b) the Commitment Premium paid or proposed to be paid to the Commitment Parties. The Indemnifying Parties also agree that no Indemnified Person shall have any liability based on their comparative or contributory negligence or otherwise to the Indemnifying Parties, any Person asserting claims on behalf of or in right of any of the Indemnifying Parties, or any other Person in connection with an Indemnified Claim.

Section 8.5 Treatment of Indemnification Payments. All amounts paid by an Indemnifying Party to an Indemnified Person under this Article VIII shall, to the extent permitted by applicable Law, be treated as adjustments to the Per Share Purchase Price for all Tax purposes. The provisions of this Article VIII are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement. The Approval Order shall provide that the obligations of the Company and the Reorganized Debtors under this Article VIII shall constitute allowed administrative expenses of the Debtors' estate under sections 503(b) and 507 of the Bankruptcy Code and are payable without further Order of the Bankruptcy Court, and that the Company and the Reorganized Debtors may comply with the requirements of this Article VIII without further Order of the Bankruptcy Court.

Section 8.6 No Survival. All representations, warranties, covenants and agreements made in this Agreement shall not survive the Closing Date except for covenants and agreements that by their terms are to be satisfied after the Closing Date, which covenants and agreements shall survive until satisfied in accordance with their terms.

ARTICLE IX

TERMINATION

Section 9.1 Consensual Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date by mutual written consent of the Company and the Requisite Commitment Parties.

Section 9.2 Automatic Termination. Notwithstanding anything to the contrary in this Agreement, and except as otherwise provided in this Section 9.2, at which point this Agreement may be terminated by the Requisite Commitment Parties upon written notice to the Company upon the occurrence of any of the following Events, this Agreement shall terminate automatically without any further action or notice by any Party at 5:00 p.m., Houston, Texas time on the third Business Day following the occurrence of any of the following Events; provided, that the Requisite Commitment Parties may waive such termination or extend any applicable dates in accordance with Section 10.7:

(a) the Closing Date has not occurred by 11:59 p.m., Houston, Texas time on April 15, 2017 (as may be extended pursuant to Section 2.3(e), the "**Outside Date**"), unless prior thereto the Effective Date occurs and each Rights Offering has been consummated; provided, that with respect to this subclause (a), notice to the Company shall not be required for termination;

(b) the obligations of the Plan Support Parties under the Plan Support Agreement are terminated in accordance with the terms of the Plan Support Agreement provided, that with respect to this subclause (b), notice to the Company shall not be required for termination;

(c) (i) the Company or the other Debtors shall have breached any representation, warranty, covenant or other agreement made by the Company or the other Debtors in this Agreement or any such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition set forth in Section 7.1(k), Section 7.1(l), or Section 7.1(m) not to be satisfied, (ii) the Commitment Parties shall have delivered written notice of such breach or inaccuracy to the Company, (iii) such breach or inaccuracy is not cured by the Company or the other Debtors by the fifth (5th) Business Day after receipt of such notice, and (iv) as a result of such failure to cure, any condition set forth in Section 7.1(k), or Section 7.1(l), is not capable of being satisfied or has not been satisfied by the date on which such condition must, by its terms, be satisfied; provided, that this Agreement shall not terminate automatically pursuant to this Section 9.2(c) if the Commitment Parties are then in willful or intentional breach of this Agreement;

(d) any Law or final and non-appealable Order shall have been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or any Rights Offering or the transactions contemplated by this Agreement, the other Transaction Agreements or the Registration Rights Agreement in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(e) (i) the Debtors have materially breached their obligations under Section 6.13; (ii) the Bankruptcy Court approves or authorizes an Alternative Transaction; or (iii) any of the Debtors enters into any Contract providing for the consummation of any Alternative Transaction;

(f) the Company or any other Debtor (i) materially and adversely (to the Commitment Parties) amends or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement without the consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties or (ii) publicly announces its intention to take any such action listed in sub-clauses (i) of this subsection;

(g) the Approval Order, Disclosure Statement Order, or Confirmation Order is terminated, reversed, stayed, dismissed, vacated, or reconsidered, or any such Order is modified or amended after entry without the prior acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documentation in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties or that changes the economic terms of this Agreement;

(h) any of the Orders approving this Agreement, the Rights Offering Procedures, the Plan or the Disclosure Statement, or the Confirmation Order are reversed, stayed, dismissed, vacated or reconsidered or modified or amended without the acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties (and such action has not been reversed or vacated within thirty (30) calendar days after its issuance) in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documentation in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties or that changes the economic terms of this Agreement;

(i) the Bankruptcy Court has not entered the Approval Order by January 20, 2017; provided, that with respect to this subclause (i), notice to the Company shall not be required for termination, or

(j) the Company shall have made a public announcement of its intention not to pursue the Plan or shall have sought, solicited, negotiated, encouraged, proposed, filed, supported, consented to, pursued, initiated, assisted, joined in, participated in the formulation of, or entered into any agreements relating to, or provided any information about, the Debtors for the purposes of entering into an Alternative Transaction, and shall have filed any motion or other filing seeking dismissal of the bankruptcy, the appointment of a trustee or examiner with expanded powers in the bankruptcy, the conversion of the bankruptcy to a case under Chapter 7 of the Bankruptcy Code.

Section 9.3 Termination by the Company.

This Agreement may be terminated by the Company upon written notice to each Commitment Party upon the occurrence of any of the following Events, subject to the rights of the Company to fully and conditionally waive, in writing, on a prospective or retroactive basis the occurrence of such Event:

(a) any Law or final and non-appealable Order shall have been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or any Rights Offering or the transactions contemplated by this Agreement, the other Transaction Agreements or the Registration Rights Agreement in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(b) subject to the right of the Commitment Parties to arrange a Commitment Party Replacement in accordance with Section 2.3(a) or Section 2.3(b) (which will be deemed to cure any breach by the replaced Commitment Party pursuant to this subsection (b)), (i) any Commitment Party shall have breached any representation, warranty, covenant or other agreement made by such Commitment Party in this Agreement or any such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition set forth in Section 7.3(g) or Section 7.3(h) not to be satisfied, (ii) the Company shall have delivered written notice of such breach or inaccuracy to such Commitment Party, (iii) such breach or inaccuracy is not cured by such Commitment Party by the fifth (5th) Business Day after receipt of such notice, and (iv) as a result of such failure to cure, any condition set forth in Section 7.3(g) or Section 7.3(h) is not capable of being satisfied; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.3(b) if it is then in willful or intentional breach of this Agreement;

(c) the Approval Order, Disclosure Statement Order, or Confirmation Order is terminated, reversed, stayed, dismissed, vacated, or reconsidered, or any such Order is modified or amended after entry without the prior acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Company in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documentation in a way that cannot be remedied by the Commitment Parties subject to the reasonable satisfaction of the Debtors or that changes the economic terms of this Agreement;

(d) any of the Orders approving this Agreement, the Rights Offering Procedures, the Plan or the Disclosure Statement, or the Confirmation Order are reversed, stayed, dismissed, vacated or reconsidered or modified or amended without the acquiescence or consent (not to be unreasonably withheld, conditioned or delayed) of the Company (and such action has not been reversed or vacated within thirty (30) calendar days after its issuance) in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documentation in a way that cannot be remedied by the Commitment Parties subject to the reasonable satisfaction of the Debtors or that changes the economic terms of this Agreement;

(e) the board of directors of the Company determines that continued performance under this Agreement (including taking any action or refraining from taking any action and including, without limitation, the Plan or solicitation of the Plan) would be inconsistent with the exercise of its fiduciary duties (as reasonably determined by such entity in good faith after consultation with outside legal counsel and based on the advice of such counsel);

(f) the Plan Support Agreement is terminated in accordance with its terms; or

(g) the Closing Date has not occurred by the Outside Date (as the same may be extended pursuant to Section 9.2(a) or Section 2.3(e)), unless prior thereto the Effective Date occurs and each Rights Offering has been consummated; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.3(g) if it is then in willful or intentional breach of this Agreement.

Section 9.4 Effect of Termination.

(a) Upon termination of this Agreement pursuant to this Article IX, this Agreement shall forthwith become void and there shall be no further obligations or liabilities on the part of the Parties; provided, that (i) the obligations of the Debtors to pay the Expense Reimbursement pursuant to and in accordance with Section 3.3 and to pay the Commitment Premium pursuant to and in accordance with Section 3.2 shall survive the termination of this Agreement and shall remain in full force and effect in case, until such obligations have been satisfied, (ii) the provisions set forth in Article VIII and Article X shall survive the termination of this Agreement in accordance with their terms, in each case so long as the Approval Order has been entered by the Bankruptcy Court prior to the date of termination, and (iii) subject to Section 10.10, nothing in this Section 9.4 shall relieve any Party from liability for its gross negligence or any willful or intentional breach of this Agreement. For purposes of this Agreement, "**willful or intentional breach**" means a breach of this Agreement that is a consequence of an act undertaken by the breaching Party with the knowledge that the taking of such act would, or would reasonably be expected to, cause a breach of this Agreement.

(b) If this Agreement is terminated for any reason other than by the Company under Section 9.3(b), the Debtors shall, promptly after the date of such termination, pay the Commitment Premium set forth by Section 3.2 and any provisos applicable to Section 3.2(a) entirely in cash to the Commitment Parties or their designees. To the extent that all amounts due in respect of the Commitment Premium pursuant to this Section 9.4(b) have actually been paid by the Debtors to the Commitment Parties in connection with a termination of this Agreement, the Commitment Parties shall not have any additional recourse against the Debtors for any obligations or liabilities relating to or arising from this Agreement, except for liability for bad faith, willful misconduct or gross negligence of this Agreement pursuant to Section 8.1 or except as otherwise provided in Section 9.4(a). Except as set forth in this Section 9.4(b), the Commitment Premium shall not be payable upon the termination of this Agreement. The Commitment Premium shall, pursuant to the Approval Order, constitute allowed administrative expenses of the Debtors' estate under sections 503(b) and 507 of the Bankruptcy Code.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via electronic facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the Parties at the following addresses (or at such other address for a Party as may be specified by like notice):

(a) If to the Company or any of the other Debtors:

Ultra Petroleum Corp.
400 North Sam Houston Parkway E.
Suite 1200
Houston, Texas 77060
Tel: (281)876-0120
Fax: (281) 876-2831
Attn: Chief Financial Officer
Email: gshaw@ultrapetroleum.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Tel: (312) 862-2000
Fax: (312) 862-2200
Attn: David R. Seligman, P.C.; Christopher T. Greco
E-mail: dseligman@kirkland.com;
cgreco@kirkland.com;

and

Kirkland & Ellis LLP
600 Travis Street
Suite 3300
Houston, Texas 77002
Tel: (713) 835-3600
Fax: (713) 835-3601
Attn: Matthew R. Pacey
Email: matt.pacey@kirkland.com

(b) If to the Commitment Parties:

To each Commitment Party at the addresses or e-mail addresses set forth below the Commitment Party's signature in its signature page to this Agreement.

with a copy (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
Attn.: Andrew Rosenberg
1285 Avenue of the Americas
New York, New York 10019-6064
Tel: (212) 373-3000
Fax: (212) 757-3990
Email: arosenberg@paulweiss.com

and

Brown Rudnick LLP
Attn.: Edward Weisfelner
Seven Times Square
New York, New York 10036
Tel: (212) 209-4800
Fax: (212) 209-4801
Email: eweisfelner@brownrudnick.com

Section 10.2 Assignment; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the Company and the Requisite Commitment Parties, other than an assignment by a Commitment Party expressly permitted by Section 2.3 or Section 2.6 and any purported assignment in violation of this Section 10.2 shall be void *ab initio.* Except as provided in Article VIII with respect to the Indemnified Persons, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person any rights or remedies under this Agreement other than the Parties.

Section 10.3 Prior Negotiations; Entire Agreement.

(a) This Agreement (including the agreements attached as Exhibits to and the documents and instruments referred to in this Agreement) constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements or understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement, except that the Parties hereto acknowledge that any confidentiality agreements heretofore executed among the Parties and the Plan Support Agreement (including the Plan Term Sheet) will each continue in full force and effect.

(b) Notwithstanding anything to the contrary in the Plan (including any amendments, supplements or modifications thereto) or the Confirmation Order (and any amendments, supplements or modifications thereto) or an affirmative vote to accept the Plan

submitted by any Commitment Party, nothing contained in the Plan (including any amendments, supplements or modifications thereto) or Confirmation Order (including any amendments, supplements or modifications thereto) shall alter, amend or modify the rights of the Commitment Parties under this Agreement unless such alteration, amendment or modification has been made in accordance with Section 10.7.

(c) Notwithstanding subsection (a) of this Section 10.3, any agreements executed contemporaneously with this Agreement shall constitute valid and binding obligations of the Parties thereto.

Section 10.4 Governing Law; Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO SUCH STATE'S CHOICE OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES FOR ITSELF THAT ANY LEGAL ACTION, SUIT, OR PROCEEDING AGAINST IT WITH RESPECT TO ANY MATTER ARISING UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RENDERED IN ANY SUCH ACTION, SUIT, OR PROCEEDING, MAY BE BROUGHT IN THE BANKRUPTCY COURT, AND BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH OF THE PARTIES IRREVOCABLY ACCEPTS AND SUBMITS ITSELF TO THE EXCLUSIVE JURISDICTION OF SUCH COURT, GENERALLY AND UNCONDITIONALLY, WITH RESPECT TO ANY SUCH ACTION, SUIT OR PROCEEDING. THE PARTIES HEREBY AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING TO AN ADDRESS PROVIDED IN WRITING BY THE RECIPIENT OF SUCH MAILING, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF AND HEREBY WAIVE ANY OBJECTIONS TO SERVICE ACCOMPLISHED IN THE MANNER HEREIN PROVIDED.

Section 10.5 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY JURISDICTION IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE AMONG THE PARTIES UNDER THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE.

Section 10.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including via facsimile or other electronic transmission), it being understood that each Party need not sign the same counterpart.

Section 10.7 Waivers and Amendments; Rights Cumulative; Consent. This Agreement may be amended, restated, modified or changed only by a written instrument signed by the Company and the Requisite Commitment Parties; provided, that (a) any Commitment Party's prior written consent shall be required for any amendment that would, directly or indirectly: (i) modify such Commitment Party's Backstop Commitment Percentage,

(ii) increase the Per Share Purchase Price, (iii) decrease the Commitment Premium or adversely modify in any material respect the method of payment thereof, (iv) increase the Backstop Commitment of such Commitment Party or (v) have a materially adverse and disproportionate effect on such Commitment Party; (b) the prior written consent of each Commitment Party shall be required for any amendment to the definition of "Requisite Commitment Parties"; and (c) no amendment or modification of the rights or obligations of the HoldCo Noteholders Commitment Parties or the HoldCo Equityholders Commitment Parties or the terms of the HoldCo Noteholders Rights Offering or the HoldCo Equityholders Rights Offering as set forth under this Agreement may be made unless either (i) such amendments or modifications are applied to the rights or obligations of each of the HoldCo Noteholders Commitment Parties and the HoldCo Equityholders Commitment Parties *mutatis mutandis* or applied to the terms of the HoldCo Noteholders Rights Offering and the HoldCo Equityholders Rights Offering *mutatis mutandis*, as applicable or (ii) HoldCo Noteholders Commitment Parties holding at least $66^{2/3}$% of the aggregate HoldCo Noteholders Backstop Commitment Percentage and HoldCo Equityholders Commitment Parties holding at least $66^{2/3}$% of the aggregate HoldCo Equityholders Backstop Commitment Percentage consent to such amendment or modification. Notwithstanding the foregoing, the Backstop Commitment Schedule shall be revised as necessary without requiring a written instrument signed by the Company and the Requisite Commitment Parties to reflect changes in the composition of the Commitment Parties and Backstop Commitment Percentages as a result of Transfers permitted in accordance with the terms and conditions of this Agreement. The terms and conditions of this Agreement (other than the conditions set forth in Section 7.1 and Section 7.3, the waiver of which shall be governed solely by Article VII) may be waived (A) by the Debtors only by a written instrument executed by the Company and (B) by the Requisite Commitment Parties only by a written instrument executed by the Requisite Commitment Parties. No delay on the part of any Party in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any Party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement.

Section 10.8 Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 10.9 Specific Performance. It is understood and agreed by the Parties that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

Section 10.10 Damages. Notwithstanding anything to the contrary in this Agreement, none of the Parties will be liable for, and none of the Parties shall claim or seek to recover, any punitive, special, indirect or consequential damages or damages for lost profits.

Section 10.11 No Reliance. No Commitment Party or any of its Related Parties shall have any duties or obligations to the other Commitment Parties in respect of this Agreement, the Plan or the transactions contemplated hereby or thereby, except those expressly set forth herein. Without limiting the generality of the foregoing, (a) no Commitment Party or any of its Related Parties shall be subject to any fiduciary or other implied duties to the other Commitment Parties, (b) no Commitment Party or any of its Related Parties shall have any duty to take any discretionary action or exercise any discretionary powers on behalf of any other Commitment Party, (c) no Commitment Party or any of its Related Parties shall have any duty to the other Commitment Parties to obtain, through the exercise of diligence or otherwise, to investigate, confirm, or disclose to the other Commitment Parties any information relating to the Company or any of its Subsidiaries that may have been communicated to or obtained by such Commitment Party or any of its Affiliates in any capacity, (d) no Commitment Party may rely, and each Commitment Party confirms that it has not relied, on any due diligence investigation that any other Commitment Party or any Person acting on behalf of such other Commitment Party may have conducted with respect to the Company or any of its Affiliates or any of their respective securities, and (e) each Commitment Party acknowledges that no other Commitment Party is acting as a placement agent, initial purchaser, underwriter, broker or finder with respect to its Unsubscribed Shares or Backstop Commitment Percentage of its Backstop Commitment.

Section 10.12 Publicity.

(a) Other than as may be required by applicable Law, no Party shall issue any press release, make any filing with the SEC (other than required under applicable securities law and regulation as reasonably determined in good faith by outside counsel to the Debtors) or make any other public announcement regarding this Agreement without the consent of the Debtors and the Requisite Commitment Parties, which consent shall not be unreasonably delayed, conditioned, or withheld, and each Party shall coordinate with the other Parties regarding any public statements made, including any communications with the press, public filings or filings with the SEC, with respect to this Agreement; for the avoidance of doubt, each Party shall have the right, without any obligation to any other Party, to decline to comment to the press with respect to this Agreement.

(b) Under no circumstances may any Party make any public disclosure of any kind that would disclose (i) the particular holdings of any Commitment Party or (ii) the identity of any Commitment Party, in each case without the prior written consent of such Commitment Party; provided, that (w) the Debtors may disclose such identities and the aggregate holdings of the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders, respectively, but not individual holdings of any individual Commitment Party (which shall be treated as "advisors' eyes only") in any filing with the SEC in respect of this Agreement and in any materials filed in the Chapter 11 Cases in support of the Approval Motion; (x) the Debtors may disclose such identities or amounts without consent to the extent that, upon the advice of counsel, it is required to do so by any governmental or regulatory authority (including as it may be directed by the SEC) or court of competent jurisdiction

(including the Bankruptcy Court), or by applicable law, in which case the Debtors, prior to making such disclosure, shall allow the Commitment Parties to whom such disclosure relates reasonable time at its own cost to seek a protective order with respect to such disclosures, (y) the Debtors may disclose the existence and terms of this Agreement, including the execution of this Agreement by the Commitment Parties, and (z) the Debtors may disclose the aggregate percentage or aggregate principal amount held by the Consenting HoldCo Noteholders and the Consenting HoldCo Equityholders, respectively. The Debtors shall not use the name of any Commitment Party in any press release without such Party's prior written consent.

(c) The Debtors will issue a press release announcing this Agreement on November 22, 2016 and provide the counsel to the HoldCo Noteholder Committee and counsel to the Equityholder Committee with a draft of such press release and all future press releases, public filings, public announcements or other communications with any news media relating to this Agreement or the Restructuring Transactions at least one (1) business day prior to issuing such releases, filings, announcements or other communications; provided, that the Debtors shall be under no obligation to consult with, or obtain the prior approval of, any other Party as it relates to communications with vendors, customers and other third parties regarding the general nature of the Restructuring Transactions.

Section 10.13 Settlement Discussions. This Agreement and the transactions contemplated herein are part of a proposed settlement of a dispute between the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Section 408 of the U.S. Federal Rules of Evidence and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any Legal Proceeding, except to the extent filed with, or disclosed to, the Bankruptcy Court in connection with the Chapter 11 Cases (other than a Legal Proceeding to approve or enforce the terms of this Agreement).

Section 10.14 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, and notwithstanding the fact that certain of the Parties may be partnerships or limited liability companies, each Party covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any Party's Affiliates, or any of such Party's Affiliates' or respective Related Parties in each case other than the Parties to this Agreement and each of their respective successors and permitted assignees under this Agreement, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of the Related Parties, as such, for any obligation or liability of any Party under this Agreement or any documents or instruments delivered in connection herewith for any claim based on, in respect of or by reason of such obligations or liabilities or their creation; provided, however, that nothing in this Section 10.14 shall relieve or otherwise limit the liability of any Party hereto or any of their respective successors or permitted assigns for any breach or violation of its obligations under this Agreement or such other documents or instruments. For the avoidance of doubt, none of the Parties will have any recourse, be entitled to commence any proceeding or make any claim under this Agreement or in connection with the transactions contemplated

hereby except against any of the Parties or their respective successors and permitted assigns, as applicable.

Section 10.15 Relationship Among Parties.

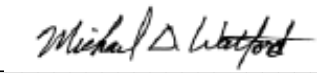
(a) Notwithstanding anything herein to the contrary, the duties and obligations of the Commitment Parties, on the one hand, and the Debtors, on the other hand, arising under this Agreement shall be several, not joint. No Party shall have any responsibility by virtue of this Agreement for any trading by any other entity. No prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement. The Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Debtors and the Commitment Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended. Nothing contained herein or any Definitive Documentation and no action taken by any Commitment Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any parties that the Commitment Parties are in any way acting in concert or as a "group" (or a joint venture, partnership or association), and the Debtors will not assert any such claim with respect to such obligations or the transactions contemplated by this Agreement or the Definitive Documentation, and the Debtors acknowledge that neither the HoldCo Equityholders Commitment Parties nor the HoldCo Noteholder Commitment Parties are acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement or the Definitive Documentation. The Debtors acknowledge and each HoldCo Equityholder Commitment Party and each HoldCo Noteholder Commitment Party confirms that it has independently participated in the negotiation of the transactions contemplated under this Agreement and the Definitive Documentation with the advice of counsel and advisors.

(b) In connection with any matter requiring consent or a request of the Requisite Commitment Parties under this Agreement, there is no requirement or obligation that such holders agree among themselves to take such action and no agreement among such holders with respect to any such action. In connection with any matter that may be requested by the Requisite Commitment Parties, each such holder may, through its counsel, make such request; provided, that the Company will only be required to take such action if it receives the request of the Requisite Commitment Parties, as the case may be. In connection with any matter requiring consent of the Requisite Commitment Parties hereunder, the Company will solicit consent independently from each such holder or its respective counsel; provided, that such consent shall only be granted if the approval of the Requisite Commitment Parties (as applicable) is obtained.

(c) It is understood and agreed that none of the Commitment Parties has any duty of trust or confidence in any form with any other Commitment Party, the Debtors, or any of the Debtors' creditors or other stakeholders and, except as expressly provided in this Agreement, there are no agreements, commitments or undertakings by, among or between any of them with respect to the subject matter hereof. For the avoidance of doubt, the foregoing sentence does not include any fiduciary obligations owed by any Plan Support Party that has been appointed an officer of any Debtor.

IN WITNESS WHEREOF, the undersigned Parties have duly executed this Agreement as of the date first above written.

ULTRA PETROLEUM CORP.

By:  _____

Name: Michael D. Watford

Title: Chairman, President and CEO

Company Disclosure Schedule

Section 1.1

Material Contracts

1. Gathering System Agreement between Pinedale Corridor, LP and Ultra Wyoming LGS, LLC dated as of December 20, 2012 (as amended from time to time thereafter

2. Transportation Service Agreement between Rockies Express Pipeline LLC and Ultra Resources, Inc. dated as of April 19, 2007 (as amended from time to time thereafter)

3. Capacity Release Agreement between Sempra Rockies Marketing LLC and Ultra Resources, Inc. dated as of March 5, 2009 (as amended from time to time thereafter

4. Crude Oil Purchase Contract between Ultra Resources, Inc., successor in interest to Axia Energy, LLC and EDF Trading North America, LLC dated as of July 31, 2013 (as amended from time to time thereafter)

5. Purchase and Sale Agreement between Big West Oil LLC and Ultra Resources, Inc., as successor to Axia Energy, LLC, dated as of July 1, 2013 (as amended from time to time thereafter)

6. Pinedale Unit Area Net Profits Contract between Malco Refineries, Inc., Continental Oil Company, and Novi Oil Company, dated as of April 1, 1954 (as supplemented from time to time thereafter)

Exhibit A

Rights Offering Procedures

ULTRA PETROLEUM CORP. (THE "COMPANY")
RIGHTS OFFERING PROCEDURES[1]

Each Rights Offering Share (as defined below) is being distributed and issued by the Company (i) pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"; such offering, a "Registered Rights Offering"), or (ii) without registration under the Securities Act, in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code (such offering, an "1145 Rights Offering"). None of the Subscription Rights (as defined below) or the Rights Offering Shares issuable upon exercise of such rights distributed pursuant to these Rights Offering Procedures in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code have been or will be registered under the Securities Act, nor any state or local law requiring registration for offer and sale of a security.

If the Rights Offering is a Registered Rights Offering, the Subscription Rights will be immediately detachable and freely transferable separately from HoldCo Notes or HoldCo Equity Interests, as applicable; provided however that the transferability of Subscription Rights held by an Affiliate (as that term is defined under Rule 144 promulgated under the Securities Act ("Rule 144") of the Company may be subject to limitations on transferability under the Securities Act.

If the Rights Offering is an 1145 Rights Offering, the Subscription Rights will not be detachable or transferable separately from HoldCo Notes or HoldCo Equity Interests, as applicable. Rather, the Subscription Rights together with the underlying HoldCo Notes or HoldCo Equity Interests with respect to which such Subscription Rights were issued, will trade together as a unit, subject to such limitations, if any, that would be applicable to the transferability of the underlying HoldCo Notes or HoldCo Equity Interests; and, provided further, that following the exercise of any Subscription Rights, the holder thereof shall be prohibited from transferring or assigning the HoldCo Notes or the HoldCo Equity Interests, as applicable, corresponding to such Subscription Rights until the earlier of (i) termination of the Rights Offering and (ii) the revocation of exercise of the Subscription Rights to the extent permitted by these Rights Offering Procedures.

The Disclosure Statement (as defined below) has previously been distributed in connection with the Debtors' solicitation of votes to accept or reject the Plan (as

[1] **Terms used and not defined herein shall have the meaning assigned to them in the Plan Support Agreement, dated as of November 21, 2016 (including the terms and conditions set forth in the Plan Term Sheet attached as Exhibit A to the Plan Support Agreement (the "Plan Term Sheet"), the terms and conditions set forth in the Backstop Commitment Agreement attached as Exhibit B to the Plan Support Agreement (the "Backstop Agreement") and collectively, including all the other exhibits thereto, as may be amended, supplemented or otherwise modified from time to time, the "Plan Support Agreement")).**

defined below) and that document sets forth important information, including risk factors, that should be carefully read and considered by each Eligible Holder (as defined below) prior to making a decision to participate in the Rights Offering (as defined below). Additional copies of the Disclosure Statement are available upon request from the Subscription Agent.

The Rights Offering is being conducted by the Company in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

Eligible Holders (as defined below) should note the following times relating to the Rights Offering:

Date	**Calendar Date**	**Event**
Record Date…….	[●], 2016	The date and time fixed by the Company pursuant to the Plan for the determination of the holders eligible to receive Subscription Rights.
Subscription Commencement Date ..	[●], 2017	Commencement of the Rights Offering.
Subscription Expiration Deadline …	4:00 p.m. Houston time on [●], 2017	The deadline for Eligible Holders to subscribe for Rights Offering Shares. An Eligible Holder's applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by the Eligible Holder's Nominee (as defined below) in sufficient time to allow such Nominee to deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline. Eligible Holders who are not Commitment Parties must deliver the aggregate Purchase Price (as defined below) by the Subscription Expiration Deadline. Eligible Holders who are Commitment Parties must

	deliver the aggregate Purchase Price no later than the deadline specified in the Funding Notice (as defined below) in accordance with the terms of the Backstop Agreement.

To Eligible Holders and Nominees of Eligible Holders:

On [●], 2016, the Debtors filed the *Debtors' Joint Chapter 11 Plan of Reorganization* (as may be amended, modified, or supplemented from time to time in accordance with the terms thereof, the "Plan") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division, and the *Disclosure Statement for the Debtors' Joint Chapter 11 Plan of Reorganization* (as may be amended from time to time in accordance with its terms, the "Disclosure Statement"). Pursuant to the Plan, each Holder of an Allowed HoldCo Notes Claim (each such holder, together with its permitted transferees, an "Eligible HoldCo Noteholder") as of the Record Date shall receive HoldCo Noteholders Subscription Rights (as defined below) pursuant to the HoldCo Noteholders Rights Offering (as defined below), and each Holder of an Allowed HoldCo Equity Interest (each such holder, together with its permitted transferees, an "Eligible HoldCo Equityholder" and, together with the Eligible HoldCo Noteholders, "Eligible Holders") as of the Record Date shall receive HoldCo Equityholders Subscription Rights (as defined below) pursuant to the HoldCo Equityholder Rights Offering (as defined below), in each case, in accordance with the terms and conditions of these Rights Offering Procedures. The HoldCo Noteholders Rights Offering and the HoldCo Equityholders Rights Offering are collectively referred to herein as the "Rights Offering". Notwithstanding anything to the contrary contained herein, in the event that the Rights Offering is a Registered Rights Offering, the Subscription Rights shall be immediately detachable and trade separately from the underlying Allowed HoldCo Notes Claims and the Allowed HoldCo Equity Interests, as applicable, and there shall be no limitation (except for those limitations imposed by applicable securities law, if any) on the person or persons that may exercise any of the rights transferred hereunder. For the avoidance of doubt, in such circumstance, for purposes of determining who may exercise a Subscription Right, the terms "Eligible Holder," "Eligible HoldCo Noteholder" and "Eligible HoldCo Equityholder" shall include any person that validly holds the Subscription Right as of the date of exercise, without any requirement that such person hold a Noteholder Claim or Equityholder Interest as of such date.

Pursuant to the Plan, each Eligible HoldCo Noteholder as of the Record Date will receive rights to subscribe for its *pro rata* portion of 75 percent of the Shares (as defined below) offered in the Rights Offering (the "HoldCo Noteholders Rights Offering," and such Shares, the "HoldCo Noteholders Rights Offering Shares"), which HoldCo Noteholder Rights Offering Shares, collectively, will reflect an aggregate purchase price of $435,000,000 calculated by multiplying the number of Shares offered in the HoldCo Noteholder Rights Offering by the Purchase Price. "Shares" shall be the fully diluted number of shares of Reorganized HoldCo before taking into account issuances of Shares pursuant to the management incentive plan to be adopted by the Company. "Purchase Price" shall be the quotient of $2.7 billion divided by the Shares based on a Total Enterprise Value of the Debtors of $6.0 billion, subject to the adjustment provided in the definition of Purchase Price and Total Enterprise Value in the Backstop Agreement. Each Nominee will receive a Master Subscription Form which it shall use to summarize the Subscription Rights exercised by each Eligible HoldCo Noteholder that timely returns the applicable properly filled out Beneficial Holder Subscription Form(s) to such Nominee. Beneficial Holder Subscription Forms should only be returned directly to the

Subscription Agent if the Eligible HoldCo Noteholder is the direct holder of record on the books of the applicable indenture trustee and does not hold its Allowed HoldCo Notes Claim through a Nominee.

Pursuant to the Plan, each Eligible HoldCo Equityholder as of the Record Date will receive rights to subscribe for its *pro rata* portion of 25 percent of the Shares offered in the Rights Offering (the "HoldCo Equityholders Rights Offering," and such Shares, the "HoldCo Equityholders Rights Offering Shares" and, together with the HoldCo Noteholders Rights Offering Shares, the "Rights Offering Shares"), which HoldCo Equityholder Rights Offering Shares, collectively, will reflect an aggregate purchase price of $145,000,000 calculated by multiplying the number of Shares offered in the HoldCo Equityholder Rights Offering by the Purchase Price. Each Nominee will receive a Master Subscription Form which it shall use to summarize the Subscription Rights exercised by each Eligible HoldCo Equityholder that timely returns the applicable properly filled out Beneficial Holder Subscription Form(s) to such Nominee. Beneficial Holder Subscription Forms should only be returned directly to the Subscription Agent if the Eligible HoldCo Equityholder is the direct holder of record on the books of the applicable transfer agent and does not hold its HoldCo Equity Interests through a Nominee.

Please note that all Beneficial Holder Subscription Forms (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be returned to the applicable Nominee in sufficient time to allow such Nominee to process and deliver the Master Subscription Form and copies of all Beneficial Holder Subscription Forms, and the accompanying IRS Forms prior to the Subscription Expiration Deadline. To the extent of any discrepancy between the Master Subscription Form and the Beneficial Holder Subscription Form(s) regarding the Eligible Holder's principal amount, the Master Subscription Form shall govern. While the amount of time necessary for a Nominee to process and deliver the Master Subscription Form to the Subscription Agent will vary from Nominee to Nominee, Eligible Holders are urged to consult with their Nominees to determine the necessary deadline to return their Beneficial Holder Subscription Forms. Failure to submit such Beneficial Holder Subscription Forms on a timely basis will result in forfeiture of an Eligible Holder's rights to participate in the Rights Offering. None of the Company, the Subscription Agent or any of the Commitment Parties will have any liability for any such failure.

No Eligible Holder shall be entitled to participate in the Rights Offering unless the aggregate Purchase Price (as defined below) for the Rights Offering Shares it subscribes for is received by the Subscription Agent (i) in the case of an Eligible Holder that is not a Commitment Party, by the Subscription Expiration Deadline, and (ii) in the case of an Eligible Holder that is a Commitment Party, no later than the deadline specified in a written notice (a "Funding Notice") delivered by or on behalf of the Debtors to the Commitment Parties in accordance with Section 2.4 of the Backstop Agreement (the "Backstop Funding Deadline"), provided that the Commitment Parties may deposit their aggregate Purchase Price in the Escrow Account (as defined below), in accordance with the terms of the Backstop Agreement. No interest is payable on any advanced funding of the Purchase Price. If the Rights Offering is terminated for any reason, the aggregate Purchase Price previously received by the Subscription Agent will be returned to Eligible Holders as provided in Section 6 hereof. No

interest will be paid on any returned Purchase Price. Any Eligible Holder who is not a Commitment Party submitting payment via its Nominee must coordinate such payment with its Nominee in sufficient time to allow the Nominee to forward such payment to the Subscription Agent by the Subscription Expiration Deadline.

To participate in the Rights Offering, an Eligible Holder must complete all of the steps outlined below. If an Eligible Holder does not complete all of the steps outlined below by the Subscription Expiration Deadline or the Backstop Funding Deadline, as applicable, such Eligible Holder shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the Rights Offering.

1. Rights Offering

Eligible HoldCo Noteholders have the right, but not the obligation, to participate in the HoldCo Noteholders Rights Offering, and Eligible HoldCo Equityholders have the right, but not the obligation, to participate in the HoldCo Equityholders Rights Offering.

Eligible HoldCo Noteholders as of the Record Date shall receive rights to subscribe for their *pro rata* portion of the HoldCo Noteholders Rights Offering Shares, and Eligible HoldCo Equityholders as of the Record Date shall receive rights to subscribe for their pro rata portion of the HoldCo Equityholders Rights Offering Shares.

Subject to the terms and conditions set forth in the Plan and these Rights Offering Procedures, each Eligible HoldCo Noteholder as of the Record Date is entitled to receive rights to subscribe for up to [●] HoldCo Noteholders Rights Offering Shares per $1,000 of Principal Amount of 5.75% Senior Notes Due 2018 issued by the Company and up to [●] HoldCo Noteholders Rights Offering Shares per $1,000 of Principal Amount of 6.125% Senior Notes Due 2024 issued by Company at the Purchase Price. **The difference in the number of Rights Offering Shares that an Eligible HoldCo Noteholder is entitled to subscribe for with respect to each series of HoldCo Notes is to take into account the differing amounts, as of the Record Date, of pre-petition accrued and unpaid interest thereon.**

Subject to the terms and conditions set forth in the Plan and these Rights Offering Procedures, each Eligible HoldCo Equityholder as of the Record Date is entitled to receive rights to subscribe for up to [●] HoldCo Equityholders Rights Offering Shares per HoldCo Equity Interest at the Purchase Price.

There will be no over-subscription privilege in the Rights Offering. Any Rights Offering Shares that are unsubscribed by the Eligible Holders entitled thereto will not be offered to other Eligible Holders but will be purchased by the applicable Commitment Parties in accordance with the Backstop Agreement. Subject to the terms and conditions of the Backstop Agreement, each Commitment Party is obligated to purchase its *pro rata* portion of the applicable Rights Offering Shares.

To the extent the Rights Offering Shares are distributed and issued without registration under the Securities Act, in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code, any Eligible Holder that subscribes for Rights Offering Shares and is deemed

to be an "underwriter" under Section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities. Resale restrictions are discussed in more detail in Article **[●]** of the Disclosure Statement, entitled "Certain Securities Law Matters."

To the extent the Rights Offering Shares are distributed and issued with registration under the Securities Act, any Eligible Holder that subscribes for Rights Offering Shares and is deemed to be an "affiliate" under Rule 144 may be subject to restrictions under Rule 144 on its ability to resell those securities. Resale restrictions are discussed in more detail in Article **[●]** of the Disclosure Statement, entitled "Certain Securities Law Matters."

SUBJECT TO THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING PROCEDURES AND THE BACKSTOP AGREEMENT IN THE CASE OF ANY COMMITMENT PARTY, ALL SUBSCRIPTIONS SET FORTH IN THE APPLICABLE BENEFICIAL HOLDER SUBSCRIPTION FORM(S) ARE IRREVOCABLE.

2. Subscription Period

The Rights Offering will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each Eligible Holder intending to purchase Rights Offering Shares in any Rights Offering must affirmatively elect to exercise its Subscription Rights in the manner set forth in the applicable Subscription Form by the Subscription Expiration Deadline.

Any exercise of the subscription rights to purchase HoldCo Noteholders Rights Offering Shares (the "HoldCo Noteholders Subscription Rights") by an Eligible HoldCo Noteholder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Holdco Noteholder Commitment Parties holding at least sixty-six and two-thirds percent (66-2/3%) of all outstanding HoldCo Noteholders Backstop Commitments at the time of the relevant determination (the "HoldCo Noteholder Requisite Commitment Parties"), to allow any exercise of HoldCo Noteholders Subscription Rights after the Subscription Expiration Deadline.

Any exercise of the subscription rights to purchase HoldCo Equityholders Rights Offering Shares (the "HoldCo Equityholders Subscription Rights" and, together with the HoldCo Noteholders Subscription Rights, the "Subscription Rights") by an Eligible HoldCo Equityholder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Holdco Equityholder Commitment Parties holding at least sixty-six and two-thirds percent (66-2/3%) of all outstanding HoldCo Equityholders Backstop Commitments at the time of the relevant determination (the "HoldCo Equityholder Requisite Commitment Parties" and together with the HoldCo Noteholder Requisite Commitment Parties, the "Requisite Commitment Parties"), to

allow any exercise of HoldCo Equityholders Subscription Rights after the Subscription Expiration Deadline.

The Subscription Expiration Deadline may be extended with the consent of the Requisite Commitment Parties, or as required by law.

3. Delivery of Subscription Documents

Each Eligible Holder may exercise all or any portion of such Eligible Holder's Subscription Rights, but subject to the terms and conditions contained herein. In order to facilitate the exercise of the Subscription Rights, beginning on the Subscription Commencement Date, the applicable Subscription Form and these Rights Offering Procedures will be sent to each Eligible Holder, together with appropriate instructions for the proper completion, due execution and timely delivery of the executed Subscription Form and the payment of the applicable aggregate Purchase Price for its Rights Offering Shares.

4. Exercise of Subscription Rights

(a) In order to validly exercise its Subscription Rights, each Eligible Holder that is not a Commitment Party must:

i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and

ii. at the same time it returns its Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Subscription Agent by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the applicable Beneficial Holder Subscription Form(s).

(b) In order to validly exercise its Subscription Rights, each Eligible Holder that is a Commitment Party must:

i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and

ii. no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the Subscription Agent or to the escrow account established and maintained by a third party satisfactory to the Commitment Parties and the Company (the "Escrow

Account") by wire transfer **ONLY** of immediately available funds in accordance with the wire instructions included in the Funding Notice.

ALL COMMITMENT PARTIES MUST PAY THEIR APPLICABLE PURCHASE PRICE DIRECTLY TO THE SUBSCRIPTION AGENT OR TO THE ESCROW ACCOUNT, AS APPLICABLE, AND SHOULD NOT PAY THEIR NOMINEE(S).

(c) With respect to 4(a) and (b) above, each Eligible Holder must duly complete, execute and return the applicable Beneficial Holder Subscription Form(s) in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Subscription Agent the Master Subscription Form, its completed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and, solely with respect to the Eligible Holders that are not Commitment Parties, payment of the applicable Purchase Price, payable for the Rights Offering Shares elected to be purchased by such Eligible Holder, by the Subscription Expiration Deadline. Eligible Holders that are Commitment Parties must deliver their payment of the applicable Purchase Price payable for the Rights Offering Shares elected to be purchased by such Commitment Party directly to the Subscription Agent or to the Escrow Account, as applicable, no later than the Backstop Funding Deadline.

(d) In the event that the funds received by the Subscription Agent or the Escrow Account, as applicable, from any Eligible Holder do not correspond to the Purchase Price payable for the Rights Offering Shares elected to be purchased by such Eligible Holder, the number of the Rights Offering Shares deemed to be purchased by such Eligible Holder will be the lesser of (a) the number of the Rights Offering Shares elected to be purchased by such Eligible Holder and (b) a number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such Eligible Holder's *pro rata* portion of Rights Offering Shares.

(e) The cash paid to the Subscription Agent in accordance with these Rights Offering Procedures will be deposited and held by the Subscription Agent in a segregated account until released to the Debtors in connection with the settlement of the Rights Offering on the Effective Date. The Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Subscription Agent hereunder shall not be deemed part of the Debtors' bankruptcy estates.

5. Transfer Restriction; Revocation

If the Rights Offering is an 1145 Rights Offering:

- The Subscription Rights will not be detachable or transferable separately from HoldCo Notes or HoldCo Equity Interests, as applicable. If any Subscription Rights are transferred by an Eligible Holder in contravention of the foregoing, the Subscription Rights will be cancelled, and neither such Eligible Holder nor the purported transferee will receive any Rights Offering Shares otherwise purchasable on account of such transferred Subscription Rights;

- The Subscription Rights together with the underlying HoldCo Notes or HoldCo Equity Interests with respect to which such Subscription Rights were issued, will trade together as a unit, subject to such limitations, if any, that would be applicable to the transferability of the underlying HoldCo Notes or HoldCo Equity Interests; and

- Once an Eligible Holder has properly exercised its Subscription Rights, subject to the terms and conditions contained in these Rights Offering Procedures and the Backstop Agreement in the case of any Commitment Party, such exercise will be irrevocable. Moreover, following the exercise of any Subscription Rights, the holder thereof shall be prohibited from transferring or assigning the HoldCo Notes or the HoldCo Equity Interests, as applicable, corresponding to such Subscription Rights until the earlier of (i) termination of the Rights Offering and (ii) the revocation of exercise of the Rights to the extent permitted by these Rights Offering Procedures.

If the Rights Offering is a Registered Rights Offering:

- the Subscription Rights will immediately be detachable from the HoldCo Notes or the HoldCo Equity Interests with respect to which they were distributed, as applicable, and trade separately from any such claims or interests, and nothing in these Rights Offering Procedures should limit the separate transferability of HoldCo Notes or HoldCo Equity Interests.

6. Termination/Return of Payment

Unless the Effective Date has occurred, the Rights Offering will be deemed automatically terminated without any action of any party upon the earlier of (i) termination of the Plan Support Agreement in accordance with its terms, (ii) termination of the Backstop Agreement in accordance with its terms and (iii) the Outside Date (as such date may be extended pursuant to the terms of the Backstop Agreement). In the event the Rights Offering is terminated, any payments received pursuant to these Rights Offering Procedures will be returned, without interest, to the applicable Eligible Holder as soon as reasonably practicable.

7. Settlement of the Rights Offering and Distribution of the Rights Offering Shares

The settlement of the Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtors with these Rights Offering Procedures, and the

simultaneous occurrence of the Effective Date. The Debtors intend that the Rights Offering Shares will be issued to the Eligible Holders and/or to any party that an Eligible Holder so designates in the Beneficial Holder Subscription Form(s), in book-entry form, and that The Depository Trust Company ("DTC"), or its nominee, will be the holder of record of such Rights Offering Shares. To the extent DTC is unwilling or unable to make the Rights Offering Shares eligible on the DTC system, the Rights Offering Shares will be issued directly to the Eligible Holder or its designee.

8. Fractional Shares

No fractional rights or Rights Offering Shares will be issued in the Rights Offering. All share allocations (including each Eligible Holder's Rights Offering Shares) will be calculated and rounded down to the nearest whole share.

9. Validity of Exercise of Subscription Rights

All questions concerning the timeliness, viability, form and eligibility of any exercise of Subscription Rights will be determined in good faith by the Debtors in consultation with the Requisite Commitment Parties, and, if necessary, subject to a final and binding determination by the Bankruptcy Court. The Debtor, with the consent of the Requisite Commitment Parties, may waive or reject any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, the purported exercise of any Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in good faith in consultation with the Requisite Commitment Parties.

Before exercising any Subscription Rights, Eligible Holders should read the Disclosure Statement and the Plan for information relating to the Debtors and the risk factors to be considered.

All calculations, including, to the extent applicable, the calculation of (a)(i) the value of any Eligible HoldCo Noteholder's Allowed HoldCo Notes Claim for the purposes of the HoldCo Noteholders Rights Offering and (ii) any Eligible HoldCo Noteholder's HoldCo Noteholders Rights Offering Shares, shall be made in good faith by the Company with the consent of the HoldCo Noteholders Requisite Commitment Parties and (b)(i) the value of any Eligible HoldCo Equityholders' HoldCo Equity Interests for the purposes of the HoldCo Equityholders Rights Offering and (ii) any Eligible HoldCo Equityholders' HoldCo Equityholders Rights Offering Shares, shall be made in good faith by the Company with the consent of the HoldCo Equityholders Requisite Commitment Parties and in each case in accordance with any claim amounts included in the Plan, and any disputes regarding such calculations shall be subject to a final and binding determination by the Bankruptcy Court.

10. Modification of Procedures

With the prior written consent of the Requisite Commitment Parties, the Debtors reserve the right to modify these Rights Offering Procedures, or adopt additional procedures consistent

with these Rights Offering Procedures to effectuate the Rights Offering and to issue the Rights Offering Shares, provided, however, that the Debtors shall provide prompt written notice to each Eligible Holder of any material modification to these Rights Offering Procedures made after the Subscription Commencement Date, provided further that any amendments or modifications to the terms of the Rights Offering are subject to the provisions of Section 10.7 of the Backstop Agreement. In so doing, and subject to the consent of the Requisite Commitment Parties, the Debtors may execute and enter into agreements and take further action that the Debtors determine in good faith is necessary and appropriate to effectuate and implement the Rights Offering and the issuance of the Rights Offering Shares.

To the extent applicable, the Debtors shall undertake reasonable procedures to confirm that each participant in the Rights Offering is in fact an Eligible Holder.

11. Depository Trust Company ("DTC")

Some or all of the Allowed HoldCo Notes Claims and the Allowed HoldCo Equity Interests are held in book-entry form in accordance with the practices and procedures of the DTC. The Debtors intend to comply with the practices and procedures of DTC for the purpose of conducting the Rights Offering, and, subject to compliance with Section 11 hereof, these Rights Offering Procedures will be deemed appropriately modified to achieve such compliance.

Without limiting the foregoing the Company intends, that to the extent practicable, the Rights Offering Shares will be issued in book entry form, except with respect to persons that may be deemed underwriters under section 1145(b) of the Bankruptcy Code, and that DTC, or its nominee, will be the holder of record of such Rights Offering Shares. The ownership interest of each holder of such Rights Offering Shares, and transfers of ownership interests therein, will be recorded on the records of the direct and indirect participants in DTC. Holders who exercise the Subscription Rights may be required to furnish the Company or its agents information regarding their broker, bank or other securities nominee in order that the Rights Offering Shares for which they have subscribed can be properly credited to their securities account. To the extent required, the Company intends to solicit such information on a timely basis, so that the Rights Offering Shares may be delivered to the holders exercising their Subscription Rights on or as promptly as practicable after the Effective Date.

12. Inquiries And Transmittal of Documents; Subscription Agent

The Rights Offering Instructions for Eligible Holders attached hereto should be carefully read and strictly followed by the Eligible Holders.

Questions relating to the Rights Offering should be directed to the Subscription Agent via email to [[[●] (please reference "Subscription Rights Offering" in the subject line) or at the following phone number: [●]].

The risk of non-delivery of all documents and payments to the Subscription Agent, the Escrow Account and any Nominee is on the Eligible Holder electing to exercise its Subscription Rights and not the Debtors, the Subscription Agent, or the Commitment Parties.

ULTRA PETROLEUM CORP.
RIGHTS OFFERING INSTRUCTIONS FOR ELIGIBLE HOLDERS

Terms used and not defined herein shall have the meaning assigned to them in the Plan.

To elect to participate in the Rights Offering, you must follow the instructions set out below:

1. **Insert** the principal amount of the HoldCo Notes or HoldCo Equity Interests, as applicable, that you held as of the Record Date in Item 1 of your applicable Beneficial Holder Subscription Form(s) (if you do not know such amount, please contact your Nominee immediately).

2. **Complete** the calculation in Item 2a of your applicable Beneficial Holder Subscription Form(s), which calculates the maximum number of Rights Offering Shares available for you to purchase. Such amount must be rounded down to the nearest whole share.

3. **Complete** the calculation in Item 2b of your applicable Beneficial Holder Subscription Form(s) to indicate the number of Rights Offering Shares that you elect to purchase and calculate the aggregate Purchase Price for the Rights Offering Shares that you elect to purchase.

4. **Confirm** whether you are a Commitment Party pursuant to the representation in Item 3 of your applicable Beneficial Holder Subscription Form(s). (*This section is only for Commitment Parties, each of whom is aware of their status as a Commitment Party*).

5. **Read, complete and sign** the certification in Item 5 of your applicable Beneficial Holder Subscription Form(s). Such execution shall indicate your acceptance and approval of the terms and conditions set forth in these Rights Offering Procedures.

6. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: www.irs.gov.

7. **Return** your applicable signed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to your Nominee in sufficient time to allow your Nominee to process your instructions and prepare and deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline.

8. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2b of your applicable Beneficial Holder Subscription Form(s). For Eligible Holders that are not Commitment Parties, please instruct your Nominee to coordinate payment of the Purchase Price and transmit and deliver such payment to the Subscription Agent by the Subscription Expiration Deadline. An Eligible Holder that is not a Commitment Party should follow

the payment instructions as provided in the Master Subscription Form. Any Commitment Party should follow the payment instructions that will be provided in the Funding Notice, except to the extent of any aggregate Purchase Price previously paid by such Eligible Holder to the Subscription Agent or the Escrow Account in accordance with the terms of the Backstop Agreement.

The Subscription Expiration Deadline is 4:00 p.m. Central Time on [●], 2017.

Please note that the Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by your broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee (as applicable, the "Nominee") in sufficient time to allow such Nominee to process and deliver the Master Subscription Form to the Subscription Agent, by the Subscription Expiration Deadline, along with the appropriate funding (with respect to Eligible Holders that are not Commitment Parties) or the subscription represented by your applicable Beneficial Holder Subscription Form(s) will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the Rights Offering.

Eligible Holders that are Commitment Parties must deliver the appropriate funding directly to the Subscription Agent or to the Escrow Account, as applicable, pursuant to the Funding Notice (except to the extent of any funding previously provided by any such Eligible Holder to the Subscription Agent or the Escrow Account in accordance with the terms of the Backstop Agreement) no later than the Backstop Funding Deadline.

Exhibit B

Form of Transfer Notice

TRANSFER NOTICE

[●], 2016

BY EMAIL

Ultra Petroleum Corp.
400 North Sam Houston Parkway E
Suite 1200
Houston, Texas 77060
Attn: Chief Financial Officer
E-mail address: gshaw@ultrapetroleum.com

with copies to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
Attn.: Andrew Rosenberg
1285 Avenue of the Americas
New York, New York 10019-6064
Tel: (212) 373-3000
Fax: (212) 757-3990
Email: arosenberg@paulweiss.com

Brown Rudnick LLP
Attn.: Edward Weisfelner
Seven Times Square
New York, New York 10036
Tel: (212) 209-4800
Fax: (212) 209-4801
Email: eweisfelner@brownrudnick.com

Kirkland & Ellis LLP
610 Lexington Avenue
New York, NY 10022
601 Lexington Avenue
New York, New York 10022,
Attn: David Seligman; Chris Greco
E-mail: dseligman@kirkland.com;
cgreco@kirkland.com;

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654

Attn: Greg Pesce
E-mail address: gregory.pesce@kirkland.com

Ladies and Gentlemen:

Re: Transfer Notice Under Backstop Commitment Agreement

Reference is hereby made to that certain Backstop Commitment Agreement, dated as of November 21, 2016 (the "Backstop Commitment Agreement"), by and between the Debtors and the Commitment Parties thereto. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Backstop Commitment Agreement.

The purpose of this notice ("Notice") is to advise you, pursuant to Section 2.6 of the Backstop Commitment Agreement, of the proposed transfer by [●] ("Transferor") to [●] ("Transferee") of a [HoldCo Equityholders][HoldCo Noteholders] Backstop Commitment representing [●]% of the aggregate Backstop Commitment of all Commitment Parties as of the date hereof, which represents $[●] of the Transferor's [HoldCo Equityholders][HoldCo Noteholders] Backstop Commitment (or [●]% of the aggregate [HoldCo Equityholders][HoldCo Noteholders] Backstop Commitment of all [HoldCo Equityholders][HoldCo Noteholders] Commitment Parties). [Transferor also proposes to transfer [$[●] aggregate principal amount][number of HoldCo Equity Interests] of [HoldCo Equity Interests][HoldCo Notes] (as defined in the PSA (as defined below)) to Transferee.] [Transferee is not currently a party to that certain Plan Support Agreement dated November 21, 2016 (the "PSA").][OR][The Transferee represents to the Debtors and the Transferor that it is a Commitment Party under the Backstop Commitment Agreement.]

By signing this Notice below, Transferee represents to the Debtors and the Transferor that it will execute and deliver a joinder to the Backstop Commitment Agreement and a PSA Transfer Agreement.

This Notice shall serve as a transfer notice in accordance with the terms of the Backstop Commitment Agreement and PSA. Please acknowledge receipt of this Notice delivered in accordance with Section 2.6 of the Backstop Commitment Agreement by returning a countersigned copy of this Notice to Paul, Weiss, Rifkind, Wharton & Garrison LLP and Brown Rudnick LLP via the contact information set forth above.

TRANSFEROR:

[●]

By: _____
Name:
Title:

TRANSFEREE:

[●]

By: _____
Name:
Title:

Acknowledged and agreed to by and on behalf of the Debtors:

ULTRA PETROLEUM CORP., as a Debtor

By: _____
Name:
Title:

Exhibit C

Form of Joinder Agreement

JOINDER AGREEMENT

This joinder agreement (the "Joinder Agreement") to Backstop Commitment Agreement dated November 21, 2016 (as amended, supplemented or otherwise modified from time to time, the "BCA"), between the Debtors (as defined in the BCA) and the Commitment Parties (as defined in the BCA) is executed and delivered by _____ (the "Joining Party") as of _____, 2016 (the "Joinder Date"). Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the BCA.

Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the BCA, a copy of which is attached to this Joinder Agreement as Annex I (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a "Commitment Party" for all purposes under the BCA.

Representations and Warranties. The Joining Party hereby severally and not jointly makes the representations and warranties of the Commitment Parties set forth in Section 5 of the BCA to the Debtors as of the date of this Joinder Agreement.

Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of New York without application of any choice of law provisions that would require the application of the laws of another jurisdiction.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder Agreement to be executed as of the Joinder Date.

JOINING PARTY

[COMMITMENT PARTY], by and on behalf of certain of its and its affiliates' managed funds and/or accounts

By:_____
Name:
Title:

[HoldCo Equityholders][HoldCo Noteholders] Backstop Commitment Holdings:

_____

Holdings of HoldCo Notes:

_____

Holdings of HoldCo Equity Interests:

_____

AGREED AND ACCEPTED AS OF THE JOINDER DATE:

ULTRA PETROLEUM CORP., as Debtor

By:_____
Name:
Title:

Exhibit D

Form of Plan Support Agreement Transfer Agreement

Transfer Agreement

The undersigned ("Transferee") hereby acknowledges that it has read and understands the Plan Support Agreement dated as of November 21, 2016 (the "Agreement"),[2] by and among the Company and the Plan Support Parties, including the transferor to the Transferee of any Claims (each such transferor, a "Transferor"), and shall be deemed a "Consenting HoldCo Noteholder" or "Consenting Equityholder" under the terms of the Agreement and agrees to be bound by (a) the terms and conditions of the Agreement to the extent the Transferor was thereby bound and (b) any direction letters provided by the Consenting Creditor to any agent or trustee. The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer.

Date Executed:

_____

Name:
Title:

Address:

E-mail address(es):
Telephone:
Facsimile:

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Type	$[____]

[2] Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Exhibit C to the Plan Support Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this "Joinder") to the Plan Support Agreement, dated as of November 21, 2016 (the "Agreement"),[2] by and among the Ultra Entities, the Consenting HoldCo Noteholders, and the Consenting HoldCo Equityholders, is executed and delivered by [_____] (the "Joining Party") as of [DATE].

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a "Party" and one or more of the entities comprising the "Plan Support Parties" for all purposes under the Agreement.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the HoldCo Notes and/or HoldCo Equity Interests identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 15 of the Agreement to each other Party.

3. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile: [FAX]
EMAIL:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[2] Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

[JOINING PARTY]

By:

Name:

Title:

Holdings: $_____
of HoldCo Notes

Holdings: _____
Shares of HoldCo Equity Interests

Annex 1 to the Form of Transferee Joinder

Exhibit D to the Plan Support Agreement

Over-The-Counter Transfer Procedures

Over-The-Counter Transfer Procedures

The Ultra Entities have commenced voluntary cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"). The common equity interests in HoldCo (such common equity interests, collectively, the "HoldCo Equity Interests") are subject to the jurisdiction of the Bankruptcy Court, including, without limitation, all orders entered thereby, including the *Final Order Approving Notification and Hearing Procedures For Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock* entered by the Bankruptcy Court on June 13, 2016 [Docket No. 297] (the "NOL Order").

The following procedures (the "Procedures") shall govern transfers of HoldCo Equity Interests by holders of such HoldCo Equity Interests in over-the-counter transactions in accordance with the Plan Support Agreement (each, an "OTC Transfer"). Certain capitalized terms used but not defined herein have the meanings set forth in the Plan Support Agreement.

1. Each Consenting HoldCo Equityholder wishing to sell HoldCo Equity Interests pursuant to an OTC Transfer will notify such holder's broker-dealer of its intention to sell such HoldCo Equity Interests and that such Consenting HoldCo Equityholder is a party to and bound by the Plan Support Agreement.

2. Such broker-dealer will: (i) verbally notify each prospective purchaser of HoldCo Equity Interests (each an "OTC Transferee") or its broker-dealer that (A) the HoldCo Equity Interests being sold by the Consenting HoldCo Equityholder are subject to the jurisdiction of the Bankruptcy Court, the NOL Order, and the Plan Support Agreement, (B) such OTC Transferee will become a party to, and be bound by the terms of, the Plan Support Agreement pursuant to a Transferee Joinder upon settlement of such OTC Transfer, (C) all HoldCo Equity Interests held by such OTC Transferee, whether previously acquired, acquired pursuant to an OTC Transfer, as contemplated by these Procedures, or any other subsequent transaction with a third-party not party to the Plan Support Agreement, will be subject to the Plan Support Agreement and these Procedures, and (D) any OTC Transfer of HoldCo Equity Interests sold by the Consenting HoldCo Equityholder shall be immediately revoked and void *ab initio* unless such OTC Transfer complies with these Procedures; and (ii) direct such OTC Transferee to the website of HoldCo's claims and noticing agent, Epiq Systems, at http://dm.epiq11.com/UPT, to view copies of the Plan Support Agreement and Form of Transferee Joinder and (iii) provide to any market maker and/or purchaser broker-dealer the following legend to be included in the trade confirmation statement or any other similar record effectuating settlement of such OTC Transfer: "The common equity interests of Ultra Petroleum Corp. (OTC: UPLMQ) transferred in connection with this transaction are subject to a Plan Support Agreement effective in connection with the pending cases of the Ultra Entities under chapter 11 of the Bankruptcy Code."

3. Written confirmation that an OTC Transferee is a party to, and is bound by the terms of, the Plan Support Agreement will be reflected in, and immediately effective pursuant to, the trade confirmation statement or any other similar record effectuating settlement of such OTC Transfer.

4. Each Consenting HoldCo Equityholder executing an OTC Transfer or their respective broker-dealer will notify HoldCo of such OTC Transfer and provide the (i) relevant identifying information of the OTC Transferee and (ii) amount of HoldCo Equity Interests transferred to such OTC Transferee within two (2) business days of settlement of such OTC Transfer.

5. Each OTC Transferee executing a subsequent OTC Transfer will be obligated to comply with these Procedures as though such OTC Transferee was a Consenting HoldCo Equityholder.

6. Each Consenting HoldCo Equityholder, OTC Transferee and any subsequent OTC Transferee, by consummating any OTC Transfer, acknowledges and agrees that any OTC Transfer consummated in contravention of these Procedures will constitute a breach of the Plan Support Agreement.

Exhibit C

Disclosure Statement Order

[To Come]

Exhibit D

Financial Projections

[To Come]

Exhibit E

Valuation Analysis

[To Come]

Exhibit F

Liquidation Analysis

[To Come]

Exhibit G

Rights Offering Procedures

ULTRA PETROLEUM CORP. (THE "COMPANY")
RIGHTS OFFERING PROCEDURES[1]

Each Rights Offering Share (as defined below) is being distributed and issued by the Company (i) pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"; such offering, a "Registered Rights Offering"), or (ii) without registration under the Securities Act, in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code (such offering, an "1145 Rights Offering"). None of the Subscription Rights (as defined below) or the Rights Offering Shares issuable upon exercise of such rights distributed pursuant to these Rights Offering Procedures in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code have been or will be registered under the Securities Act, nor any state or local law requiring registration for offer and sale of a security.

If the Rights Offering is a Registered Rights Offering, the Subscription Rights will be immediately detachable and freely transferable separately from HoldCo Notes or HoldCo Equity Interests, as applicable; provided however that the transferability of Subscription Rights held by an Affiliate (as that term is defined under Rule 144 promulgated under the Securities Act ("Rule 144") of the Company may be subject to limitations on transferability under the Securities Act.

If the Rights Offering is an 1145 Rights Offering, the Subscription Rights will not be detachable or transferable separately from HoldCo Notes or HoldCo Equity Interests, as applicable. Rather, the Subscription Rights together with the underlying HoldCo Notes or HoldCo Equity Interests with respect to which such Subscription Rights were issued, will trade together as a unit, subject to such limitations, if any, that would be applicable to the transferability of the underlying HoldCo Notes or HoldCo Equity Interests; and, provided further, that following the exercise of any Subscription Rights, the holder thereof shall be prohibited from transferring or assigning the HoldCo Notes or the HoldCo Equity Interests, as applicable, corresponding to such Subscription Rights until the earlier of (i) termination of the Rights Offering and (ii) the revocation of exercise of the Subscription Rights to the extent permitted by these Rights Offering Procedures.

The Disclosure Statement (as defined below) has previously been distributed in connection with the Debtors' solicitation of votes to accept or reject the Plan (as

[1] **Terms used and not defined herein shall have the meaning assigned to them in the Plan Support Agreement, dated as of November 21, 2016 (including the terms and conditions set forth in the Plan Term Sheet attached as Exhibit A to the Plan Support Agreement (the "Plan Term Sheet"), the terms and conditions set forth in the Backstop Commitment Agreement attached as Exhibit B to the Plan Support Agreement (the "Backstop Agreement") and collectively, including all the other exhibits thereto, as may be amended, supplemented or otherwise modified from time to time, the "Plan Support Agreement")).**

defined below) and that document sets forth important information, including risk factors, that should be carefully read and considered by each Eligible Holder (as defined below) prior to making a decision to participate in the Rights Offering (as defined below). Additional copies of the Disclosure Statement are available upon request from the Subscription Agent.

The Rights Offering is being conducted by the Company in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

Eligible Holders (as defined below) should note the following times relating to the Rights Offering:

Date	Calendar Date	Event
Record Date…….	[●], 2016	The date and time fixed by the Company pursuant to the Plan for the determination of the holders eligible to receive Subscription Rights.
Subscription Commencement Date ..	[●], 2017	Commencement of the Rights Offering.
Subscription Expiration Deadline …	4:00 p.m. Houston time on [●], 2017	The deadline for Eligible Holders to subscribe for Rights Offering Shares. An Eligible Holder's applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by the Eligible Holder's Nominee (as defined below) in sufficient time to allow such Nominee to deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline. Eligible Holders who are not Commitment Parties must deliver the aggregate Purchase Price (as defined below) by the Subscription Expiration Deadline. Eligible Holders who are Commitment Parties must

	deliver the aggregate Purchase Price no later than the deadline specified in the Funding Notice (as defined below) in accordance with the terms of the Backstop Agreement.

To Eligible Holders and Nominees of Eligible Holders:

On [●], 2016, the Debtors filed the *Debtors' Joint Chapter 11 Plan of Reorganization* (as may be amended, modified, or supplemented from time to time in accordance with the terms thereof, the "Plan") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division, and the *Disclosure Statement for the Debtors' Joint Chapter 11 Plan of Reorganization* (as may be amended from time to time in accordance with its terms, the "Disclosure Statement"). Pursuant to the Plan, each Holder of an Allowed HoldCo Notes Claim (each such holder, together with its permitted transferees, an "Eligible HoldCo Noteholder") as of the Record Date shall receive HoldCo Noteholders Subscription Rights (as defined below) pursuant to the HoldCo Noteholders Rights Offering (as defined below), and each Holder of an Allowed HoldCo Equity Interest (each such holder, together with its permitted transferees, an "Eligible HoldCo Equityholder" and, together with the Eligible HoldCo Noteholders, "Eligible Holders") as of the Record Date shall receive HoldCo Equityholders Subscription Rights (as defined below) pursuant to the HoldCo Equityholder Rights Offering (as defined below), in each case, in accordance with the terms and conditions of these Rights Offering Procedures. The HoldCo Noteholders Rights Offering and the HoldCo Equityholders Rights Offering are collectively referred to herein as the "Rights Offering". Notwithstanding anything to the contrary contained herein, in the event that the Rights Offering is a Registered Rights Offering, the Subscription Rights shall be immediately detachable and trade separately from the underlying Allowed HoldCo Notes Claims and the Allowed HoldCo Equity Interests, as applicable, and there shall be no limitation (except for those limitations imposed by applicable securities law, if any) on the person or persons that may exercise any of the rights transferred hereunder. For the avoidance of doubt, in such circumstance, for purposes of determining who may exercise a Subscription Right, the terms "Eligible Holder," "Eligible HoldCo Noteholder" and "Eligible HoldCo Equityholder" shall include any person that validly holds the Subscription Right as of the date of exercise, without any requirement that such person hold a Noteholder Claim or Equityholder Interest as of such date.

Pursuant to the Plan, each Eligible HoldCo Noteholder as of the Record Date will receive rights to subscribe for its *pro rata* portion of 75 percent of the Shares (as defined below) offered in the Rights Offering (the "HoldCo Noteholders Rights Offering," and such Shares, the "HoldCo Noteholders Rights Offering Shares"), which HoldCo Noteholder Rights Offering Shares, collectively, will reflect an aggregate purchase price of $435,000,000 calculated by multiplying the number of Shares offered in the HoldCo Noteholder Rights Offering by the Purchase Price. "Shares" shall be the fully diluted number of shares of Reorganized HoldCo before taking into account issuances of Shares pursuant to the management incentive plan to be adopted by the Company. "Purchase Price" shall be the quotient of $2.7 billion divided by the Shares based on a Total Enterprise Value of the Debtors of $6.0 billion, subject to the adjustment provided in the definition of Purchase Price and Total Enterprise Value in the Backstop Agreement. Each Nominee will receive a Master Subscription Form which it shall use to summarize the Subscription Rights exercised by each Eligible HoldCo Noteholder that timely returns the applicable properly filled out Beneficial Holder Subscription Form(s) to such Nominee. Beneficial Holder Subscription Forms should only be returned directly to the

Subscription Agent if the Eligible HoldCo Noteholder is the direct holder of record on the books of the applicable indenture trustee and does not hold its Allowed HoldCo Notes Claim through a Nominee.

Pursuant to the Plan, each Eligible HoldCo Equityholder as of the Record Date will receive rights to subscribe for its *pro rata* portion of 25 percent of the Shares offered in the Rights Offering (the "HoldCo Equityholders Rights Offering," and such Shares, the "HoldCo Equityholders Rights Offering Shares" and, together with the HoldCo Noteholders Rights Offering Shares, the "Rights Offering Shares"), which HoldCo Equityholder Rights Offering Shares, collectively, will reflect an aggregate purchase price of $145,000,000 calculated by multiplying the number of Shares offered in the HoldCo Equityholder Rights Offering by the Purchase Price. Each Nominee will receive a Master Subscription Form which it shall use to summarize the Subscription Rights exercised by each Eligible HoldCo Equityholder that timely returns the applicable properly filled out Beneficial Holder Subscription Form(s) to such Nominee. Beneficial Holder Subscription Forms should only be returned directly to the Subscription Agent if the Eligible HoldCo Equityholder is the direct holder of record on the books of the applicable transfer agent and does not hold its HoldCo Equity Interests through a Nominee.

Please note that all Beneficial Holder Subscription Forms (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be returned to the applicable Nominee in sufficient time to allow such Nominee to process and deliver the Master Subscription Form and copies of all Beneficial Holder Subscription Forms, and the accompanying IRS Forms prior to the Subscription Expiration Deadline. To the extent of any discrepancy between the Master Subscription Form and the Beneficial Holder Subscription Form(s) regarding the Eligible Holder's principal amount, the Master Subscription Form shall govern. While the amount of time necessary for a Nominee to process and deliver the Master Subscription Form to the Subscription Agent will vary from Nominee to Nominee, Eligible Holders are urged to consult with their Nominees to determine the necessary deadline to return their Beneficial Holder Subscription Forms. Failure to submit such Beneficial Holder Subscription Forms on a timely basis will result in forfeiture of an Eligible Holder's rights to participate in the Rights Offering. None of the Company, the Subscription Agent or any of the Commitment Parties will have any liability for any such failure.

No Eligible Holder shall be entitled to participate in the Rights Offering unless the aggregate Purchase Price (as defined below) for the Rights Offering Shares it subscribes for is received by the Subscription Agent (i) in the case of an Eligible Holder that is not a Commitment Party, by the Subscription Expiration Deadline, and (ii) in the case of an Eligible Holder that is a Commitment Party, no later than the deadline specified in a written notice (a "Funding Notice") delivered by or on behalf of the Debtors to the Commitment Parties in accordance with Section 2.4 of the Backstop Agreement (the "Backstop Funding Deadline"), provided that the Commitment Parties may deposit their aggregate Purchase Price in the Escrow Account (as defined below), in accordance with the terms of the Backstop Agreement. No interest is payable on any advanced funding of the Purchase Price. If the Rights Offering is terminated for any reason, the aggregate Purchase Price previously received by the Subscription Agent will be returned to Eligible Holders as provided in Section 6 hereof. No

interest will be paid on any returned Purchase Price. Any Eligible Holder who is not a Commitment Party submitting payment via its Nominee must coordinate such payment with its Nominee in sufficient time to allow the Nominee to forward such payment to the Subscription Agent by the Subscription Expiration Deadline.

To participate in the Rights Offering, an Eligible Holder must complete all of the steps outlined below. If an Eligible Holder does not complete all of the steps outlined below by the Subscription Expiration Deadline or the Backstop Funding Deadline, as applicable, such Eligible Holder shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the Rights Offering.

1. Rights Offering

Eligible HoldCo Noteholders have the right, but not the obligation, to participate in the HoldCo Noteholders Rights Offering, and Eligible HoldCo Equityholders have the right, but not the obligation, to participate in the HoldCo Equityholders Rights Offering.

Eligible HoldCo Noteholders as of the Record Date shall receive rights to subscribe for their *pro rata* portion of the HoldCo Noteholders Rights Offering Shares, and Eligible HoldCo Equityholders as of the Record Date shall receive rights to subscribe for their pro rata portion of the HoldCo Equityholders Rights Offering Shares.

Subject to the terms and conditions set forth in the Plan and these Rights Offering Procedures, each Eligible HoldCo Noteholder as of the Record Date is entitled to receive rights to subscribe for up to [●] HoldCo Noteholders Rights Offering Shares per $1,000 of Principal Amount of 5.75% Senior Notes Due 2018 issued by the Company and up to [●] HoldCo Noteholders Rights Offering Shares per $1,000 of Principal Amount of 6.125% Senior Notes Due 2024 issued by Company at the Purchase Price. **The difference in the number of Rights Offering Shares that an Eligible HoldCo Noteholder is entitled to subscribe for with respect to each series of HoldCo Notes is to take into account the differing amounts, as of the Record Date, of pre-petition accrued and unpaid interest thereon.**

Subject to the terms and conditions set forth in the Plan and these Rights Offering Procedures, each Eligible HoldCo Equityholder as of the Record Date is entitled to receive rights to subscribe for up to [●] HoldCo Equityholders Rights Offering Shares per HoldCo Equity Interest at the Purchase Price.

There will be no over-subscription privilege in the Rights Offering. Any Rights Offering Shares that are unsubscribed by the Eligible Holders entitled thereto will not be offered to other Eligible Holders but will be purchased by the applicable Commitment Parties in accordance with the Backstop Agreement. Subject to the terms and conditions of the Backstop Agreement, each Commitment Party is obligated to purchase its *pro rata* portion of the applicable Rights Offering Shares.

To the extent the Rights Offering Shares are distributed and issued without registration under the Securities Act, in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code, any Eligible Holder that subscribes for Rights Offering Shares and is deemed

to be an "underwriter" under Section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities. Resale restrictions are discussed in more detail in Article **[●]** of the Disclosure Statement, entitled "Certain Securities Law Matters."

To the extent the Rights Offering Shares are distributed and issued with registration under the Securities Act, any Eligible Holder that subscribes for Rights Offering Shares and is deemed to be an "affiliate" under Rule 144 may be subject to restrictions under Rule 144 on its ability to resell those securities. Resale restrictions are discussed in more detail in Article **[●]** of the Disclosure Statement, entitled "Certain Securities Law Matters."

SUBJECT TO THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING PROCEDURES AND THE BACKSTOP AGREEMENT IN THE CASE OF ANY COMMITMENT PARTY, ALL SUBSCRIPTIONS SET FORTH IN THE APPLICABLE BENEFICIAL HOLDER SUBSCRIPTION FORM(S) ARE IRREVOCABLE.

2. Subscription Period

The Rights Offering will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each Eligible Holder intending to purchase Rights Offering Shares in any Rights Offering must affirmatively elect to exercise its Subscription Rights in the manner set forth in the applicable Subscription Form by the Subscription Expiration Deadline.

Any exercise of the subscription rights to purchase HoldCo Noteholders Rights Offering Shares (the "HoldCo Noteholders Subscription Rights") by an Eligible HoldCo Noteholder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Holdco Noteholder Commitment Parties holding at least sixty-six and two-thirds percent (66-2/3%) of all outstanding HoldCo Noteholders Backstop Commitments at the time of the relevant determination (the "HoldCo Noteholder Requisite Commitment Parties"), to allow any exercise of HoldCo Noteholders Subscription Rights after the Subscription Expiration Deadline.

Any exercise of the subscription rights to purchase HoldCo Equityholders Rights Offering Shares (the "HoldCo Equityholders Subscription Rights" and, together with the HoldCo Noteholders Subscription Rights, the "Subscription Rights") by an Eligible HoldCo Equityholder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Holdco Equityholder Commitment Parties holding at least sixty-six and two-thirds percent (66-2/3%) of all outstanding HoldCo Equityholders Backstop Commitments at the time of the relevant determination (the "HoldCo Equityholder Requisite Commitment Parties" and together with the HoldCo Noteholder Requisite Commitment Parties, the "Requisite Commitment Parties"), to

allow any exercise of HoldCo Equityholders Subscription Rights after the Subscription Expiration Deadline.

The Subscription Expiration Deadline may be extended with the consent of the Requisite Commitment Parties, or as required by law.

3. Delivery of Subscription Documents

Each Eligible Holder may exercise all or any portion of such Eligible Holder's Subscription Rights, but subject to the terms and conditions contained herein. In order to facilitate the exercise of the Subscription Rights, beginning on the Subscription Commencement Date, the applicable Subscription Form and these Rights Offering Procedures will be sent to each Eligible Holder, together with appropriate instructions for the proper completion, due execution and timely delivery of the executed Subscription Form and the payment of the applicable aggregate Purchase Price for its Rights Offering Shares.

4. Exercise of Subscription Rights

(a) In order to validly exercise its Subscription Rights, each Eligible Holder that is not a Commitment Party must:

i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and

ii. at the same time it returns its Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Subscription Agent by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the applicable Beneficial Holder Subscription Form(s).

(b) In order to validly exercise its Subscription Rights, each Eligible Holder that is a Commitment Party must:

i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and

ii. no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the Subscription Agent or to the escrow account established and maintained by a third party satisfactory to the Commitment Parties and the Company (the "Escrow

Account") by wire transfer **ONLY** of immediately available funds in accordance with the wire instructions included in the Funding Notice.

ALL COMMITMENT PARTIES MUST PAY THEIR APPLICABLE PURCHASE PRICE DIRECTLY TO THE SUBSCRIPTION AGENT OR TO THE ESCROW ACCOUNT, AS APPLICABLE, AND SHOULD NOT PAY THEIR NOMINEE(S).

(c) With respect to 4(a) and (b) above, each Eligible Holder must duly complete, execute and return the applicable Beneficial Holder Subscription Form(s) in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Subscription Agent the Master Subscription Form, its completed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and, solely with respect to the Eligible Holders that are not Commitment Parties, payment of the applicable Purchase Price, payable for the Rights Offering Shares elected to be purchased by such Eligible Holder, by the Subscription Expiration Deadline. Eligible Holders that are Commitment Parties must deliver their payment of the applicable Purchase Price payable for the Rights Offering Shares elected to be purchased by such Commitment Party directly to the Subscription Agent or to the Escrow Account, as applicable, no later than the Backstop Funding Deadline.

(d) In the event that the funds received by the Subscription Agent or the Escrow Account, as applicable, from any Eligible Holder do not correspond to the Purchase Price payable for the Rights Offering Shares elected to be purchased by such Eligible Holder, the number of the Rights Offering Shares deemed to be purchased by such Eligible Holder will be the lesser of (a) the number of the Rights Offering Shares elected to be purchased by such Eligible Holder and (b) a number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such Eligible Holder's *pro rata* portion of Rights Offering Shares.

(e) The cash paid to the Subscription Agent in accordance with these Rights Offering Procedures will be deposited and held by the Subscription Agent in a segregated account until released to the Debtors in connection with the settlement of the Rights Offering on the Effective Date. The Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Subscription Agent hereunder shall not be deemed part of the Debtors' bankruptcy estates.

5. Transfer Restriction; Revocation

If the Rights Offering is an 1145 Rights Offering:

- The Subscription Rights will not be detachable or transferable separately from HoldCo Notes or HoldCo Equity Interests, as applicable. If any Subscription Rights are transferred by an Eligible Holder in contravention of the foregoing, the Subscription Rights will be cancelled, and neither such Eligible Holder nor the purported transferee will receive any Rights Offering Shares otherwise purchasable on account of such transferred Subscription Rights;

- The Subscription Rights together with the underlying HoldCo Notes or HoldCo Equity Interests with respect to which such Subscription Rights were issued, will trade together as a unit, subject to such limitations, if any, that would be applicable to the transferability of the underlying HoldCo Notes or HoldCo Equity Interests; and

- Once an Eligible Holder has properly exercised its Subscription Rights, subject to the terms and conditions contained in these Rights Offering Procedures and the Backstop Agreement in the case of any Commitment Party, such exercise will be irrevocable. Moreover, following the exercise of any Subscription Rights, the holder thereof shall be prohibited from transferring or assigning the HoldCo Notes or the HoldCo Equity Interests, as applicable, corresponding to such Subscription Rights until the earlier of (i) termination of the Rights Offering and (ii) the revocation of exercise of the Rights to the extent permitted by these Rights Offering Procedures.

If the Rights Offering is a Registered Rights Offering:

- the Subscription Rights will immediately be detachable from the HoldCo Notes or the HoldCo Equity Interests with respect to which they were distributed, as applicable, and trade separately from any such claims or interests, and nothing in these Rights Offering Procedures should limit the separate transferability of HoldCo Notes or HoldCo Equity Interests.

6. Termination/Return of Payment

Unless the Effective Date has occurred, the Rights Offering will be deemed automatically terminated without any action of any party upon the earlier of (i) termination of the Plan Support Agreement in accordance with its terms, (ii) termination of the Backstop Agreement in accordance with its terms and (iii) the Outside Date (as such date may be extended pursuant to the terms of the Backstop Agreement). In the event the Rights Offering is terminated, any payments received pursuant to these Rights Offering Procedures will be returned, without interest, to the applicable Eligible Holder as soon as reasonably practicable.

7. Settlement of the Rights Offering and Distribution of the Rights Offering Shares

The settlement of the Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtors with these Rights Offering Procedures, and the

simultaneous occurrence of the Effective Date. The Debtors intend that the Rights Offering Shares will be issued to the Eligible Holders and/or to any party that an Eligible Holder so designates in the Beneficial Holder Subscription Form(s), in book-entry form, and that The Depository Trust Company ("DTC"), or its nominee, will be the holder of record of such Rights Offering Shares. To the extent DTC is unwilling or unable to make the Rights Offering Shares eligible on the DTC system, the Rights Offering Shares will be issued directly to the Eligible Holder or its designee.

8. Fractional Shares

No fractional rights or Rights Offering Shares will be issued in the Rights Offering. All share allocations (including each Eligible Holder's Rights Offering Shares) will be calculated and rounded down to the nearest whole share.

9. Validity of Exercise of Subscription Rights

All questions concerning the timeliness, viability, form and eligibility of any exercise of Subscription Rights will be determined in good faith by the Debtors in consultation with the Requisite Commitment Parties, and, if necessary, subject to a final and binding determination by the Bankruptcy Court. The Debtor, with the consent of the Requisite Commitment Parties, may waive or reject any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, the purported exercise of any Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in good faith in consultation with the Requisite Commitment Parties.

Before exercising any Subscription Rights, Eligible Holders should read the Disclosure Statement and the Plan for information relating to the Debtors and the risk factors to be considered.

All calculations, including, to the extent applicable, the calculation of (a)(i) the value of any Eligible HoldCo Noteholder's Allowed HoldCo Notes Claim for the purposes of the HoldCo Noteholders Rights Offering and (ii) any Eligible HoldCo Noteholder's HoldCo Noteholders Rights Offering Shares, shall be made in good faith by the Company with the consent of the HoldCo Noteholders Requisite Commitment Parties and (b)(i) the value of any Eligible HoldCo Equityholders' HoldCo Equity Interests for the purposes of the HoldCo Equityholders Rights Offering and (ii) any Eligible HoldCo Equityholders' HoldCo Equityholders Rights Offering Shares, shall be made in good faith by the Company with the consent of the HoldCo Equityholders Requisite Commitment Parties and in each case in accordance with any claim amounts included in the Plan, and any disputes regarding such calculations shall be subject to a final and binding determination by the Bankruptcy Court.

10. Modification of Procedures

With the prior written consent of the Requisite Commitment Parties, the Debtors reserve the right to modify these Rights Offering Procedures, or adopt additional procedures consistent

with these Rights Offering Procedures to effectuate the Rights Offering and to issue the Rights Offering Shares, provided, however, that the Debtors shall provide prompt written notice to each Eligible Holder of any material modification to these Rights Offering Procedures made after the Subscription Commencement Date, provided further that any amendments or modifications to the terms of the Rights Offering are subject to the provisions of Section 10.7 of the Backstop Agreement. In so doing, and subject to the consent of the Requisite Commitment Parties, the Debtors may execute and enter into agreements and take further action that the Debtors determine in good faith is necessary and appropriate to effectuate and implement the Rights Offering and the issuance of the Rights Offering Shares.

To the extent applicable, the Debtors shall undertake reasonable procedures to confirm that each participant in the Rights Offering is in fact an Eligible Holder.

11. Depository Trust Company ("DTC")

Some or all of the Allowed HoldCo Notes Claims and the Allowed HoldCo Equity Interests are held in book-entry form in accordance with the practices and procedures of the DTC. The Debtors intend to comply with the practices and procedures of DTC for the purpose of conducting the Rights Offering, and, subject to compliance with Section 11 hereof, these Rights Offering Procedures will be deemed appropriately modified to achieve such compliance.

Without limiting the foregoing the Company intends, that to the extent practicable, the Rights Offering Shares will be issued in book entry form, except with respect to persons that may be deemed underwriters under section 1145(b) of the Bankruptcy Code, and that DTC, or its nominee, will be the holder of record of such Rights Offering Shares. The ownership interest of each holder of such Rights Offering Shares, and transfers of ownership interests therein, will be recorded on the records of the direct and indirect participants in DTC. Holders who exercise the Subscription Rights may be required to furnish the Company or its agents information regarding their broker, bank or other securities nominee in order that the Rights Offering Shares for which they have subscribed can be properly credited to their securities account. To the extent required, the Company intends to solicit such information on a timely basis, so that the Rights Offering Shares may be delivered to the holders exercising their Subscription Rights on or as promptly as practicable after the Effective Date.

12. Inquiries And Transmittal of Documents; Subscription Agent

The Rights Offering Instructions for Eligible Holders attached hereto should be carefully read and strictly followed by the Eligible Holders.

Questions relating to the Rights Offering should be directed to the Subscription Agent via email to [[[●] (please reference "Subscription Rights Offering" in the subject line) or at the following phone number: [●]].

The risk of non-delivery of all documents and payments to the Subscription Agent, the Escrow Account and any Nominee is on the Eligible Holder electing to exercise its Subscription Rights and not the Debtors, the Subscription Agent, or the Commitment Parties.

ULTRA PETROLEUM CORP.
RIGHTS OFFERING INSTRUCTIONS FOR ELIGIBLE HOLDERS

Terms used and not defined herein shall have the meaning assigned to them in the Plan.

To elect to participate in the Rights Offering, you must follow the instructions set out below:

1. **Insert** the principal amount of the HoldCo Notes or HoldCo Equity Interests, as applicable, that you held as of the Record Date in Item 1 of your applicable Beneficial Holder Subscription Form(s) (if you do not know such amount, please contact your Nominee immediately).

2. **Complete** the calculation in Item 2a of your applicable Beneficial Holder Subscription Form(s), which calculates the maximum number of Rights Offering Shares available for you to purchase. Such amount must be rounded down to the nearest whole share.

3. **Complete** the calculation in Item 2b of your applicable Beneficial Holder Subscription Form(s) to indicate the number of Rights Offering Shares that you elect to purchase and calculate the aggregate Purchase Price for the Rights Offering Shares that you elect to purchase.

4. **Confirm** whether you are a Commitment Party pursuant to the representation in Item 3 of your applicable Beneficial Holder Subscription Form(s). (*This section is only for Commitment Parties, each of whom is aware of their status as a Commitment Party*).

5. **Read, complete and sign** the certification in Item 5 of your applicable Beneficial Holder Subscription Form(s). Such execution shall indicate your acceptance and approval of the terms and conditions set forth in these Rights Offering Procedures.

6. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: www.irs.gov.

7. **Return** your applicable signed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to your Nominee in sufficient time to allow your Nominee to process your instructions and prepare and deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline.

8. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2b of your applicable Beneficial Holder Subscription Form(s). For Eligible Holders that are not Commitment Parties, please instruct your Nominee to coordinate payment of the Purchase Price and transmit and deliver such payment to the Subscription Agent by the Subscription Expiration Deadline. An Eligible Holder that is not a Commitment Party should follow

the payment instructions as provided in the Master Subscription Form. Any Commitment Party should follow the payment instructions that will be provided in the Funding Notice, except to the extent of any aggregate Purchase Price previously paid by such Eligible Holder to the Subscription Agent or the Escrow Account in accordance with the terms of the Backstop Agreement.

The Subscription Expiration Deadline is 4:00 p.m. Central Time on [●], 2017.

Please note that the Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by your broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee (as applicable, the "Nominee") in sufficient time to allow such Nominee to process and deliver the Master Subscription Form to the Subscription Agent, by the Subscription Expiration Deadline, along with the appropriate funding (with respect to Eligible Holders that are not Commitment Parties) or the subscription represented by your applicable Beneficial Holder Subscription Form(s) will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the Rights Offering.

Eligible Holders that are Commitment Parties must deliver the appropriate funding directly to the Subscription Agent or to the Escrow Account, as applicable, pursuant to the Funding Notice (except to the extent of any funding previously provided by any such Eligible Holder to the Subscription Agent or the Escrow Account in accordance with the terms of the Backstop Agreement) no later than the Backstop Funding Deadline.