

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

In re:)	
)	Chapter 11
LINN ENERGY, LLC, <i>et al.</i> , ¹)	Case No. 16-60040 (DRJ)
)	
Debtors.)	(Jointly Administered)
)	

**DISCLOSURE STATEMENT FOR THE AMENDED JOINT CHAPTER 11
PLAN OF REORGANIZATION OF LINN ENERGY, LLC AND ITS DEBTOR AFFILIATES
OTHER THAN LINN ACQUISITION COMPANY, LLC AND BERRY PETROLEUM, LLC**

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¹ The Debtors in these Chapter 11 Cases and the last four digits of each Debtor's federal tax identification number are as follows: Linn Energy, LLC (7591); Berry Petroleum Company, LLC (9387); LinnCo, LLC (6623); Linn Acquisition Company, LLC (4791); Linn Energy Finance Corp. (5453); Linn Energy Holdings, LLC (6517); Linn Exploration & Production Michigan LLC (0738); Linn Exploration Midcontinent, LLC (3143); Linn Midstream, LLC (9707); Linn Midwest Energy LLC (1712); Linn Operating, Inc. (3530); Mid-Continent I, LLC (1812); Mid-Continent II, LLC (1869); Mid-Continent Holdings I, LLC (1686); and Mid-Continent Holdings II, LLC (7129). The Debtors' principal offices are located at JPMorgan Chase Tower, 600 Travis Street, Houston, Texas 77002.

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO ONGOING GOOD FAITH NEGOTIATIONS AND, AS SUCH, MAY BE MODIFIED OR AMENDED. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT²

The LINN 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 joint plan of reorganization of Linn Energy, LLC and its Debtor affiliates, excluding Berry Petroleum Company, LLC and Linn Acquisition Company, LLC, pursuant to chapter 11 of the Bankruptcy Code. 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 IX herein.

Subject to the foregoing, the Plan is supported by the LINN Debtors, the Ad Hoc Group of LINN Unsecured Noteholders, the Ad Hoc Group of LINN Second Lien Noteholders, and the LINN Lenders. The Debtors urge Holders of Claims whose votes are being solicited to accept the Plan.

The LINN Debtors urge each Holder of a Claim 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 Court's approval of the adequacy of the information contained in this Disclosure Statement does not constitute the 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 LINN Debtors' Chapter 11 Cases. Although the LINN 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 LINN Debtors' management except where otherwise specifically noted. The LINN Debtors do not represent or warrant that the information contained herein or attached hereto is without any material inaccuracy or omission.

² Capitalized terms used but not defined in this disclaimer shall have the meaning ascribed to them elsewhere in this Disclosure Statement.

In preparing this Disclosure Statement, the LINN Debtors relied on financial data derived from the LINN Debtors' books and records and on various assumptions regarding the LINN Debtors' businesses. While the LINN Debtors believe that such financial information fairly reflects the financial condition of the LINN 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 LINN Debtors' businesses and their future results and operations. The LINN 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 LINN Debtors or any other authorized party 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 LINN 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 LINN Debtors may subsequently update the information in this Disclosure Statement, the LINN 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 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 LINN Debtors reserve the right to File an amended or modified Plan and related Disclosure Statement from time to time for the LINN Debtors, subject to the LINN RSA.

The LINN 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 LINN Debtors have not authorized any representations concerning the LINN Debtors or the value of their property other than as set forth in this Disclosure Statement.

If the Plan is confirmed by the Court and the Effective Date occurs, all Holders of Claims and Interests (including those Holders of Claims who do not submit ballots to accept or reject the plan, who vote to 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.

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 the Plan and this Disclosure Statement in its entirety, including Article IX, entitled "RISK FACTORS," which begins on page 61, before submitting your ballot to vote on the Plan.

The Court's approval of this Disclosure Statement does not constitute a guarantee by the Court of the accuracy or completeness of the information contained herein or an endorsement by the 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 LINN 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 this Disclosure Statement and the Plan, the relevant provisions of the Plan will govern.

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 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 LINN 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 LINN Debtors' independent auditors unless explicitly provided otherwise.

Upon Confirmation of the Plan, certain of the securities described in this Disclosure Statement will be issued without registration under the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, together with the rules and regulations promulgated thereunder (the "Securities Act"), or similar federal, state, local, or foreign laws, in reliance on the exemption set forth in section 1145 of the Bankruptcy Code. Other Securities may be issued pursuant to other applicable exemptions under the federal securities laws. To the extent exemptions from registration under section 1145 of the Bankruptcy Code or applicable federal securities law do not apply, the Securities may not be offered or sold except pursuant to a valid exemption or upon registration under the Securities Act.

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

- **business strategy;**
- **acquisition strategy;**
- **financial strategy;**
- **risks associated with the Chapter 11 process, including the Company's inability to develop, confirm and consummate a plan under Chapter 11 or an alternative restructuring transaction;**
- **inability to maintain relationships with suppliers, customers, employees and other third parties as a result of the Chapter 11 filing;**
- **failure to satisfy the Company's short- or long-term liquidity needs, including its inability to generate sufficient cash flow from operations or to obtain adequate financing to fund its capital expenditures and meet working capital needs and its ability to continue as a going concern;**
- **large or multiple customer defaults on contractual obligations, including defaults resulting from actual or potential insolvencies;**
- **legal proceedings and the effects thereof;**
- **ability to resume payment of distributions in the future or maintain or grow them after such resumption;**
- **drilling locations;**
- **oil, natural gas and NGL reserves;**
- **realized oil, natural gas and NGL prices;**
- **production volumes;**
- **capital expenditures;**
- **economic and competitive advantages;**
- **credit and capital market conditions;**
- **regulatory changes;**
- **lease operating expenses, general and administrative expenses and development costs;**
- **future operating results, including results of acquired properties;**
- **plans, objectives, expectations and intentions; and**

- **integration and the resulting benefits of asset and property acquisitions or the effects of asset and property acquisitions or dispositions on the LINN Debtors' cash position and levels of indebtedness.**

Statements concerning these and other matters are not guarantees of the Reorganized LINN Debtors' future performance. There are risks, uncertainties, and other important factors that could cause the Reorganized LINN Debtors' actual performance or achievements to be different from those they may project, and the LINN Debtors undertake no obligation to update the projections made herein. These risks, uncertainties, and factors may include: the LINN Debtors' ability to confirm and consummate the Plan; the potential that the Plan may be converted to a process to sell substantially all of the LINN Debtors' assets under section 363 of the Bankruptcy Code; the LINN Debtors' ability to reduce their overall financial leverage; the potential adverse impact of the Chapter 11 Cases on the LINN Debtors' operations, management, and employees, and the risks associated with operating the LINN Debtors' businesses during the Chapter 11 Cases; customer responses to the Chapter 11 Cases; the LINN Debtors' inability to discharge or settle Claims during the Chapter 11 Cases; the LINN Debtors' ability to access financing necessary to consummate the Plan; general economic, business, and market conditions; currency fluctuations; interest rate fluctuations; price increases; exposure to litigation; a decline in the LINN Debtors' market share due to competition or price pressure by customers; the LINN Debtors' ability to implement cost reduction initiatives in a timely manner; the LINN Debtors' ability to divest existing businesses; financial conditions of the LINN 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 LINN Debtors' businesses.

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EXHIBITS¹

- EXHIBIT A Plan of Reorganization
- EXHIBIT B LINN RSA
- EXHIBIT C Corporate Organization Chart
- EXHIBIT D Disclosure Statement Order
- EXHIBIT E Liquidation Analysis
- EXHIBIT F Financial Projections
- EXHIBIT G LINN Backstop Agreement

¹ Each Exhibit is incorporated herein by reference.

I. INTRODUCTION

The LINN Debtors submit this disclosure statement (this “Disclosure Statement”) pursuant to section 1125 of the Bankruptcy Code to Holders of Claims against and Interests in the LINN Debtors in connection with the solicitation of acceptances with respect to the *Amended Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and its Debtor Affiliates other than Linn Acquisition Company, LLC and Berry Petroleum, LLC* (the “Plan”), dated December 2, 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 LINN Debtors.

THE LINN DEBTORS, THE AD HOC GROUP OF LINN UNSECURED NOTEHOLDERS, THE AD HOC GROUP OF LINN SECOND LIEN NOTEHOLDERS, AND THE LINN LENDERS SUPPORT THE PLAN. THE LINN DEBTORS BELIEVE THAT THE COMPROMISE CONTEMPLATED UNDER THE PLAN IS FAIR AND EQUITABLE, MAXIMIZES THE VALUE OF THE LINN DEBTORS’ ESTATES, AND PROVIDES THE BEST RECOVERY TO CLAIM HOLDERS. AT THIS TIME, THE LINN DEBTORS BELIEVE THIS IS THE BEST AVAILABLE ALTERNATIVE FOR COMPLETING THE CHAPTER 11 CASES. THE LINN DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

II. PRELIMINARY STATEMENT

The Debtors are an independent oil and natural gas company headquartered in Houston, Texas. LinnCo, LLC (“LinnCo”) has no funded debt and is a publicly-traded company that currently owns approximately 71 percent of Debtor LINN’s outstanding units, the remainder of which are publicly held. LINN and certain direct and indirect Debtor subsidiaries, other than Berry, are the obligors on the majority of the Debtors’ funded debt. LINN, through its direct subsidiary, Linn Acquisition Company, LLC (“LAC”), indirectly owns a 100 percent membership interest in Berry (collectively, Berry and LAC shall hereafter be referred to as the “Berry Debtors”), which has separate funded debt. The Debtors, other than Berry and LAC (collectively, the “LINN Debtors”), acquired Berry in December 2013 in a stock-for-stock transaction.

The Debtors are operationally integrated. The Debtors’ workforce, which is not unionized, includes approximately 1,500 employees. Collectively, as of year-end 2015, the Debtors had approximately 27,000 gross productive wells in the United States, including in California, Colorado, Illinois, Kansas, Louisiana, Michigan, New Mexico, North Dakota, Oklahoma, Texas, Utah, and Wyoming. As of year-end 2015, the Debtors had approximately 4.5 trillion cubic feet equivalent of proved reserves, of which approximately 26 percent were oil, 59 percent were natural gas, and 15 percent were natural gas liquids. The Debtors also own and operate pipelines, processing facilities, and steam generators to support their production activities.

¹ Capitalized terms used but not otherwise defined in this Disclosure Statement shall 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.**

Although the Debtors' operations remain strong, the Debtors have fallen victim to the same macroeconomic forces afflicting the rest of the oil and gas industry: historically low commodity prices coupled with relatively weak consumer demand. The depressed commodity pricing environment that has prevailed since late 2014 has crippled the Debtors' ability both to sustain their leveraged capital structure and obtain and commit the capital necessary for their core production activities. The oil and gas industry continues to experience a severe economic crisis with far-reaching implications. Over 60 oil and natural gas companies filed for chapter 11 in 2015 alone and more have filed since. Natural gas prices have suffered a steep decline, from approximately \$6 per million British Thermal Units ("MMBtu") in early 2014 to near \$2 per MMBtu as of the Petition Date. And, in early 2016, the price of crude oil reached approximately \$26 a barrel, down sharply from over \$100 a barrel as recently as mid-2014. Companies across the industry continue to face acute financial distress and seek the protections of chapter 11. This unprecedented collapse in commodity prices has fundamentally changed the economics of oil and natural gas production.

Charts illustrating the magnitude of the decline in oil and natural gas prices over the last several years follows:²



Despite the Debtors' efforts to mitigate these and other effects of the historic market downturn by substantially decreasing total capital expenditures, closing the sale of certain properties in the Permian Basin, decreasing, and later suspending, the payment of distributions to unitholders, borrowing the full remaining undrawn amount under the Sixth Amended and Restated Credit Agreement dated as of April 24, 2013, by and among LINN, as borrower, Wells Fargo Bank, National Association, as administrative agent (the "LINN Administrative Agent"), and the lenders and agents party thereto (the "LINN Credit Agreement"), and implementing a liability management program to take advantage of commodity price uncertainty, the capital-intensive nature of the Debtors' businesses together with the Debtors' overleveraged capital structure made it difficult to withstand the economic climate. These macroeconomic factors, coupled with the Debtors' substantial debt obligations and operating costs, strained their ability to sustain the weight of their capital structure and devote the capital necessary to maintain and grow their businesses. As a result, beginning in February 2016, the Debtors engaged financial

²

See *Commodity Futures Price Quotes for Crude Oil*, NASDAQ, <http://www.nasdaq.com/markets/crude-oil.aspx?timeframe=2y> (last visited Aug. 30, 2016); *Commodity Futures Price Quotes for Natural Gas*, NASDAQ, <http://www.nasdaq.com/markets/natural-gas.aspx?timeframe=2y> (last visited Aug. 30, 2016).

advisors and legal counsel to advise management and the board of directors regarding potential strategic alternatives to enhance the Debtors' liquidity and address their capital structure.

The Debtors' efforts in this regard were successful, and are outlined in more detail elsewhere in this Disclosure Statement. Most importantly, as the culmination of these efforts, on May 10, 2016, the Debtors entered into a restructuring support agreement (the "Bank RSA") with restructuring support parties (the "Restructuring Support Parties") who, as of the effective date of the Bank RSA, held approximately 69.99 percent of the outstanding principal indebtedness under the LINN Credit Agreement and approximately 67.75 percent of the outstanding indebtedness under the Berry Credit Agreement.

The Bank RSA, among other things, incorporated the terms of an April 4, 2016 settlement agreement between the LINN Debtors and the LINN Second Lien Noteholders (the "Second Lien Settlement Agreement"), which provided for the resolution of claims and causes of action related to the LINN Second Lien Notes and required the LINN Debtors and members of the ad hoc group of Holders of LINN Second Lien Notes Claims (the "Ad Hoc Group of LINN Second Lien Noteholders") to engage in good faith negotiations on the terms of a consensual plan of reorganization. The terms of the LINN Second Lien Settlement Agreement are discussed in detail below.

Following the execution of the Bank RSA, the Debtors continued to work with the Holders of LINN Lender Claims (the "LINN Lenders"), the Holders of Berry Lender Claims (the "Berry Lenders"), the Holders of the LINN Second Lien Notes Claims (the "LINN Second Lien Noteholders"), the Holders of the LINN Unsecured Notes Claims (the "LINN Unsecured Noteholders"), the Holders of approximately 70% of the principal face amount of approximately \$834 million of the 6.75% Berry Unsecured Notes due in 2020 and 6.375% Berry Unsecured Notes due in 2022 (collectively, the "Berry Ad Hoc Group"), and the official committee of unsecured creditors (the "Committee") to negotiate a consensual restructuring transaction supported by all levels of the capital structure.

As part of these negotiations, the LINN Debtors solicited and received several "new-money" proposals, from each of (a) the ad hoc group of Holders of LINN Unsecured Notes Claims (the "Ad Hoc Group of LINN Unsecured Noteholders"), (b) the Ad Hoc Group of LINN Second Lien Noteholders, and (c) two third-party potential new money investors (the "First Potential Investor" and "Second Potential Investor," respectively), among others. The LINN Debtors, after consultation with their advisors, determined not to proceed with the proposal made by the Second Potential Investor. The LINN Debtors then continued negotiations with each of the Ad Hoc Group of LINN Unsecured Noteholders, the Ad Hoc Group of Second Lien Noteholders, and the First Potential Investor in an effort to maximize the overall liquidity commitments from each group and improve the terms on which the liquidity was being offered.

In September, 2016, the Ad Hoc Group of LINN Second Lien Noteholders and the Ad Hoc Group of LINN Unsecured Noteholders approached the LINN Debtors with a joint proposal (the "Joint Creditor Proposal") that formed the basis of the restructuring transactions contemplated by this Plan. Following further good faith, arms'-length negotiations with each of the First Potential Investor on the one hand, and the Ad Hoc Group of LINN Second Lien Noteholders and the Ad Hoc Group of LINN Unsecured Noteholders on the other hand, the Boards of the LINN Debtors determined, after consultation with their advisors, that the Joint

Creditor Proposal maximized value for all parties in interest, best positioned the LINN Debtors to emerge from chapter 11 as a successful going concern, and represented the best available alternative. The terms of the Joint Creditor Proposal were documented in a restructuring support agreement dated as of October 7, 2016 by and between the LINN Debtors, the Ad Hoc Group of LINN Second Lien Noteholders, and the Ad Hoc Group of LINN Unsecured Noteholders (together with all exhibits and schedules thereto, the “LINN RSA”) attached hereto as **Exhibit B**. In conjunction with the negotiation of the Joint Creditor Proposal and as a condition to entry into the Creditor Restructuring Agreement, the LINN Debtors also engaged with the LINN Lenders regarding the terms of an amended and improved \$1.7 billion LINN Exit Facility, the terms of which were documented in a term sheet (the “LINN Exit Facility Term Sheet”), which is attached as **Exhibit B** to the LINN RSA.

Concurrently with the LINN Debtors’ negotiations with respect to the Plan, the Berry Debtors also explored potential resolutions with their various stakeholders. On November 17, 2016, the Berry Debtors filed the *Motion of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC for Entry of an Order (i) Approving (a) Entry into Backstop Agreement, (b) Payment of Related Fees and Expenses, and (c) Rights Offerings Procedures and Related Forms, and (ii) Granting Related Relief* [Docket No. 1192] seeking authority to enter into a backstop agreement (the “Berry Backstop Agreement”) with the Berry Ad Hoc Group in connection with a \$300 million rights offering (the “Berry Rights Offering”). Since that date the Berry Debtors have been negotiating the terms of a restructuring support agreement with the Berry Lenders and the Berry Ad Hoc Group and intend to proceed with a hearing on December 15, 2016 at a time to be determined seeking approval of: (a) the Berry Debtors’ Disclosure Statement; and (b) the Berry Backstop Agreement.

III. OVERVIEW OF THE PLAN

The Plan provides for the reorganization of the LINN Debtors as a going concern and will significantly reduce long-term debt and annual interest payments of Reorganized LINN, resulting in a stronger, de-levered balance sheet for the LINN Debtors.

Specifically, the Plan provides for: (a) rights offerings in the aggregate amount of \$530 million backstopped by certain of the LINN Noteholders (collectively, the “LINN Rights Offerings”) and open to all Holders of Allowed LINN Second Lien Notes Claims as of the record date established therefor and all Holders of Allowed LINN Unsecured Notes Claims as of the record date established therefor (collectively, “Eligible Holders”); (b) a full recovery for the LINN Lenders consisting of (i) a \$500 million cash payment from the proceeds of the LINN Rights Offerings and other cash payments from existing cash on hand (collectively, the “LINN Lender Paydown”), (ii) an exit facility in the aggregate amount of \$1.7 billion (the “LINN Exit Facility”), or (iii) non-conforming term notes (the “Reorganized LINN Non-Conforming Term Notes”); (c) the issuance of Reorganized LINN Common Stock to Holders of the LINN Second Lien Notes Claims and the LINN Unsecured Notes Claims; (e) the right to participate in the LINN Rights Offerings for Eligible Holders of LINN Second Lien Notes Claims and LINN Unsecured Notes Claims; (f) a Pro Rata cash payment of \$30 million to LINN Second Lien Noteholders (the “Second Lien Cash Distribution”); (g) a full recovery for Holders of Linn Convenience Class Claims and Holders of LINN General Unsecured Claims who elect to reduce their Allowed LINN General Unsecured Claims to \$[●] (the “LINN Convenience Claims”); and (h) a Pro Rata cash distribution from the LINN GUC Cash Distribution Pool (as defined below)

for Holders of LINN General Unsecured Claims that are not LINN Convenience Claims (the “LINN General Unsecured Claims”).

A. LINN Rights Offerings

The LINN Rights Offerings contemplate two separate rights offerings totaling \$530 million: (a) a \$210,995,592 rights offering (the “LINN Secured Rights Offering”) backstopped by certain members of the Ad Hoc Group of LINN Second Lien Noteholders (the “LINN Secured Commitment Parties”) and open to all Eligible Holders of Second Lien Notes Claims; and (b) a \$319,004,408 rights offering (the “LINN Unsecured Rights Offering”) backstopped by certain members of the Ad Hoc Group of LINN Unsecured Noteholders (the “LINN Unsecured Commitment Parties”) and open to all Eligible Holders of LINN Unsecured Notes Claims. The proceeds of the LINN Rights Offerings will be used to fund the LINN Lender Paydown as well as the Second Lien Cash Distribution.

All of the Reorganized LINN Common Stock issued pursuant to the LINN Rights Offerings shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the Reorganized LINN Common Stock in accordance with the LINN Rights Offerings shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

B. Exit Financing

On the Effective Date, the Reorganized LINN Debtors shall enter into the LINN Exit Facility, with Reorganized LINN as a holding company and guarantor directly or indirectly holding all of the equity interests of all of the other Reorganized LINN Debtors. Each Holder of an Allowed LINN Lender Claim that elects to participate in the LINN Exit Facility shall receive its Pro Rata share of (i) the LINN Exit Facility, and (ii) the LINN Lender Paydown, in each case pursuant to Article III.B.3 of the Plan. The LINN Exit Facility shall be on terms set forth in the LINN Exit Facility Documents and substantially consistent with the terms set forth in the LINN Exit Facility Term Sheet. The proceeds of the LINN Exit Facility will also be used to fund the LINN Debtors’ operations, as applicable, and for general corporate purposes. In addition to the LINN Exit Facility, the Plan also contemplates the Reorganized LINN Non-Conforming Term Notes, which will be utilized, to the extent necessary, to fund distributions to LINN Lenders who elect not to participate in the LINN Exit Facility (collectively, the “Non-Electing Lenders”).

C. Treatment of General Unsecured Claims

Holders of Allowed LINN Convenience Class Claims and Holders of Allowed LINN General Unsecured Claims who elect to reduce their LINN General Unsecured Claims to \$[●] will be entitled to receive a full recovery from a [\$2,300,000] cash pool (the “LINN Convenience Claims Cash Distribution Pool”). Holders of Allowed LINN General Unsecured Claims who do not elect to reduce their Allowed LINN General Unsecured Claim to \$[●] will receive a Pro Rata share of [\$37,500,000] in Cash (the “LINN GUC Cash Distribution Pool”).

In connection with the claims reconciliation process administered by the LINN Debtors and the Reorganized LINN Debtors, as applicable, the Committee shall appoint a creditor representative (the “LINN Creditor Representative”) for the purpose of participating in and consulting with the Reorganized LINN Debtors regarding such process. The identity of the party chosen to act as the LINN Creditor Representative shall be disclosed in the Plan Supplement.

The Reorganized LINN Debtors shall consult with the LINN Creditor Representative on a regular basis regarding the status of the claims reconciliation process and any proposed settlement of Disputed Claims asserted against the LINN Debtors. The LINN Creditor Representative shall have the right to seek recourse from the Bankruptcy Court in the event that any dispute arises between the Reorganized LINN Debtors and the LINN Creditor Representative with respect to the claims reconciliation process regarding Disputed Claims asserted against the LINN Debtors. The LINN Creditor Representative shall be compensated a rate to be agreed upon and shall be entitled to the reimbursement of reasonable and documented expenses, including the reasonable and documented fees and expenses of one counsel, subject to an aggregate expense cap of \$[200,000] (the “LINN Creditor Representative Cap”).

On the Effective Date, the LINN Debtors shall fund each of the LINN Convenience Claims Cash Distribution Pool and the LINN GUC Cash Distribution Pool into separate, segregated bank accounts that will not be subject to any liens, security interests, or other encumbrances. Except as provided in the Plan, Cash held on account of the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution Pool shall not constitute property of the LINN Debtors or the Reorganized LINN Debtors and distributions from such account shall be made in accordance with Article III, Article VI, and Article VII of the Plan. In the event there is a remaining Cash balance in the LINN GUC Cash Distribution Pool after payment to all Holders of Allowed LINN General Unsecured Claims, such remaining amount, if any, shall be returned to the Reorganized LINN Debtors. In the event that there is a remaining Cash balance in the LINN Convenience Claims Cash Distribution Pool, the excess amounts shall be transferred into the LINN GUC Cash Distribution Pool. In the event that convenience class elections result in an aggregate cost greater than the LINN Convenience Claims Cash Distribution Pool, any such excess cost shall be paid with, and deducted from, the LINN GUC Cash Distribution Pool.

The Debtors expect that (a) each of the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution Pool will be treated as a “disputed ownership fund” governed by Treasury Regulation section 1.468B-9 (and any appropriate elections will be made) and (b) to the extent permitted by applicable law, reports shall be made consistently with the foregoing for state and local income tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS for the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution Pool with respect to any income attributable to the account. Any taxes imposed on the LINN GUC Cash Distribution Pool or the LINN Convenience Claims Cash Distribution Pool shall be paid by Reorganized LINN out of the assets of the respective accounts (and reductions shall be made to amounts disbursed from the trust to account for the need to pay such taxes).

To the extent property is not distributed to U.S. Holders of LINN General Unsecured Claims or LINN Convenience Class Claims on the Effective Date but, instead, is transferred to the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution

Pool, although not free from doubt, U.S. Holders should not recognize any gain or loss on the date that the property is transferred by the Debtors to the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution Pool, but should recognize gain or loss in an amount equal to: (a) the amount of Cash and fair value of property actually distributed to such U.S. Holder from the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution Pool, less (b) the U.S. Holder's adjusted tax basis of its Claim when and to the extent property is actually distributed to such U.S. Holder.

To the extent that a U.S. Holder receives distributions respect to a Claim subsequent to the Effective Date, such U.S. Holder may recognize additional gain (if such U.S. Holder is in a gain position) and a portion of such distribution may be treated as imputed interest income. In addition, it is possible that the recognition of any loss realized by a U.S. Holder may be deferred until all payments have been made out of the LINN GUC Cash Distribution Pool and the LINN Convenience Claims Cash Distribution Pool to all eligible Holders. U.S. Holders are urged to consult their tax advisors regarding the possible application (and the ability to elect out) of the "installment method" of reporting any gain that may be recognized by such U.S. Holders in respect of their Claims due to the receipt of property in a taxable year subsequent to the taxable year in which the Effective Date occurs. The discussion herein assumes that the installment method does not apply.

D. Second Lien Settlement

1. Implementation of the Second Lien Settlement

On November 20, 2015, the LINN Debtors closed a private exchange of \$2 billion in principal amount of LINN Unsecured Notes for \$1 billion in principal amount of newly-issued LINN Second Lien Notes (the "Second Lien Exchange"). The Indenture governing the LINN Second Lien Notes (the "Second Lien Indenture") provided that (i) the LINN Second Lien Notes were to be secured by second-priority liens on all assets securing the LINN Debtors' borrowing base under the LINN Credit Agreement, and (ii) recorded mortgages securing the LINN Second Lien Notes were to be delivered by the LINN Debtors to the Linn Second Lien Trustee on or before February 18, 2016.

The LINN Debtors did not record the second-lien mortgages by the February 18 deadline and entered into a covenant grace period available under the LINN Second Lien Indenture. While in the grace period, the LINN Debtors, the Second Lien Trustee, and the Ad Hoc Group of Second Lien Noteholders commenced negotiations aimed at both avoiding costly and protracted litigation and reaching agreement on the terms of a consensual plan of reorganization. These negotiations resulted in the execution of the Second Lien Settlement Agreement on April 4, 2016. Following execution of the LINN Settlement Agreement, the LINN Debtors recorded the second lien mortgages in accordance with the terms of the LINN Second Lien Indenture, the LINN Second Lien Notes Collateral Agreement, and the exchange agreements governing the Second Lien Exchange.

Pursuant to the Second Lien Settlement Agreement, the LINN Debtors and the Ad Hoc Group of Second Lien Noteholders were required to engage in good-faith negotiations on the terms of a consensual plan of reorganization, which would include a new capital investment. In the event an agreement on a consensual plan is achieved, the Second Lien Settlement Agreement

provides that the second lien mortgages will remain in place and the LINN Debtors will defend their validity and enforceability, including defending against any preference actions brought by a third party.

If such an agreement is not reached, the Second Lien Settlement Agreement originally required the LINN Debtors to obtain an order (the “Alternative Settlement Agreement Order”) of the Bankruptcy Court within 75 days of the Petition Date (the “Settlement Approval Date”), authorizing (i) the issuance of additional unsecured notes, in the principal amount of \$1 billion plus accrued interest, fees, and expenses, on a pro rata basis to existing holders of the LINN Second Lien Notes, (ii) release of the mortgages and other collateral securing the LINN Second Lien Notes, (iii) the release of all claims that the LINN Debtors and their estates may be entitled to assert against the LINN Second Lien Notes Trustee or any holder of the LINN Second Lien Notes under any applicable law, and (iv) the payment of the fees and expenses incurred by LINN Second Lien Notes Trustee and the Ad Hoc Group of Second Lien Noteholders in connection with the Second Lien Settlement Agreement, a consensual plan, or the Alternative Settlement Agreement Order.

In the event the Alternative Settlement Agreement Order is not obtained by the Settlement Approval Date (which has been extended as set forth below), the Second Lien Noteholders would retain (i) a secured claim for all outstanding principal, accrued interest, and expenses owed on account of the Notes, (ii) all related rights as secured creditors, (iii) all available defenses against any challenges to the priority, enforceability, and validity of the second lien mortgages, and (iv) all available claims for breach of the Linn Second Lien Indenture and related agreements.

The LINN Debtors and the Ad Hoc Group of Second Lien Noteholders engaged in good-faith negotiations on the terms of a consensual plan both prior to and during the pendency of the chapter 11 cases. Members of the Ad Hoc Group of Second Lien Noteholders expended considerable time and expense in performing due diligence, made multiple trips to meet with the LINN Debtors’ management team and their advisors in Houston, Texas, and submitted several proposals to the LINN Debtors that contemplated a sizeable investment of new capital in the reorganized Company. As a result of these negotiations, the milestone for filing and obtaining entry of the Alternative Settlement Agreement Order was extended multiple times both prior to and during the chapter 11 cases.

Members of the Ad Hoc Group of Second Lien Noteholders also engaged in negotiations with the Ad Hoc Group of LINN Unsecured Noteholders. These negotiations led to submission of the Joint Creditor Proposal on September 26, 2016 and ultimately to execution of the LINN RSA on October 7, 2016. Under the LINN RSA, both the LINN Debtors and Ad Hoc Group of LINN Unsecured Noteholders agreed to support a Plan pursuant to which (i) the Linn Second Lien Notes Claims will be allowed in the aggregate as a \$2 billion unsecured claim (plus accrued and unpaid interest and reasonable and documented fees and expenses), and (ii) the holders of the Second Lien Notes will receive their pro rata share of: (a) the Reorganized LINN Common Stock to be distributed pursuant to the LINN Funded Debt Equity Distribution; (b) rights to purchase shares of Reorganized LINN Common Stock in the LINN Secured Rights Offering, as described above; and (c) \$30 million in cash.

The LINN RSA further provides for resolution of all claims and causes of action related to the LINN Second Lien Notes through the Plan. On the Effective Date of the Plan, any and all LINN Second Lien Notes Claims will be settled pursuant to Bankruptcy Rule 9019 on the following terms:

(i) the Second Lien Notes Claims will be finally and irrevocably Allowed as unsecured claims and holders of such claims will receive the treatment set forth in Article III.B.4 of the Plan and summarized above;

(ii) the mortgages, pledges, and all other security interests securing the LINN Second Lien Notes Claims will be immediately and automatically released, and the Reorganized LINN Debtors, Reorganized LINN Debtors, and the LINN Second Lien Notes Trustee, as applicable, will be authorized to execute, deliver, record, and file any documentation to evidence or effectuate such release;

(iii) the LINN Debtors and their estates will be deemed to have expressly released any and all claims to avoid, subordinate, setoff, reclassify, recharacterized, or disallow in whole or in part the LINN Second Lien Notes Claims, whether under any provision of chapter 5 of the Bankruptcy Code, any equitable theory (including, without limitation, equitable subordination, equitable disallowance, or unjust enrichment), or otherwise, and any other claims that the LINN Debtors and their estates may be entitled to assert against the LINN Second Lien Notes Trustee or any holder of the LINN Second Lien Notes under any applicable law; and

(iv) the LINN Second Lien Settlement Agreement will terminate, provided that the Confirmation Order provides for resolution and settlement of the LINN Second Lien Notes Claims on the terms set forth above.

In connection with the LINN RSA, the LINN Debtors and the Ad Hoc Group of Second Lien Noteholders extended the Settlement Approval Date to March 1, 2017 (the “Outside Settlement Approval Date”). Consequently, if the LINN Debtors are unable to obtain Bankruptcy Court approval of the Plan (incorporating the terms set forth in the LINN RSA), the LINN Debtors will still have the ability to seek Bankruptcy Court approval of the Alternative Settlement Agreement Order without violating the Second Lien Settlement Agreement’s terms or the terms of the Bank RSA, to the extent it remains applicable, *provided*, that if the Alternative Settlement Agreement Order is not entered by the Outside Settlement Approval Date, the LINN Second Lien Noteholders will retain their existing secured claims and all related rights described above. For the avoidance of doubt, if the Plan is confirmed (and provides for the treatment of the LINN Second Lien Notes Claims on the terms set forth above), the Second Lien Settlement Agreement will terminate and cease to be in full force and effect as of the Effective Date.

2. The Prepetition LINN Lender Paydowns

Subsequent to entering into the Second Lien Settlement Agreement, the LINN Debtors also determined to make two prepetition payments to the LINN Lenders of \$100 million and \$350 million (the “First Prepetition LINN Lender Paydown” and “Second Prepetition LINN Lender Paydown,” respectively, and collectively, the “LINN Lender Paydowns”) from

unencumbered cash drawn from existing availability under the LINN Debtors' revolving credit facilities. The Ad Hoc Group of LINN Second Lien Noteholders had no role in the LINN Debtors' determination to make either the First Prepetition LINN Lender Paydown or the Second Prepetition LINN Lender Paydown. Additionally, by the time the First Prepetition LINN Lender Paydown occurred, the Second Lien Settlement had already been negotiated and executed.

Each of the LINN Lender Paydowns were made in connection with specific actions by the LINN Lenders. For instance, the First Prepetition LINN Lender Paydown served as consideration for an amendment to the LINN Debtors' First Lien Credit Agreements after a technical default by the LINN Debtors in March 2016 and afforded the LINN Debtors time to negotiate a comprehensive restructuring transaction prior to the Petition Date (i.e., the Bank RSA). The Second Prepetition LINN Lender Paydown, in turn, served to incentivize the LINN Lenders to enter into the Bank RSA, which permitted the LINN Debtors to enter chapter 11 in an organized and controlled fashion. Accordingly, the First Prepetition LINN Lender Paydown and the Second Prepetition LINN Lender Paydown allowed the LINN Debtors to avoid the value destruction that likely would have resulted from a chapter 11 filing in the absence of an agreement with the LINN Lenders.

3. The Committee's Demand to Pursue Preference Claims Related to LINN Second Lien Noteholders

On September 23, 2016, the Committee delivered a letter to the LINN Debtors (the "Committee Demand Letter") demanding that the LINN Debtors pursue certain preference claims against the LINN Second Lien Notes Trustee, the collateral trustee for the LINN Second Lien Notes, and/or the holders of the LINN Second Lien Notes (collectively, the "LINN Second Lien Parties") related to the LINN Second Lien Notes, or alternatively that the LINN Debtors consent to the Committee pursuing such claims on behalf of the LINN Debtors' estates.

The LINN Debtors discussed the Committee Demand Letter with the Committee on multiple occasions, but ultimately decided that the pursuit of the consensual deal encompassed in the LINN RSA served the best interests of their estates and all parties in interest. Accordingly, the LINN Debtors determined not to pursue either of the purported preference actions.

E. The Berry/LINN Intercompany Settlement

The Plan includes a proposed settlement of numerous potential claims belonging to the LINN Debtors, including asserted and potential intercompany claims between the LINN Debtors and the Berry Debtors. Among those potential claims are claims based on assertions that have been made by certain parties, including the Berry Ad Hoc Group relating to the terms of intercompany transactions (e.g., Docket Nos. 73, 476, and 84). A summary of the primary potential intercompany claims that would be settled pursuant to the Plan is set forth below.

The Debtors, including through designated disinterested representatives of the LINN Debtors and the Berry Debtors, and their respective legal and financial advisors, have made a significant investigation and analysis of potential intercompany claims between the LINN Debtors and the Berry Debtors (the "Intercompany Claims"). With respect to this investigation and analysis, the designated disinterested representative of the LINN Debtors is Joseph P. McCoy, assisted by the LINN Debtors' legal and financial advisors, Jackson Walker LLP and a

segregated team from AlixPartners (consisting on personnel who were not involved in AlixPartners' work for all of the Debtors). The designated disinterested representative of the Berry Debtors is Steven Winograd, assisted by the Berry Debtors' legal and financial advisors, Munger, Tolles & Olson LLP and Huron Consulting.

The potential Intercompany Claims include claims that the Berry Debtors may have against the LINN Debtors (the "LINN Intercompany Settled Claims"), such as:

- Claims to avoid and recover distributions to the LINN Debtors, including \$435 million transferred at the time of the December 2013 acquisition of the Berry Debtors, and subsequent distributions during 2014-15 totaling approximately \$208 million;
- Claims to avoid and recover alleged preferential payments by the Berry Debtors to the LINN Debtors within one year before the Petition Date;
- Claims regarding allocations and advances of proceeds from various asset transactions, in particular, claims that in certain asset swap transactions sometimes referred to as XTO I and XTO II, the Berry Debtors may have contributed a greater portion of the assets than it received, and claims arising from the advance to LINN of the proceeds of the Fleur de Lis asset sales;
- Claims that allocations of general & administrative costs, and other costs, between LINN Debtors and the Berry Debtors, disadvantaged the Berry Debtors, such as through the nature of the formula used for allocations, or through the use of that formula to allocate certain costs that allegedly should have been allocated directly; and
- Claims for amounts advanced by or withheld from the Berry Debtors for ad valorem taxes, Joint Interest Billing expenses, and other items relating to the Berry Debtors' operations.

The potential Intercompany Claims also include claims that the LINN Debtors may have against the Berry Debtors (the "Berry Intercompany Settled Claims"), such as:

- Claims to avoid and recover contributions by the LINN Debtors to the Berry Debtors, during 2014-15; totaling approximately \$691 million;
- Claims that allocations of general & administrative costs, and other costs, between the LINN Debtors and the Berry Debtors, disadvantaged the LINN Debtors, such as through the nature of the formula used for allocations;
- Claims to recover amounts paid for or allocated to the Berry Debtors for pre-petition general and administrative costs and other operating costs, but not yet paid for by the Berry Debtors, and
- Claims related to tax liability for deferred gain triggered by the separation of the Berry Debtors' assets from LinnCo.

The investigation of the Intercompany Claims primarily occurred during May – September 2016, following some earlier review and discussions to gain background familiarity regarding the Debtors and the identification of the major intercompany transactions. The investigation included, among other things:

- Review by the above-referenced legal and financial advisors assisting the designated disinterested representatives, of numerous documents, including the documents that have been placed in the Debtors' restructuring data room, the roughly 12,000 documents produced in discovery relating to the cash collateral and cash management motions, public filings by the Debtors, board materials and presentations, pleadings filed in the bankruptcy cases by various constituencies, and documents specifically requested from the Debtors by the disinterested representatives' advisors.
- The advisors to the designated disinterested representatives interviewed various personnel of the Debtors, and had numerous teleconferences with the Debtors' advisors and personnel to obtain information or to obtain clarification of, or follow-up on, materials obtained through document requests.
- The respective advisors performed independent analyses of potential financial issues, accounting issues and legal issues relating to the Intercompany Claims.

The designated disinterested representatives and their advisors negotiated the proposed Settlement between September 8, 2016 and October 12, 2016. The representatives and their advisors exchanged several rounds of proposals during that time. The negotiations took place through telephone calls and presentations by the advisors, negotiations among the advisors and principals, and negotiations directly between principals. This process included an in person meeting among the principals and advisors on September 14, 2016.

The designated disinterested representatives consulted extensively with their respective advisors on the litigation and settlement value of the various Intercompany Claims, and related considerations, and considered that input in reaching the Settlement. They also considered their general knowledge regarding the Debtors, and drew upon the disinterested representatives prior experience more generally, including as members of the Berry Debtors or the LINN Debtors boards, in evaluating the Settlement.

The Settlement is subject to Bankruptcy Court approval as part of the Plan, which it is agreed will take effect after December 31, 2016. The Settlement consists of the following terms which are incorporated, along with other customary provisions consistent therewith, into the terms of the Plan:

- The Berry Debtors shall have an allowed prepetition, unsecured, non-priority claim of \$25 million against Linn Energy, which claim shall receive the same form of distributable value as all other Allowed, Unsecured, Non-Priority Linn Energy Creditors under any plan of reorganization.
- LINN shall return to the Berry's account, not later than as soon as practicable after the effective date of the Settlement, the full amount of funds

(\$30,503,269.96) that have been collected from the Berry Debtors for ad valorem taxes, net of any such funds that the LINN Debtors have used from [October 13, 2016] (the date of the Settlement term sheet) to the date of LINN's return of the funds to pay, on the Berry 's behalf, ad valorem taxes relating to the wells and operations of the Berry Debtors.

- Except for the foregoing, the LINN Debtors and the Berry Debtors shall release any prepetition claims against one another, and the Berry Debtors shall release any postpetition claims for amounts withheld for ad valorem taxes up to [October 13, 2016].
- The LINN Debtors shall release the Berry Debtors from any claims based upon the tax liabilities or the use of tax attributes or losses, of the LINN Debtors, arising from or related to (i) the structure of the 2013 acquisition, merger, or contribution of the Berry Debtors and their predecessors by LINN, (ii) the disposition of the Berry Debtors or their assets, or (iii) the disregarded tax status of the Berry Debtors (the "Released Tax Claims"). The LINN Debtors shall not seek to alter or change the disregarded status of the Berry Debtors or pursue or support any effort to make the Berry Debtors liable for the Released Tax Claims.
- The LINN Debtors and the Berry Debtors reserve all rights with respect to postpetition G&A intercompany transactions and allocations made and/or reported after the date of this Term Sheet, with such claims being released on the effective date under the plan(s) of reorganization; provided however that the parties will not seek to change the methodology by which such allocations and/or payments have to date been calculated, but reserve the right to challenge the application of such methodologies.
- The appropriate treatment of amounts transferred or withheld postpetition, by any of the Settlement parties from any of the other Settlement parties, shall be addressed by separation or transition services agreements in connection with the Plan, except to the extent specifically addressed in the Settlement, and each of the parties reserve all potential claims with respect thereto.
- The Plan contains mutual releases of the Linn Debtors and the Berry Debtors and their respective directors, representatives and officers consistent with the terms of the Settlement for any and all claims arising before the effective date of the plan(s), other than as provided for or may arise under the Settlement.

F. Governance

As of the Effective Date, the term of the current members of the boards of directors or managers, as applicable, of the LINN Debtors shall expire, and the initial Reorganized LINN Board and the boards of directors or managers of each of the other Reorganized LINN Debtors will include those directors set forth in the list of directors of Reorganized LINN included in the Plan Supplement, and the officers of Reorganized LINN shall be appointed in accordance with the New Organizational Documents and other constituent documents of each Reorganized

Debtor. The initial Reorganized LINN Board, as of the Effective Date, shall consist of seven directors, and shall include: (1) the current Chief Executive Officer of LINN; (2) one director selected by Reorganized LINN; and (3) five directors to be selected by a six person selection committee comprised of the five largest LINN Consenting Noteholders (as determined pursuant to Section 4 of the LINN RSA) and the current Chief Executive Officer of LINN. Decisions of the Reorganized LINN Board will be made by a majority of the Reorganized LINN Board.

G. Recoveries to Claim Holders

The LINN Lenders shall receive their Pro Rata share of either: (a) (i) a take-back debt facility substantially on the terms and conditions set forth on the LINN Exit Facility Term Sheet and (ii) not less than \$500 million in cash payable upon execution of (and consummation of the transactions contemplated by) definitive documentation, dated on or before the Effective Date, necessary to implement the Plan, including the definitive documentation with respect to the LINN Exit Facility; or (b) to the extent a LINN Lender elects not to participate in the LINN Exit Facility, the Reorganized LINN Non-Conforming Term Notes in lieu of any share of (i) the LINN Exit Facility and (ii) the LINN Lender Paydown, upon the execution of definitive documentation, dated on or before the Effective Date, necessary to implement the Plan, including the Reorganized LINN Non-Conforming Term Notes Documents.

The LINN Second Lien Noteholders and LINN Unsecured Noteholders will receive their Pro Rata share of: (a) the LINN Funded Debt Equity Distribution and (b) rights to participate in the LINN Rights Offerings. Holders of Allowed Second Lien Notes Claims will also receive their Pro Rata share of the Second Lien Cash Distribution.

Holders of LINN Convenience Claims will receive a full recovery in the form of a cash distribution from the LINN Convenience Claims Cash Distribution Pool. Holders of LINN General Unsecured Claims will receive their Pro Rata share of the LINN GUC Cash Distribution Pool.

H. General Settlement of Claims and Interests

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, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final.

The Plan shall 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 shall constitute the Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the LINN 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 Court, after the Effective Date, Reorganized LINN (or any other party, as

determined by the LINN Debtors) may compromise and settle Claims against, and Interests in, the LINN 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, and the LINN RSA (and any exhibits or supplements relating to the foregoing), and all negotiations relating thereto shall 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, and the LINN RSA (and any exhibits or supplements relating to the foregoing) and all negotiations relating thereto shall not be binding or probative.

I. Releases

The Plan contains certain releases (as described more fully in Section IV.W of this Disclosure Statement), including: (a) each of the LINN Debtors and the Reorganized LINN Debtors; (b) the Consenting LINN Creditors; (c) the LINN Administrative Agent; (d) the LINN Indenture Trustees; (e) the LINN Backstop Parties; (f) each of the LINN Lenders; (g) the Committee; (h) the LINN Creditor Representative; and (i) with respect to each of the foregoing identified in subsections (a) through (g) herein, each of such entities' respective shareholders, affiliates, subsidiaries, current and former officers, current and former directors, employees, managers, agents, attorneys, investment bankers, restructuring advisors, professionals, advisors, and representatives, each in their capacities as such; *provided, however*, that any Holder of a Claim or Interest that opts out of the releases contained in the Plan shall not be a "Released Party." The Plan also provides that each holder of a Claim against or an interest in the LINN Debtors, in each case other than such a holder that has voted to reject the Plan, is a member of a class that is deemed to reject the Plan, or has voted to accept the Plan or abstains from voting on the Plan and who expressly opts out of the release provided 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 LINN Debtors and the Released Parties.

J. Dissolution of the Committee

The Plan provides that on the Effective Date, the Committee shall dissolve and all members, employees, or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases of the LINN Debtors. The Plan further provides that Reorganized LINN shall not be responsible for paying any fees or expenses incurred by the members of or advisors to the Committee after the Effective Date.

IV. 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 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 LINN Debtors sending me this Disclosure Statement?

The LINN Debtors are seeking to obtain Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the LINN 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 and to share such disclosure statement with all Holders of claims and interests whose votes on the Plan are being solicited. 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, depends 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	Claims and Interests	Status	Voting Rights
Class A1	Other LINN Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A2	Other LINN Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A3	LINN Lender Claims	Impaired	Entitled to Vote
Class A4	LINN Second Lien Notes Claims	Impaired	Entitled to Vote
Class A5	LINN Unsecured Notes Claims	Impaired	Entitled to Vote
Class A6	LINN General Unsecured Claims	Impaired	Entitled to Vote
Class A7	LINN Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A8	LINN Intercompany Settled Claims	Impaired	Presumed to Accept
Class A9	LINN Intercompany Claims	Unimpaired/ Impaired	Not Entitled to Vote (Deemed to Accept/Reject)
Class A10	LINN Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
Class A11	LINN Intercompany Interests	Unimpaired	Not Entitled to Vote (Deemed to Accept)

Class	Claims and Interests	Status	Voting Rights
Class A12	Interests in LINN and LinnCo	Impaired	Not Entitled to Vote (Deemed to Reject)

D. What will I receive from the LINN 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 Court. Your ability to receive distributions under the Plan depends upon the ability of the LINN Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE LINN DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.³

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE LINN DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan ⁴
A1	Other LINN Secured Claims	Except to the extent that a Holder of an Allowed Other LINN Secured Claim agrees to a less	\$2.5 million	100%

³ 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 in the Plan: (a) a Claim that is evidenced by a Proof of Claim or request for payment of an Administrative Claim Filed by the Claims Bar Date or Governmental Bar Date, as applicable (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of 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 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 Court, or such an objection is so interposed and the Claim, as applicable, shall have 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 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 such Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt, a Proof of Claim or request for payment of an Administrative Claim Filed after the Claims Bar Date or Governmental 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.

⁴ Estimated based on LINN Plan Value of 2.35 billion.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE LINN DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan⁴
		favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other LINN Secured Claim, each such Holder shall receive, at the option of the applicable LINN Debtor(s), either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.		
A2	Other LINN Priority Claims	Except to the extent that a Holder of an Allowed Other LINN Priority Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other LINN Priority Claim, each such Holder shall receive, at the option of the applicable LINN Debtor(s), either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	\$0	100%
A3	LINN Lender Claims	On the Effective Date, or as soon thereafter as reasonably practicable or as provided below for the LINN Lender Paydown, except to the extent that a Holder of an Allowed LINN Lender Claim in Class A3 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed LINN Lender Claim, each such Holder shall receive its Pro Rata share of: (A) if such Holder elects to participate in the LINN Exit Facility, (i) the LINN Exit Facility and (ii) the LINN Lender Paydown upon the execution of definitive documentation, dated on or before the Effective Date, necessary to implement the Plan, including the LINN Exit Facility Documents; or (B) if such Holder elects not to participate in the LINN Exit Facility (each, a “ <u>Non-Electing Lender</u> ”), in which case such Non-Electing Lender shall receive its Pro Rata share of the Reorganized LINN Non-Conforming Term Notes, in lieu of any share of (i) the LINN Exit Facility and (ii) the LINN Lender Paydown, upon the execution of definitive documentation, dated on or before the Effective Date, necessary to implement the Plan, including the Reorganized LINN Non-Conforming Term Notes Documents. The Reorganized Linn Non-Conforming Term Notes shall have the same maturity and liens as	\$1.939 billion	100%

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE LINN DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan⁴
		the Reorganized LINN Revolving Loans.		
A4	LINN Second Lien Notes Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed LINN Second Lien Notes Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed LINN Second Lien Notes Claim, each such Holder shall (i) receive its Pro Rata share (based on the amount of its Allowed LINN Second Lien Notes Claim as a percentage of all Allowed LINN Second Lien Notes Claims) of (A) \$30 million in Cash, and (B) the LINN Secured Rights, and (ii) its Pro Rata share (based on its Allowed LINN Second Lien Notes Claim as a percentage of the total Allowed LINN Notes Claims) of the LINN Funded Debt Equity Distribution. Distribution to each Holder of an Allowed LINN Second Lien Notes Claim shall be subject to the rights and the terms of the LINN Second Lien Notes Indenture and the right of the LINN Second Lien Notes Trustee to assert its LINN Second Lien Notes Trustee Charging Lien.	\$2.057 billion	~16%
A5	LINN Unsecured Notes Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed LINN Unsecured Notes Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed LINN Unsecured Notes Claim, each such Holder shall receive its Pro Rata share of (i) the LINN Funded Debt Equity Distribution (based on the amount of their Allowed LINN Unsecured Notes Claim as a percentage of the total Allowed LINN Notes Claims), and (ii) the LINN Unsecured Rights (based on the amount of its Allowed LINN Unsecured Notes Claim as a percentage of all Allowed LINN Unsecured Notes Claims).	\$3.110 billion	~16%
A6	LINN General Unsecured Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed LINN General Unsecured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in	\$95–145 million	~22–33%

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE LINN DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan⁴
		exchange for each Allowed LINN General Unsecured Claim, each such Holder shall receive its Pro Rata share of the LINN GUC Cash Distribution Pool; <i>provided</i> , that a Holder of an Allowed LINN General Unsecured Claim may elect to irrevocably reduce its Allowed LINN General Unsecured Claim to \$[●] to receive the treatment provided for Holders of Allowed LINN Convenience Claims.		
A7	LINN Convenience Class Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed LINN Convenience Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed LINN Convenience Claim, each such Holder shall receive Cash in an amount equal to its Allowed LINN Convenience Claim; <i>provided, however</i> , that (i) to the extent that the sum of (A) Allowed LINN Convenience Claims and (B) Allowed LINN General Unsecured Claims for which such Holders elect to irrevocably reduce to receive treatment as Allowed LINN Convenience Claims exceeds the LINN Convenience Claims Cash Distribution Pool, any such excess costs will be paid with, and deducted from, the LINN GUC Cash Distribution Pool, and (ii) to the extent that the LINN Convenience Claims Cash Distribution Pool is not fully consumed for any reason, the residual excess will be deposited into the LINN GUC Cash Distribution Pool for distributions to Holders of Allowed LINN General Unsecured Claims other than Holders of Allowed LINN Convenience Claims.	\$2.3 million	100%
A8	LINN Intercompany Settled Claims	The Allowed LINN Settled Intercompany Claims shall receive the treatment set forth in the Berry-LINN Intercompany Settlement, which shall include, among other things, an Allowed LINN Settled Intercompany Claim against LINN in the aggregate amount of \$25 million, which such Claim will be treated as an Allowed LINN General Unsecured Claim pursuant to Article III.B.6 of the Plan.	\$25 million	~22–33%
A9	LINN Intercompany Claims	Each Allowed LINN Intercompany Claim shall be, at the option of the LINN Debtors or the Reorganized LINN Debtors, either: (i) Reinstated; (ii) converted to equity; or (iii) canceled and shall receive no distribution on	N/A	N/A

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE LINN DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan⁴
		account of such Claims and may be compromised, extinguished, or settled after the Effective Date; <i>provided, however</i> , that any LINN Intercompany Claim relating to any postpetition payments from any Debtor to a LINN Debtor under any postpetition Intercompany Transaction (as defined in the Cash Management Order, and including any postpetition payments from LINN to any other LINN Debtor) shall be, unless the applicable LINN Debtor agrees otherwise or as otherwise provided in the Berry-LINN Intercompany Settlement, paid in full in Cash as a General Administrative Claim pursuant to Article II.A of the Plan.		
A10	LINN Section 510(b) Claims	Each LINN Section 510(b) Claim shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of LINN Section 510(b) Claims on account of such Claims.	N/A	0%
A11	LINN Intercompany Interests	LINN Intercompany Interests shall be Reinstated as of the Effective Date.	Reinstated	Reinstated
A12	Interests in LINN and LinnCo	On the Effective Date, existing Interests in LINN and LinnCo shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Interests in LINN and LinnCo on account of such Interests.	N/A	0%

E. What will I receive from the LINN 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.

1. Administrative Claims

Administrative Claims will be satisfied as set forth in Article II.A of the Plan, as summarized herein. Except with respect to Administrative Claims that are Professional Fee Claims, and except to the extent that a Holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each Holder of an Allowed General Administrative Claim will receive, in full satisfaction of its General Administrative Claim, Cash equal to the amount of such Allowed General Administrative Claim either: (a) on the Effective Date; (b) if the General Administrative Claim is not Allowed as of the Effective Date, 60 days

after the date on which an order allowing such General Administrative Claim becomes a Final Order, or as soon thereafter as reasonably practicable; or (c) if the Allowed General Administrative Claim is based on a liability incurred by the LINN Debtors in the ordinary course of their business after the Petition Date, pursuant to the terms and conditions of the particular transaction or agreement giving rise to such Allowed General Administrative Claim, without any further action by the Holders of such Allowed General Administrative Claim, and without any further notice to or action, order, or approval of the Bankruptcy Court. For the avoidance of doubt, all unpaid cash fees, premiums, and expenses required to be paid under the LINN Backstop Agreement will be paid in full in cash as Administrative Claims on the Effective Date.

2. Priority Tax Claims

Priority Tax Claims will be satisfied as set forth in Article II.B of the Plan, as summarized herein. 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 and, for the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 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 in accordance with the terms set forth in section 1129(a)(9)(D) of the Bankruptcy Code and, if such Claim is not otherwise paid in full, as an Other Linn Secured Claim.

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

No. 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 does not go effective, there is no assurance that the LINN Debtors will be able to reorganize their businesses. It is possible that any alternative 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* Section XI.B of this Disclosure Statement, entitled “Best Interests of Creditors/Liquidation Analysis,” which begins on page 77, and the Liquidation Analysis attached hereto as **Exhibit E**.

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 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 Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. *See* Article XI of this Disclosure Statement, entitled “CONFIRMATION OF THE PLAN,” which begins on page 76, for a discussion of the conditions precedent to consummation of the Plan.

In general, and unless otherwise provided in the Plan, each Holder of an Allowed Claim (or such Holder's affiliate) shall receive the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class on the date the Plan becomes effective—the "Effective Date"—or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter).

More detail regarding Plan distributions is set forth in Article VI of the Plan.

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

The LINN Debtors shall fund distributions under the Plan, as applicable, with: (1) the cash generated via the LINN Rights Offerings; (2) other cash from existing cash on hand; (3) funds made available via the LINN Exit Facility; and (4) the issuance of the Reorganized LINN Common Stock.

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

Yes. *See* Article IX of this Disclosure Statement, entitled "RISK FACTORS," which begins on page 61.

K. Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan as well, which objections potentially could give rise to litigation. *See* Article IX.C.9 of this Disclosure Statement, entitled "Reorganized LINN May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases," which begins on page 73.

In the event that it becomes necessary to confirm the Plan over the objection of certain Classes, the LINN Debtors may seek confirmation of the Plan notwithstanding the dissent of such objecting Classes. The Court may confirm the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, which allow the Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code. *See* Article IX.A.4 of this Disclosure Statement, entitled "The LINN Debtors May Not Be Able to Secure Confirmation of the Plan," which begins on page 62.

L. Will Royalty and Working Interests be affected by the Plan?

Notwithstanding any other provision in the Plan, on and after the Effective Date, all Royalty and Working Interests shall be preserved and remain in full force and effect in accordance with the terms of the granting instruments or other governing documents applicable to such Royalty and Working Interests, and no Royalty and Working Interests shall be compromised or discharged by the Plan. For the avoidance of doubt and notwithstanding anything to the contrary in the preceding sentence, any right to payment arising from a Royalty and Working Interest, if any, shall be treated as a General Unsecured Claim under this Plan and shall be subject to any discharge and/or release provided hereunder.

The LINN Debtors currently are parties to a number of lawsuits regarding alleged royalty underpayments, including two class action lawsuits initiated by: (a) Jennifer and Scott McKnight (the “McKnights”), on behalf of themselves and certain royalty owners with royalty interests located in Oklahoma; and (b) Joe Dreitz, Jr., on behalf of himself and certain royalty owners with royalty interests located in Kansas. Neither of these putative classes has been certified. In fact, in February 2016, the McKnights motion for class certification was denied. The McKnights’ subsequent requests in this Court for certification or other relief related to their class action complaint have been unsuccessful. As of the date hereof, the McKnights’ adversary proceeding against the LINN Debtors remains ongoing. The LINN Debtors dispute the allegations set forth in the McKnights’ complaint. As of the date hereof, the LINN Debtors are also party to an adversary proceedings initiated in these cases by Falcon Trust DTD 12-15-00 and certain other royalty owners with royalty interests in Wyoming (“Falcon”). The LINN Debtors continue to review Falcon’s complaint and dispute the allegations set forth therein.

Additionally, numerous holders of Royalty and Working Interests have filed proofs of claim in these cases in an aggregate amount of approximately \$145 million. The LINN Debtors intend to resolve those claims pursuant to the claims reconciliation process and to continue making payments on account of Royalty and Working Interests in the ordinary course.

M. What is the Reorganized LINN Employee Incentive Plan?

There will be reserved, exclusively for Reorganized LINN’s management employees, a pool of equity (such reserve, the “EIP Pool”) having a value equal to: (i) 8% of the LINN Plan Value as of the Effective Date as follows: (x) 2.5% of the LINN Plan Value in the form of restricted stock units (“RSUs”) to be issued as of the Effective Date, (y) 1.5% of the LINN Plan Value in the form of profits interests that will vest based on time and performance (with the performance conditions satisfied once the equity value of Reorganized LINN (as equitably adjusted for subsequent contributions and distributions) is equal to 1.5 times the equity value utilized pursuant to the LINN Rights Offerings), all of which will be issued as of the Effective Date (the “Base Profits Interests”), and (z) the remaining 4% of the LINN Plan Value in a form of equity-based award as determined by the board of directors of Reorganized LINN, taking into account the then prevailing practices of publicly traded E&P companies (the “Other Awards”); and (ii) an additional 2.0% of the LINN Plan Value, which will be issued as of the Effective Date in the form of profits interests that vest once the equity value of Reorganized LINN (as equitably adjusted for subsequent contributions and distributions) is equal to 1.5 times the LINN Plan Value (the “Appreciation Profits Interests”). The precise amount of equity and number of shares to be reserved will be determined in a manner consistent with the intended effect of the Plan, the LINN RSA, and any attachments or exhibits thereto.

N. Will the final amount of Allowed LINN General Unsecured Claims affect the recovery of Holders of Allowed LINN General Unsecured Claims under the Plan?

The LINN Debtors estimate that the amount of Allowed LINN General Unsecured Claims and Allowed LINN Convenience Claims could range from approximately \$95 million to approximately \$145 million. These ranges, and the corresponding ranges of potential recoveries resulting therefrom, depends on a number of contingencies, including, among others: (a) the determination to be made by the LINN Debtors regarding the assumption and rejection of

Executory Contracts and Unexpired Leases; (b) the amount of Claims from the rejection of Executory Contracts and Unexpired Leases; (c) the amount of Claims Filed by Governmental Units; (d) Claims arising from litigation against the LINN Debtors; and (e) the Claims reconciliation process.

Although the estimated ranges of Allowed LINN General Unsecured Claims and Allowed LINN Convenience Claims is the result of the LINN Debtors' and their advisors' careful analysis of available information, LINN General Unsecured Claims and LINN Convenience Claims actually asserted against the LINN Debtors may be higher or lower than the LINN Debtors' estimate provided herein, which difference could be material. Moreover, the LINN Debtors are rejecting and in the future may reject certain Executory Contracts and Unexpired Leases, which may result in additional rejection damages Claims not accounted for in this estimate. Indeed, the LINN Debtors estimate that, in the event the LINN Debtors reject a number of contracts they have not yet decided to reject, and are unsuccessful in reducing the rejection damage claims of any such contract counterparties, rejection damages Claims could reach as high as approximately \$138 million. Further, the LINN Debtors may object to certain proofs of claim, and any such objections ultimately could cause the total amount of Allowed LINN General Unsecured Claims and Allowed LINN Convenience Claims to change. These changes could affect recoveries to Holders of Claims in Classes A6 and A7, and such changes could be material.

O. What will happen to Executory Contracts and Unexpired Leases under the Plan?

As set forth more fully in Article V of the Plan, all Executory Contracts or Unexpired Leases of the LINN Debtors, not previously assumed or rejected pursuant to an order of the Bankruptcy Court, will be deemed to be Assumed Executory Contracts or Unexpired Leases, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those Executory Contracts or Unexpired Leases that: (1) previously were assumed or rejected by the LINN Debtors; (2) are identified on the Rejected Executory Contract and Unexpired Lease List; (3) are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (4) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the LINN Debtors or Reorganized LINN, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

Any monetary defaults under an Executory Contract or Unexpired Lease to be assumed or assumed and assigned, as reflected on a Cure Notice, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitations described in Article V.C of the Plan, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. At least fourteen (14) days before the Confirmation Hearing, the LINN Debtors will provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. **Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or assumption and**

assignment or related cure amount must be Filed, served, and actually received by 4:00 p.m. (prevailing Central Time) on or before 7 days before the Confirmation Hearing. In any case, if the 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 LINN Debtors or Reorganized LINN, as applicable, 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. After such Executory Contract or Unexpired Lease is added to the Schedule of Rejected Executory Contracts and Unexpired Leases, the respective contract counterparty shall be served with a notice of rejection of Executory Contracts and Unexpired Leases.

Counterparties to Executory Contracts or Unexpired Leases listed on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be promptly served with a notice of rejection of Executory Contracts and Unexpired Leases. Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed within 30 days after the later of: (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; and (2) the effective date of such rejection. All Allowed Claims arising from the rejection of the LINN Debtors' Executory Contracts or Unexpired Leases shall be classified as LINN General Unsecured Claims, and shall be treated in accordance with the Plan, unless a different security or priority is otherwise asserted in such Proof of Claim and Allowed in accordance with Article VII of the Plan. All notices of rejection of Executory Contracts and Unexpired Leases shall include the deadlines for filing Proofs of Claim for rejection damages.

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) that have not been rejected as of the date of Confirmation will survive and remain unaffected by entry of the Confirmation Order.

P. How will Claims asserted with respect to rejection damages affect my recovery under the Plan?

The LINN Debtors estimate that the amount of Allowed LINN General Unsecured Claims could range from approximately \$95 million to approximately \$148 million. The LINN Debtors currently estimate that Claims arising from the LINN Debtors' rejection of Executory Contracts and Unexpired Leases total approximately \$77 million in the aggregate, but, in the event that the LINN Debtors reject a number of contracts and leases they have not yet decided to reject, and are unsuccessful in reducing the rejection damage claims of any such lease counterparties, that amount could range as high as \$138 million in the aggregate. To the extent that the actual amount of rejection damages Claims changes, the value of recoveries to Holders of Claims in Classes A6 could change as well, and such changes could be material. For more information about how recoveries could be impacted, please see Article IV.N of this Disclosure Statement, entitled "Will the final amount of Allowed LINN General Unsecured Claims affect the recovery of Holders of Allowed LINN General Unsecured Claims under the Plan?"

Q. How will Governmental Claims affect my recovery under the Plan?

The LINN Debtors estimate that there will be a de minimis amount of Government Claims not covered by their First Day Motions, if any. Depending on the actual amount of LINN General Unsecured Claims from Governmental Units, the value of recoveries to Holders of Claims in Classes A6 could change as well, and such changes could be material. For more information about how recoveries could be impacted, please see Article IV.N of this Disclosure Statement, entitled “Will the final amount of Allowed LINN General Unsecured Claims affect the recovery of Holders of Allowed LINN General Unsecured Claims under the Plan?”

R. How will the resolution of certain contingent, unliquidated, and disputed litigation Claims affect my recovery under the Plan?

The LINN Debtors estimate that the amount of Allowed LINN General Unsecured Claims could range from approximately \$95 million to approximately \$145 million. These amounts include the LINN Debtors’ reasonable estimate of certain contingent, unliquidated, and disputed litigation Claims known to the LINN Debtors as of the date hereof, which generally are considered LINN General Unsecured Claims. As of the Petition Date, the LINN Debtors were parties to certain litigation matters that arose in the ordinary course of operating their businesses and could become parties to additional litigation in the future as a result of conduct that occurred prior to the Petition Date. Although the LINN Debtors have disputed, are disputing, or will dispute in the future the amounts asserted by such litigation counterparties, to the extent these parties are ultimately entitled to a higher amount than is reflected in the amounts estimated by the LINN Debtors herein, the value of recoveries to Holders of Claims in Classes A6 could change as well, and such changes could be material. For more information about how recoveries could be impacted, please see Article IV.N of this Disclosure Statement, entitled “Will the final amount of Allowed LINN General Unsecured Claims affect the recovery of Holders of Allowed LINN General Unsecured Claims under the Plan?”

S. What happens to contingent, unliquidated, and disputed Claims under the Plan?

As set forth in more detail in Article VII of the Plan, after the Effective Date, the applicable Reorganized Debtor(s) shall have the sole authority: (1) to File, withdraw, or litigate to judgment, objections to Claims; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to 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. In connection with the claims reconciliation process, however, the LINN Debtors shall also consult with the LINN Creditor Representative on a regular basis regarding the status of the claims reconciliation process and any proposed settlement of Disputed Claims. In the event of a dispute between the LINN Debtors and the LINN Creditor Representative, the LINN Creditor Representative shall have the right to seek recourse from the Bankruptcy Court in the event that any dispute arises between the Reorganized LINN Debtors and the LINN Creditor Representative with respect to the claims reconciliation process.

In addition, before or after the Effective Date, the LINN Debtors or Reorganized LINN, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated 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 under 28 U.S.C. §§ 157 and 1334 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 to the contrary 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 contingent or unliquidated Claim, 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 Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim.

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.A and VII.B of the Plan, no payment or distribution provided under the Plan shall be made on account of such Disputed Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

T. What is the role of the LINN Creditor Representative under the Plan?

As set forth in Article VII of the Plan, in connection with the claims reconciliation process administered by the LINN Debtors and the Reorganized LINN Debtors, as applicable, the Committee shall appoint a creditor representative for the purpose of participating in and consulting with the Reorganized LINN Debtors regarding such process. The Reorganized LINN Debtors shall consult with the LINN Creditor Representative on a regular basis regarding the status of the claims reconciliation process and any proposed settlement of Disputed Claims. The LINN Creditor Representative shall have the right to seek recourse from the Bankruptcy Court in the event that any dispute arises between the Reorganized LINN Debtors and the LINN Creditor Representative with respect to the claims reconciliation process. The LINN Creditor Representative shall be compensated at a rate to be agreed upon with the LINN Debtors and shall be entitled to the reimbursement of reasonable and documented expenses, including the reasonable and documented fees and expenses of one counsel, subject to the LINN Creditor Representative Cap. All additional costs of the claims reconciliation process shall be paid out of the LINN GUC Cash Distribution Pool.

U. Who is the LINN Creditor Representative?

The identity of the party chosen to act as the LINN Creditor Representative shall be disclosed in the Plan Supplement.

V. How will the preservation of the Causes of Action impact my recovery under the Plan?

The Plan provides for the retention of all Causes of Action other than those that are expressly waived, relinquished, exculpated, released, compromised, or settled.

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII, Article IV.L, the last sentence of the first paragraph of Article IV.K of the Plan, and Article VI.B of the Plan, Reorganized LINN shall retain (or shall receive from the LINN Debtors, as applicable) and may enforce all rights to commence and pursue any and all Causes of Action belonging to their Estates, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and Reorganized LINN's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than: (i) the Causes of Action released by the LINN Debtors pursuant to the releases and exculpations contained in the Plan, which shall be deemed released and waived by the LINN Debtors and Reorganized Debtors as of the Effective Date; and (ii) all Causes of Action that arise under sections 544, 547, 548, and 549 of the Bankruptcy Code and state fraudulent conveyance law; *provided, however*, that in no event shall any Cause of Action against the LINN Lenders be preserved.

Reorganized LINN may pursue such Causes of Action, as appropriate, in accordance with the best interests of Reorganized LINN. **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 it as any indication that the LINN Debtors or Reorganized LINN, as applicable, will not pursue any and all available Causes of Action against it.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or in a Bankruptcy Court order, Reorganized LINN 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 Confirmation or Consummation; *provided, however*, that in no event shall any Cause of Action against the LINN Lenders be preserved.

Reorganized LINN reserve (or receive) and shall retain the Causes of Action notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in Reorganized LINN. Reorganized LINN 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 and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

W. How will the release of Avoidance Actions affect my recovery under the Plan?

On the Effective Date, the LINN Debtors, on behalf of themselves and their estates, shall release any and all Claims and Causes of Action to avoid a transfer of property or an obligation incurred by the LINN Debtors arising under chapter 5 of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, and 553(b) of the Bankruptcy Code (“Avoidance Actions”) and the LINN Debtors and Reorganized LINN, and any of their successors or assigns, and any Entity acting on behalf of the LINN Debtors or Reorganized LINN, shall be deemed to have waived the right to pursue any and all Avoidance Actions, except (i) for Avoidance Actions commenced prior to the Confirmation Date, (ii) for Avoidance Actions brought as counterclaims

or defenses to Claims asserted against the LINN Debtors, and (iii) to the extent otherwise reserved in the Plan Supplement. No Avoidance Actions shall revert to creditors of the LINN Debtors.

X. Are the LINN Debtors assuming any indemnification obligations for their current officers and directors under the Plan?

Yes. As set forth more fully in Article V.D of the Plan, the LINN Debtors and Reorganized Debtors will assume each of the LINN Debtors' Indemnification Obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment contracts, for the current and former directors and the officers of the LINN Debtors who served in such capacity at any time in their capacities as such, and such Indemnification Obligations shall not be modified, reduced, discharged, impaired, or otherwise affected in any way. The Indemnification Obligations assumed pursuant to the Plan do not include, however, any indemnification obligations arising under the D&O Liability Insurance Policies, which obligations shall not be discharged, impaired, or otherwise modified in connection with Confirmation of the Plan.

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

Yes, the Plan proposes to release the Released Parties and to exculpate the Exculpated Parties. The LINN Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the LINN Debtors' overall restructuring efforts and were an essential element of the negotiations between the LINN Debtors and the Restructuring Support Parties in obtaining their support for the Plan pursuant to the terms of the LINN RSA. All of the Released Parties and the Exculpated Parties have made substantial and valuable contributions to the LINN Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the LINN 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.

Each Holder of a Claim or Interest that (1) votes to accept or is deemed to accept the Plan or (2) is in a voting Class that abstains from voting on the Plan but does not elect to 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 LINN Debtors and the Released Parties. In other words, Holders of Claims or Interests that vote against the Plan automatically are deemed to refuse to grant these releases. A Holder of Claims or Interests in a voting Class who abstains from voting and returns its ballot may choose to opt out of granting the releases on its ballot. The releases represent an integral element of the Plan.

Based on the foregoing, the LINN 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 LINN Debtors will present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release

and exculpation provisions. The release, exculpation, and injunction provisions that are contained in the Plan are copied below.

1. 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, except for Other LINN Secured Claims that the LINN Debtors elect to Reinstate in accordance with Article III.B.1 and Article III.B.12 of the Plan, 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 LINN 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 LINN Debtors; *provided*, that Article VIII.C of the Plan shall not apply to the LINN Lender Claims to the extent specifically provided for in the LINN Exit Facility Documents or Reorganized LINN Non-Conforming Term Notes Documents (if any).

2. Releases by the Debtors

In addition to the releases set forth in the Berry-LINN Intercompany Settlement Agreement, 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 LINN Debtors, the Reorganized LINN 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 LINN Debtors, that the LINN Debtors, the Reorganized LINN 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 LINN Debtors (including the management, ownership or operation thereof), Reorganized LINN (including the formation thereof), the LINN Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends and management fees paid), the LINN Credit Agreement, the LINN Second Lien Notes, the LINN Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, the LINN Intercreditor Agreement, any preference or avoidance claim pursuant to sections 544, 547, 548, and 549 of the Bankruptcy Code, the formulation, preparation, dissemination, negotiation, or consummation of the LINN RSA, the LINN Second Lien Settlement Agreement, the LINN Exit Facility, Reorganized LINN Non-Conforming Term Notes (if any), the LINN Rights Offerings, the LINN Backstop Commitment Letter, the LINN Backstop 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 LINN RSA, the LINN Second Lien

Settlement, the Disclosure Statement, the Plan, the LINN Exit Facility, Reorganized LINN Non-Conforming Term Notes, the LINN Rights Offerings, 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 any other related agreement, 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 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.

3. Releases by Holders of Claims and Interests

As of the Effective Date, each Releasing Party is deemed to have released and discharged each LINN Debtor, Reorganized LINN Debtor, and Released Party from any and all Claims and Causes of Action, including 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), Reorganized LINN (including the formation thereof), the LINN Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends paid), transactions pursuant and/or related to LINN Credit Agreement, the LINN Backstop Commitment Letter, the LINN Backstop Agreement, the LINN Second Lien Notes, the LINN Unsecured Notes, the LINN Rights Offerings, the LINN Backstop Agreement, the New Organizational Documents, the Reorganized LINN Registration Rights Agreement, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, the LINN Intercreditor Agreement, any preference or avoidance claim pursuant to sections 544, 547, 548, and 549 of the Bankruptcy Code, the formulation, preparation, dissemination, negotiation, or Filing of the LINN RSA, the LINN Second Lien Settlement, the LINN Exit Facility, Reorganized LINN Non-Conforming Term Notes, the LINN Rights Offerings, the LINN Backstop Commitment Letter, the LINN Backstop 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 LINN Second Lien Settlement, the LINN RSA, the Disclosure Statement, the Plan, the LINN Exit Facility, Reorganized LINN Non-Conforming Term Notes, the LINN Rights Offerings, 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 any other related agreement, 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; *provided, however*, that except as expressly provided under the Plan, the foregoing releases shall not release obligations arising under agreements among the Releasing Parties and the Released Parties other than the Debtors (including, without

limitation, the indemnification rights of the Indenture Trustees under the LINN Notes Indentures and related documentation), and shall not release claims related to any act or omission that is determined in a final order to have constituted actual fraud, willful misconduct, or gross negligence.

4. Exculpation

Except as otherwise specifically provided in the Plan, 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, Filing, or termination of the LINN RSA and related prepetition transactions, and related prepetition transactions, the Disclosure Statement, the Plan, the LINN Second Lien Settlement, 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 LINN RSA, the LINN Second Lien Settlement Agreement, the LINN Exit Facility, the Reorganized LINN Non-Conforming Term Notes, the LINN Rights Offerings, the LINN Backstop Commitment Letter, the LINN Backstop 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, or any other related agreement, except for claims related to any act or omission that is determined in a final order to have constituted actual fraud, willful misconduct, or gross negligence, 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 or in connection with the Plan and the LINN Restructuring Transactions. The Exculpated Parties have, and upon completion 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.

5. Injunction

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities that have held, hold, or may hold claims or interests that have been released pursuant to Article VIII.D or Article VIII.E of the Plan, shall be discharged pursuant to Article VIII.A of the Plan, or are subject to exculpation pursuant to Article VIII.F of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the LINN Debtors, the Reorganized LINN Debtors, or the Released Parties: (i) 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; (ii) 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; (iii) creating, perfecting, or enforcing any lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (iv) 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 (v) 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 released or settled pursuant to the Plan; *provided, however*, that such injunction shall not apply to claims related to any act or omission that is determined in a final order to have constituted actual fraud, willful misconduct, or gross negligence.

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

On July 11 and 12, 2016, the LINN Debtors Filed their schedules of assets and liabilities and statement of financial affairs with the Court pursuant to section 521 of the Bankruptcy Code (collectively, the “Schedules”). The Bankruptcy Code allows a bankruptcy court to fix the time within which proofs of claim must be filed in a chapter 11 case.

The Court has established September 16, 2016, at 5:00 p.m. (prevailing Central Time), as the claims bar date (the “Claims Bar Date”) in the Chapter 11 Cases. The bar date for Claims held by Governmental Units is November 7, 2016 (the “Governmental Bar Date”). The following entities holding Claims against the LINN Debtors that arose (or that are deemed to have arisen) prior to the Petition Date, including without limitation, Class A6 LINN General Unsecured Claims, were required to Proofs of Claim on or before the Claims Bar Date: (1) any Entity whose Claim against a Debtor is not listed in the applicable Debtor’s 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 failed, to File a Proof of Claim on or before the Claims Bar Date, except in the case of certain exceptions explicitly set forth in order setting the Claims Bar Date and the Governmental Bar Date (the “Bar Date Order”) or by further order of the Court, such person or Entity will be: (1) barred from asserting such Claims against the LINN Debtors in these Chapter 11 Cases;

(2) precluded from voting on any plans of reorganization Filed in these Chapter 11 Cases; and
(3) precluded from receiving distributions from the LINN Debtors on account of such Claims in these Chapter 11 Cases. Notwithstanding the foregoing, a Holder of a Claim shall be able to assert, vote upon, and receive distributions under the Plan, or any other plan of reorganization or liquidation in the Chapter 11 Cases, to the extent, and in such amount, as any undisputed, non-contingent, and liquidated Claims identified in the Schedules on behalf of such Claim Holder.

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 Claims Bar Date.

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

The Voting Deadline is [January 12], 2017, at 4:00 p.m. (prevailing Central Time).

BB. 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 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 [January 12], 2017, at 4:00 p.m. (prevailing Central Time) at the following address: Linn Energy, LLC, c/o Prime Clerk LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022. Ballots may not be transmitted by facsimile, email, or other electronic means, except through a customized online balloting portal on the LINN Debtors' case website maintained by the Notice and Claims Agent. See Article X of this Disclosure Statement, entitled "SOLICITATION AND VOTING PROCEDURES," which begins on page 74.

CC. Why is the Court holding a Confirmation Hearing?

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

DD. When is the Confirmation Hearing set to occur?

The Court has scheduled the Confirmation Hearing for [January 24], 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 LINN Debtors, and certain other parties, by no later than [January 17], 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 D** and incorporated herein by reference.

The LINN 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 each of the national edition of the *Wall Street Journal*, the *Houston Chronicle*, and

the *Corpus Christi Caller-Times* to provide notification to those persons who may not receive notice by mail. The LINN Debtors may also publish the notice of the Confirmation Hearing in such trade or other publications as the LINN Debtors may choose.

EE. 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.

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

The LINN Debtors are reorganizing under chapter 11 of the Bankruptcy Code. As a result, the occurrence of the Effective Date means that the LINN 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 LINN 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 LINN 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 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.

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

As of the Effective Date, the terms of the directors, and the initial Reorganized LINN Board shall be constituted and will include: (1) the current Chief Executive Officer of LINN; (2) one director selected by Reorganized LINN; and (3) five directors to be selected by a six person committee comprised of the five largest LINN Consenting Noteholders (as determined pursuant to Section 4 of the LINN RSA) and the current Chief Executive Officer of LINN. Decisions of the Reorganized LINN Board will be made by a majority of the Reorganized LINN Board of directors.

As of the Effective Date, the term of the current members of the board of directors or managers, as applicable, of the LINN Debtors shall expire, and the initial Reorganized LINN Board and the boards of directors or managers of each of the other Reorganized LINN Debtors will include those directors set forth in the list of directors to Reorganized LINN included in the Plan Supplement.

After the Effective Date, the officers of each of Reorganized LINN shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the LINN Debtors will disclose in the Plan Supplement the identity and

affiliations of any person proposed to serve on the initial board of directors or be an officer of each of Reorganized LINN. To the extent any such director or officer of Reorganized LINN is an “insider” under the Bankruptcy Code, the LINN Debtors also will disclose the nature of any compensation to be paid to such director or officer. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents.

HH. 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 LINN Debtors’ Notice and Claims Agent, Prime Clerk LLC:

By regular mail, hand delivery, or overnight mail at:

Linn Energy, LLC
c/o Prime Clerk LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

By electronic mail at:
linballots@primeclerk.com

By telephone at:
(844) 794-3479
(917) 962-8892 (International)

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 LINN Debtors’ Notice and Claims Agent at the address above or by downloading the exhibits and documents from the website of the LINN Debtors’ Notice and Claims Agent at <https://cases.primeclerk.com/linn> (free of charge) or the Court’s website at <http://www.tx.uscourts.gov> (for a fee).

II. Do the LINN Debtors recommend voting in favor of the Plan?

Yes. The LINN Debtors believe the Plan provides for a larger distribution to the LINN Debtors’ creditors than would otherwise result from any other available alternative. The LINN Debtors believe the Plan, which contemplates a significant deleveraging of the LINN Debtors’ balance sheet and enables them to emerge from chapter 11 expeditiously, is in the best interest of all Holders of Claims, and that any other alternatives (to the extent they exist) fail to realize or recognize the value inherent under the Plan.

JJ. Who Supports the Plan?

The Plan is supported by the LINN Debtors, LINN Lenders, the Ad Hoc Group of LINN Second Lien Noteholders, and the Ad Hoc Group of LINN Unsecured Noteholders, as set forth in the following chart:

Consenting Parties	Support (expressed as an approximate percentage of the total principal amount of claims outstanding)
LINN Debtors	100.0%
LINN Lenders	[93.0%]
Add Hoc Group of LINN Second Lien Noteholders	[88.2%]
Ad Hoc Group of LINN Unsecured Noteholders	[70.0%]

KK. What is the Committee's position on the Plan?

The LINN Debtors are presently working with the Committee to resolve any objections the Committee may have to the Plan.

The Committee will disclose its recommendation with respect to the Plan in a letter which will be posted to the Committee's information website on or before January 5, 2017.

The Committee's information website can be found at: <http://dm.epiq11.com/#!/case/LGY/info>.

V. THE BANK RSA, THE LINN RSA, AND THE LINN BACKSTOP AGREEMENT

A. The Bank RSA

Leading up to the Petition Date, the Debtors entered into comprehensive restructuring negotiations with their major creditor constituencies. These constituencies include a steering committee of both Holders of LINN Lender Claims and Holders of Berry Lender Claims, the Ad Hoc Group of LINN Second Lien Noteholders, the Ad Hoc Group of LINN Unsecured Noteholders, and the Berry Ad Hoc Group. Each of these groups organized and retained advisors to facilitate due diligence and negotiations.

In a series of meetings beginning in February 2016, first with advisors and later with principals, the Debtors consistently expressed the view that junior creditors at both LINN and Berry should commit new equity capital to sponsor their respective restructurings. By April 20, 2016, principals in the ad hoc noteholder groups across the Debtors' capital structure had signed nondisclosure agreements and had begun conducting due diligence toward that end. Although the Debtors were in constructive dialogues with both the holders of LINN Second Lien Notes and the Holders of Berry Unsecured Notes around potential new-money investments, both groups informed the Debtors that they required additional time to conduct diligence before they could provide investment proposals. The Debtors also engaged in constructive discussions with holders of LINN Unsecured Notes, but no agreements were reached regarding the terms of a restructuring.

The Debtors, however, faced both the expiration of the May 11, 2016, extension of the going-concern defaults and the expiration of a grace period on May 15, 2016, with respect to approximately \$31 million of coupon payments on LINN Unsecured Notes. Even if a further extension as to the going-concern default could be obtained, given the imperative to conserve cash in the current commodity price environment, the Debtors believed it would be imprudent to make a large additional coupon payment on unsecured debt to further forestall a chapter 11 restructuring. Thus, while continuing to encourage junior stakeholders to commit new-money capital and facilitating their extensive diligence efforts on that front, the Debtors focused on obtaining the commitment of their first lien lenders to support a restructuring and the consensual use of cash collateral.

These efforts ultimately bore fruit. On May 10, 2016, the Debtors executed the Bank RSA with holders of more than 66.67 percent in amount of debt issued under each of LINN's and Berry's first lien credit facility and, in each case, more than 50 percent in number of creditors. Upon execution of the Bank RSA, the LINN Debtors permanently repaid \$350 million borrowings under the LINN First Lien Credit Facility.

The Bank RSA contemplated the following key terms, among others, of one or more plans of reorganization:

- a new LINN \$2.2 billion exit facility, participation in which will satisfy claims under the LINN First Lien Credit Facility unless such claims exceed \$2.2 billion;
- payment in cash of any claims under the LINN First Lien Credit Facility in excess of \$2.2 billion;
- treatment of the LINN Second Lien Notes in a manner consistent with the Second Lien Settlement Agreement;
- the conversion of the LINN Debtors' unsecured claims (including claims under the LINN Second Lien Notes and LINN Unsecured Notes) to equity in Reorganized LINN or, potentially, LinnCo;
- the potential for a rights offering for Reorganized LINN Common Stock or LinnCo common stock or another form of new-money investment; and
- the separation of Berry from the LINN Debtors, either through the conversion of a significant portion of Berry debt to equity or through a new-money investment, subject to a marketing process for the opportunity to sponsor the plan.

B. The LINN RSA

Subsequent to the Petition Date, the LINN Debtors continued negotiations with their various creditor constituencies with the intent of executing a value maximizing restructuring transaction for the benefit of their estates. As part of these negotiations, the LINN Debtors solicited and received several "new-money" proposals, from each of: (1) Ad Hoc Group of LINN Unsecured Noteholders, (2) the Ad Hoc Group of LINN Second Lien Noteholders; (3) the First Potential Investor; and (4) the Second Potential Investor. After thorough analysis and

discussion with its advisors, however, the LINN Debtors determined not to proceed with the Second Potential Investor's proposal. Following several weeks of individual negotiations between the LINN Debtors and each of the Ad Hoc Group of LINN Unsecured Noteholders, the Ad Hoc Group of LINN Second Lien Noteholders, the First Potential Investor, and the Second Potential Investor, the Ad Hoc Group of LINN Unsecured Noteholders and Ad Hoc Group of LINN Second Lien Noteholders combined efforts, making the Joint Creditor Proposal. The LINN Debtors continued the now dual-track negotiations for several weeks in an effort to maximize liquidity and other benefits available to the LINN Debtors under each of the First Potential Investor-led proposal and the Joint Creditor Proposal. Through these parallel path negotiations, the LINN Debtors were able to improve the proposals from each party, with respect to the amount of the new money investment, and the terms on which such money would be invested.

Following several weeks of good faith, arms'-length negotiations with each of the First Potential Investor, the Ad Hoc Group of LINN Second Lien Noteholders, and the Ad Hoc Group of LINN Unsecured Noteholders, the Boards of the LINN Debtors determined, after consultation with their advisors, that the Joint Creditor Proposal maximized value for all parties in interest, best positioned the LINN Debtors to emerge from chapter 11 as a successful going concern, and represented the best available alternative. The terms of the Joint Creditor Proposal were documented in the LINN RSA.

The LINN RSA contemplates the following key terms, among others:

- payment of the LINN Lender Paydown out of the proceeds of the LINN Rights Offerings
- New LINN Exit Facility in the aggregate amount of \$1.7 billion, participation in which will satisfy claims under the LINN First Lien Credit Facility [unless such claims exceed \$1.7 billion];
- payment in cash of any claims under the LINN First Lien Credit Facility in excess of \$1.7 billion;
- settlement of all disputes, claims, and causes of action related to the LINN Second Lien Notes on the terms set forth summarized above;
- conversion of unsecured claims against the LINN Debtors (including claims under the LINN Second Lien Notes, the LINN Unsecured Notes, and the Holders of LINN General Unsecured Claims) to equity in Reorganized LINN or, potentially, LinnCo;
- \$530 million fully-backstopped rights offerings for Reorganized LINN Common Stock pursuant to the LINN Rights Offerings.

The LINN Exit Facility embodied in the LINN RSA is a critical feature of the agreement from the LINN Debtors' perspective. The LINN Exit Facility includes a \$1.4 billion reserve-based revolving credit facility with a borrowing base that is not subject to aggregate reduction through maturity as well as the \$300 million Reorganized LINN Term Loan. Given

the current depressed market for oil and natural gas, the LINN RSA and the LINN Exit Facility bestow significant value on the LINN Debtors' estates, which will, in turn, assist in the continued viability of the LINN Debtors subsequent to these chapter 11 cases.

C. The LINN Backstop Agreement

On October 25, 2016, the LINN Debtors executed the LINN Backstop Commitment Agreement with the LINN Initial Backstop Parties, which provides for an aggregate \$530 million fully back-stopped, new-money investment in the LINN Debtors pursuant to the LINN Rights Offerings. The LINN Backstop Agreement contains the following key terms:

- a \$210,995,592 rights offering of Reorganized LINN Common Stock to be funded on the Effective Date and available to Eligible Holders of Allowed LINN Second Lien Notes Claims;
- a backstop commitment for the LINN Secured Rights Offering from the LINN Secured Commitment Parties;
- a \$319,004,408 rights offering of Reorganized LINN Common Stock to be funded on the Effective Date and available to Eligible Holders of Allowed LINN Unsecured Notes Claims; and
- a backstop commitment for the LINN Unsecured Rights Offering from the LINN Unsecured Commitment Parties.

While the LINN Debtors remain committed to working with other constituents in the capital structure on the terms of superior restructuring transactions, the LINN Debtors believe that the Plan represents the best available alternative to maximize value for all stakeholders and emerge from Chapter 11 at this time. The Plan will significantly reduce long-term debt and annual interest payments and result in a stronger balance sheet for the LINN Debtors.

The Plan represents the last step in the LINN Debtors' months-long restructuring process. The LINN RSA, which sets forth the key terms of the Plan will allow the LINN Debtors to proceed expeditiously through chapter 11 to a successful emergence. The Plan will significantly deleverage the LINN Debtors' balance sheet and provide the capital injection needed for the LINN Debtors to return to competitive operations going forward.

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

A. The Debtors

The Debtors are an independent oil and natural gas company headquartered in Houston, Texas. LinnCo has no funded debt and is a publicly-traded company that currently owns approximately 71 percent of Debtor LINN's outstanding units, the remainder of which are publicly held. LINN and certain direct and indirect Debtor subsidiaries, other than Berry, are the obligors on the majority of the Debtors' funded debt. LINN, through its direct subsidiary, LAC, indirectly owns a 100 percent membership interest in Berry, which has separate funded debt. The LINN Debtors acquired Berry in December 2013 in a stock-for-stock transaction.

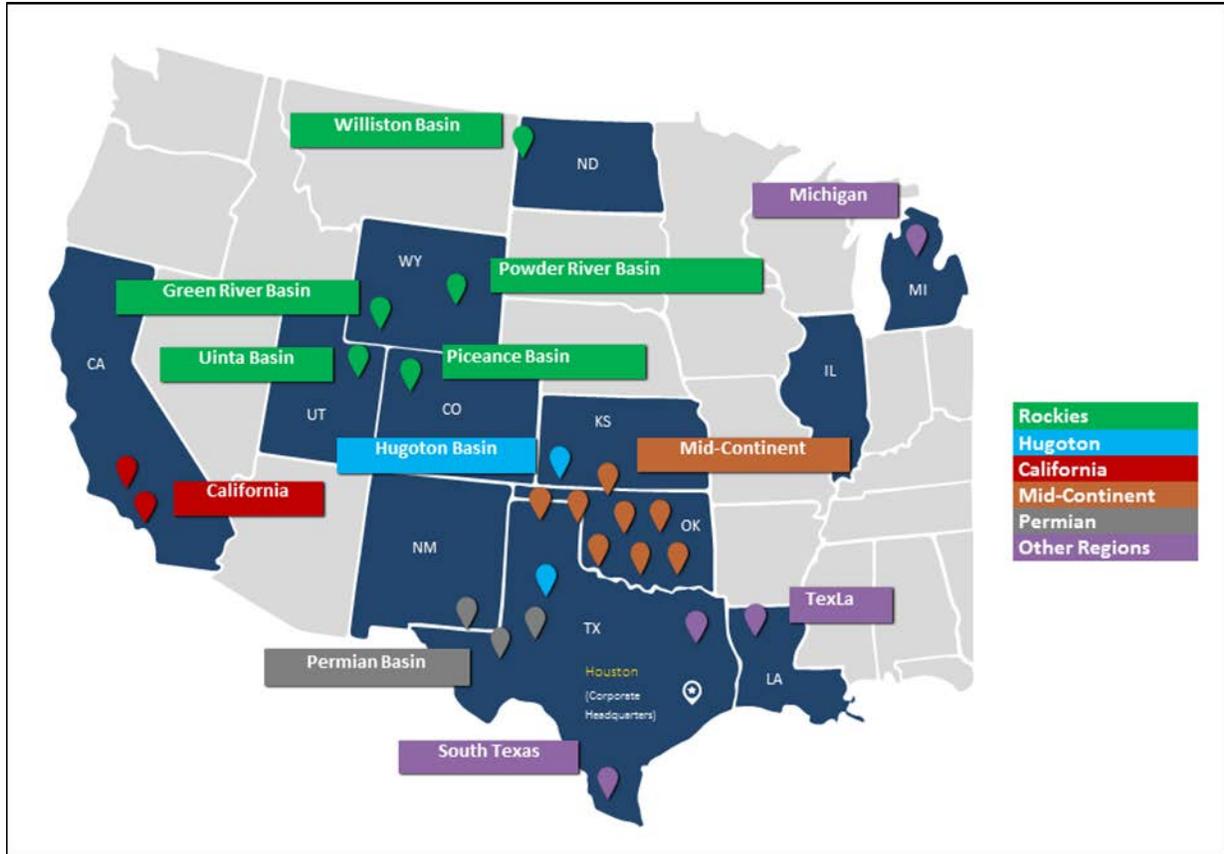
The Debtors are operationally integrated. The Debtors' workforce, which is not unionized, currently includes approximately 1,500 employees. A corporate organization chart is attached as **Exhibit C**. Below is a summary of the Debtors' businesses and operations.

B. Assets and Operations

In general, the Debtors' operations involve the acquisition and development of long-life oil and natural gas assets. Unlike many upstream companies focused on exploration for assets with high production growth, the Debtors develop mature assets and drill known reservoirs. Through leases entered into with mineral rights owners throughout the Debtors' operating regions, the Debtors hold working interests in oil and gas properties that provide them with the right to drill and maintain wells in the applicable geographic areas. The Debtors acquire producing oil and natural gas wells from other operators and then design and drill additional wells on the same acreage, continuing to operate producing wells to improve and extend the production of the existing wells.

Produced oil and natural gas is transported to the end user through an extensive network of pipelines and gathering systems. New pipelines are constructed continually in high growth regions, which is both time consuming and capital intensive but integral to oil and natural gas production because hydrocarbons are difficult and expensive to transport by vehicle or vessel. As a result, the availability of adequate pipeline infrastructure and the cost to transport such crude oil and natural gas directly impacts the profitability of any given crude oil and natural gas property. Upstream oil and natural gas companies, including the Debtors, are dependent on seamless interaction with hydrocarbon gatherers, transporters, and processors—participants in the “midstream” sector of the oil and gas industry—to maintain both profitable and environmentally compliant operations.

The Debtors have eight principal operating regions: Hugoton Basin; Rockies; California; Mid-Continent; Permian Basin; TexLa; South Texas; and Michigan/Illinois. Across all regions, the Debtors' oil and natural gas production for 2015 averaged 1.2 billion cubic feet equivalent per day, and for the six months ended June 30, 2016, averaged 1.1 billion cubic feet equivalent per day. During 2015, the Debtors generated approximately \$1.2 billion of net cash provided by operating activities, and for the six months ended June 30, 2016, operated approximately \$801 million of net cash provided by operating activities.

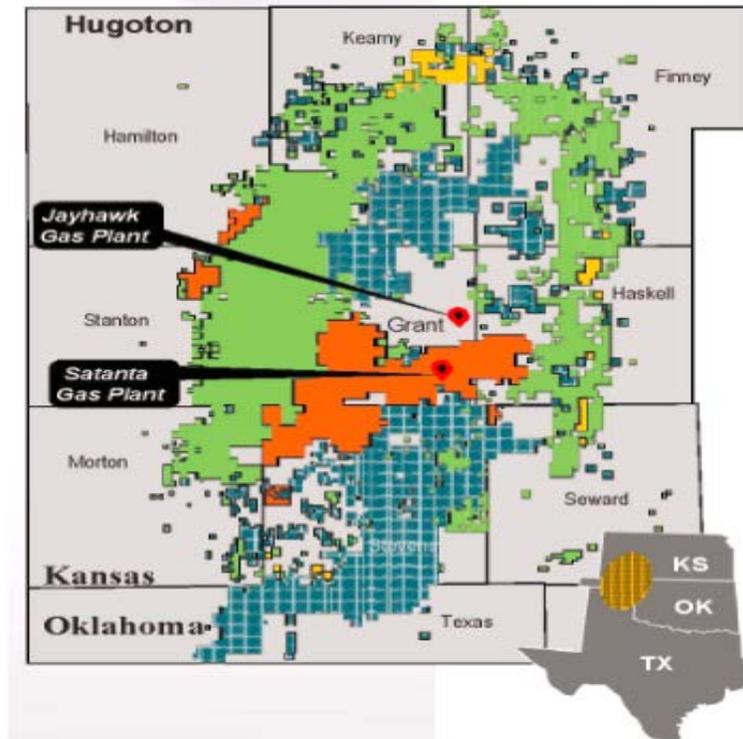


The Debtors' eight operating regions

1. The Hugoton Basin

The Hugoton Basin is a large oil and natural gas producing area located in southwest Kansas and extending through the Oklahoma Panhandle into the central portion of the Texas Panhandle. The Debtors had approximately 7,860 gross wells in the region as of year-end 2015, which primarily produce natural gas from formations at depths ranging from 2,200 to 3,200 feet. These properties generated production of approximately 252 million cubic feet equivalent per day (“MMcfe/d”) in 2015, and approximately 240 MMcfe/d for the six months ended June 30, 2016. Properties in the Hugoton Basin represented approximately 31 percent of the Debtors' total proved reserves at year-end 2015.

The Debtors also own and operate midstream assets in the Hugoton Basin. The Debtors own the Jayhawk natural gas processing plant and a 51 percent operating interest in the Satanta natural gas processing plant. The Debtors' production in the area is delivered to these plants via a system of approximately 3,920 miles of pipeline and related facilities operated by the Debtors, of which approximately 2,065 miles are owned by the Debtors.

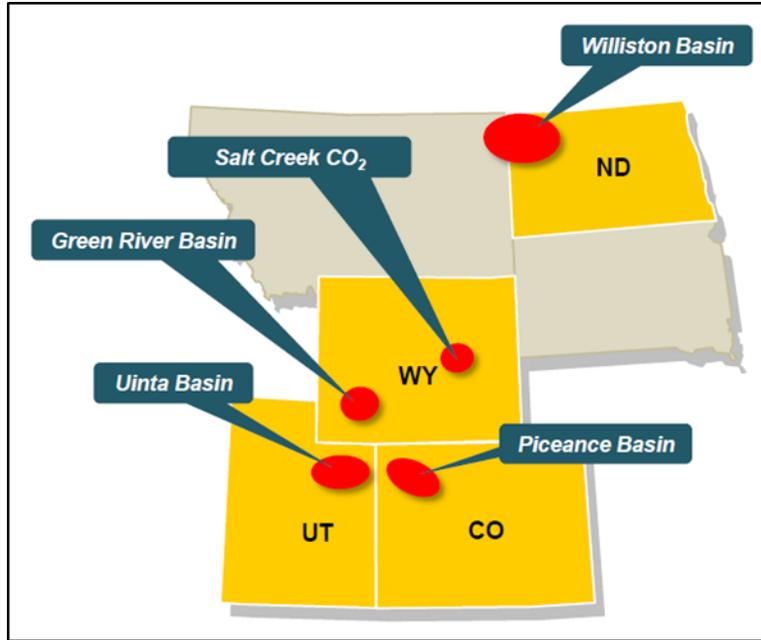


The Debtors' Hugoton Basin region

2. The Rockies

The Debtors' Rockies region includes properties in Wyoming (Green River, Washakie, and Powder River basins), northeast Utah (Uinta Basin), North Dakota (Bakken and Three Forks formations in the Williston Basin), and northwest Colorado (Piceance Basin). The Debtors had approximately 5,500 gross wells in the region as of year-end 2015, which produce both oil and natural gas at depths ranging from 1,000 to 15,000 feet. These properties generated production of approximately 426 MMcfe/d in 2015, and approximately 393 MMcfe/d for the six months ended June 30, 2016, making the Rockies the Debtors' highest-producing operating region. Properties in the region represented approximately 22 percent of the Debtors' total proved reserves at year-end 2015.

The Debtors built their operating position in the Rockies through a series of acquisitions beginning in 2011, culminating in the acquisition of Berry in 2013 and an asset acquisition from Devon in 2014. As is the case in the Hugoton Basin, the Debtors also own and operate midstream assets in the Rockies. This includes a network of natural gas gathering systems comprised of approximately 845 miles of pipeline and associated compression and metering facilities that connect to numerous sales outlets in the area. The Debtors also own the Brundage Canyon natural gas processing plant located in Northeastern Utah.

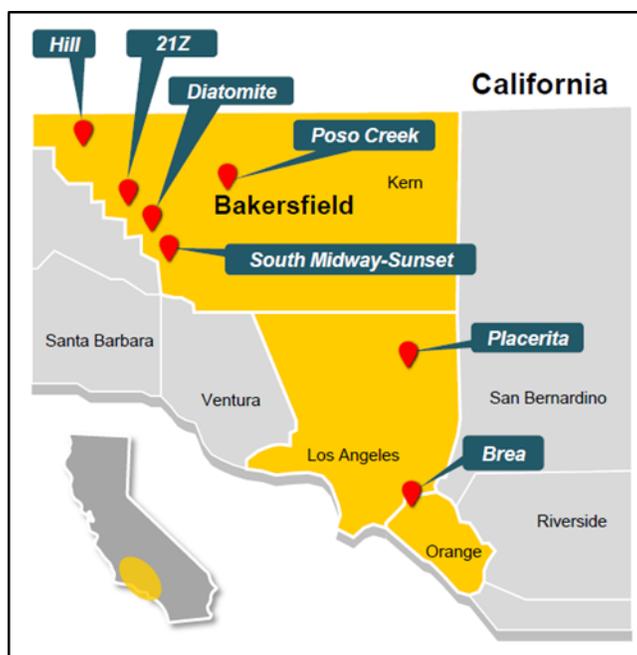


The Debtors' Rockies region

3. California

The Debtors' California region consists of properties located in the San Joaquin Valley and Los Angeles Basins. The Debtors had approximately 2,700 gross wells in the region as of year-end 2015, which primarily produce heavy oil. These properties generated production of approximately 185 MMcfe/d in 2015 and approximately 164 MMcfe/d for the six months ended June 30, 2016. Properties in California represented approximately 16 percent of the Debtors' total proved reserves at year-end 2015.

The Debtors utilize thermally-enhanced heavy oil recovery methods in the region, which involve the introduction of heat into the formation, injected in the form of steam, to reduce oil viscosity. To facilitate these thermal recovery techniques, the Debtors own and operate three cogeneration facilities. Cogeneration, also called "combined heat and power," extracts energy from the exhaust of a turbine to produce steam. The Debtors also owned 79 conventional steam generators as of year-end 2015 and purchase natural gas used for steam generation purposes.



The Debtors' California properties

4. Other Operating Regions

The following table summarizes the Debtors' other operating regions. The Debtors had approximately 10,940 gross wells in these regions in the aggregate as of year-end 2015.

Operating Region	Description	Average 2015 Production (MMcfe/d)	Average Six Months Ended June 30, 2016 Production (MMcfe/d)
Mid-Continent	Oklahoma properties located in the Anadarko and Arkoma basins, as well as operations in the Central Oklahoma Platform	100	99
TexLa	Properties located in east Texas and north Louisiana	82	80
Permian Basin	Properties located in west Texas and southeast New Mexico	80	60
South Texas	Properties located in South Texas	32	29
Michigan/Illinois	Properties located in the Antrim Shale formation in north Michigan and oil properties in south Illinois	31	31

5. Hedging Portfolio

To reduce exposure to declining oil and natural gas prices, the Debtors historically maintained an industry-leading hedging portfolio of oil and natural gas swaps, put options, and collars. These commodity derivative instruments generally provided cash settlement payments to the Debtors when prevailing oil and natural gas prices were below contract prices on the settlement date. During the year ended December 31, 2015, the Debtors had commodity derivative contracts for approximately 81% of its natural gas production and 83% of its oil production. By removing a significant portion of the price volatility associated with production, the Debtors' hedging portfolio mitigated but did not eliminate the effects of the sustained decline in commodity prices. The hedging portfolio—virtually all of which was held by the LINN Debtors—had a fair market value of approximately \$1.8 billion at year-end 2015.

In anticipation of a chapter 11 filing, the Debtors recognized that their hedging arrangements might be subject to termination by the counterparties (all of which were holders of LINN Lender Claims or Berry Lender Claims) on a postpetition basis, to the extent permitted by the Bankruptcy Code. Termination could permit the counterparty to liquidate the applicable derivative instrument and, due to safe harbors in the Bankruptcy Code, the automatic stay may not prohibit counterparties from doing so.

After assessing the situation, the Debtors concluded that there was a significant risk that hedging counterparties would seek to liquidate all or a substantial portion of the Debtors' hedging portfolio in a compressed timeframe shortly after the Petition Date. Given the size of the portfolio and the potential adverse impact on value of a rapid liquidation postpetition, the Debtors determined to commence an orderly unwinding of the portfolio before the Petition Date. The Debtors completed the unwinding of the LINN Debtors' hedges on May 6, 2016. Proceeds of approximately \$1.2 billion were applied to borrowings outstanding under the LINN First Lien Credit Facility as required by the LINN First Lien Credit Facility documents. As of the Petition Date, the LINN Debtors did not have a hedging portfolio. As of the Petition Date, the fair value of Berry's hedging portfolio was approximately \$853,000. During May 2016, and July 2016, Berry's counterparties cancelled (prior to the contract settlement dates) all of Berry's then-outstanding derivative contracts for net proceeds of approximately \$2 million. These proceeds, in turn, were applied to borrowings outstanding under the [Berry First Lien Credit Facility as required by the Berry First Lien Credit Facility documents.]

C. Prepetition Capital Structure

As of June 30, 2016, the Debtors had approximately \$7.701 billion of funded debt. That amount includes the LINN Debtors' approximate \$5.969 billion of funded debt and Berry's approximate \$1.732 billion of funded debt. The LINN Debtors and Berry are not obligated on each other's debt. The following table summarizes the Debtors' prepetition capital structure:

LINN Debtors	Approx. Outstanding as of June 30, 2016
LINN First Lien Revolving Loan ⁵	\$1,662,000,000
LINN First Lien Term Loan	\$284,000,000
Total LINN First Lien Credit Facility	\$1,946,000,000
LINN Second Lien Notes	\$1,000,000,000
LINN 6.50% Senior Notes due May 2019	\$562,000,000
LINN 6.25% Senior Notes due November 2019	\$581,000,000
LINN 8.625% Senior Notes due April 2020	\$719,000,000
LINN 7.75% Senior Notes due February 2021	\$780,000,000
LINN 6.50% Senior Notes due September 2021	\$381,000,000
Total LINN Unsecured Notes	\$3,023,000,000
Total LINN Debt	\$5,969,000,000
Berry	Approx. Amount as of June 30, 2016
Berry First Lien Credit Facility⁶	\$898,000,000
Berry 6.75% Senior Notes due November 2020	\$261,000,000
Berry 6.375% Senior Notes due September 2022	\$573,000,000
Total Berry Unsecured Notes	\$834,000,000
Total Berry Debt	\$1,732,000,000
Total LINN and Berry Debt	\$7,701,000,000

⁵ Including approximately \$7.5 million in letters of credit.

⁶ Including approximately \$26.2 million in letters of credit.

1. LINN Debtors

(a) LINN First Lien Credit Facility

Pursuant to the LINN Credit Agreement, the LINN Debtors maintain the LINN First Lien Credit Facility, a reserve-based and term loan first lien credit facility with an effective borrowing base of approximately \$1.9 billion. Borrowings under the LINN First Lien Credit Facility include approximately \$284 million outstanding under a first lien term loan and approximately \$1.662 billion outstanding under a first lien revolving loan (the “LINN First Lien Revolving Loan”), which is effectively fully drawn. The LINN First Lien Credit Facility bears interest at a floating rate, subject to a borrowing base utilization grid, and matures in April 2019, subject to a springing maturity. The LINN First Lien Credit Facility is secured by mortgages on oil and natural gas properties representing approximately [87] percent of the value of the properties listed on the LINN Debtors’ most recent reserve report, liens on certain other assets, and pledges of the ownership interests in each of the LINN Debtors other than LINN Energy (the “LINN Collateral”). Further discussion with respect to the LINN Debtors’ lien analysis is contained in Article VIII.K herein.

(b) Linn Second Lien Notes

The LINN Second Lien Notes consist of \$1.0 billion of outstanding 12.00 percent senior secured second lien notes due December 2020, issued under the Indenture dated November 20, 2015 (the “LINN Second Lien Indenture”), among LINN and LINN Energy Finance Corp., as co-issuers; the other LINN Debtors, as guarantors; and the LINN Second Lien Notes Trustee. The LINN Second Lien Notes were issued in exchange for \$2.0 billion of then outstanding LINN Unsecured Notes.

The LINN Second Lien Notes are secured by liens in the LINN Collateral. The oil and natural gas mortgages securing the LINN Second Lien Notes are subject to release under certain circumstances pursuant to the Second Lien Settlement. A second lien intercreditor agreement, among the LINN Administrative Agent, the LINN Second Lien Notes Trustee, and the LINN Debtors, governs the relative rights of the parties thereto and provides other protections for the benefits of such parties.

(c) LINN Unsecured Notes

The LINN Unsecured Notes consist of approximately \$3.023 billion outstanding on five series of senior unsecured notes issued under five separate indentures, dated April 6, 2010, September 13, 2010, May 13, 2011, March 2, 2012, and September 9, 2014, among LINN and Linn Energy Finance Corp., as co-issuers; the other LINN Debtors, as guarantors; and the LINN Unsecured Notes Trustee. The applicable series, their interest rates, and their maturities are described in the summary table set forth above.

2. Berry

(a) Berry First Lien Credit Facility

Pursuant to the Berry Credit Agreement, Berry maintains the Berry First Lien Credit Facility (together with the LINN First Lien Credit facility, the “First Lien Credit Facilities”), a

reserve-based secured revolving credit facility with an original borrowing base of [\$900 million.] As of June 30, 2016, there are approximately \$898 million of borrowings outstanding under the Berry First Lien Credit Facility (including approximately \$23 million of outstanding letters of credit), which is nearly fully drawn. The Berry First Lien Credit Facility bears interest at a floating rate, subject to a borrowing base utilization grid, and matures in April 2019. The Berry First Lien Credit Facility is secured by mortgages on oil and natural gas properties representing approximately [88] percent of the value of the properties listed on Berry's most recent reserve report and liens on certain other assets.

(b) Berry Unsecured Notes

The Berry Unsecured Notes consist of approximately \$834 million outstanding on two series of senior unsecured notes issued under the Indenture, dated June 15, 2006, among Berry, as issuer, and the Berry Unsecured Notes Trustee. The applicable series, their interest rates, and their maturities are described in the summary table set forth above.

3. Common Shares and Units

LinnCo's authorized capital structure consists of two classes of interests: (a) shares with limited voting rights and (b) voting shares, 100 percent of which are currently held by LINN. As of June 30, 2016, LinnCo's issued capitalization consisted of 244,246,698 outstanding common shares with capitalization of approximately \$3.9 billion and \$1,000 contributed by LINN in connection with LinnCo's formation and in exchange for its voting share.

LINN's common units are publically traded. As of June 30, 2016, there were 355,173,890 common units outstanding with capitalization of approximately \$5.4 billion. In March 2016, LinnCo entered into an exchange offer intended to provide an opportunity for LINN unitholders to exchange their LINN units for LinnCo shares at a one-to-one ratio (the "LinnCo Exchange Offer"). LinnCo now owns approximately 71 percent of LINN's issued and outstanding units.

Until recently, LinnCo's common shares and LINN's units were publically traded on the NASDAQ Global Select Market ("NASDAQ"). On May 24, 2016, the NASDAQ suspended trading of LinnCo's shares and LINN's units based on the failure of LinnCo and LINN to comply with the NASDAQ's continued listing requirements. LinnCo's common shares and LINN's common units now trade on the OTC Markets Group, Inc.'s Pink marketplace.

VII. EVENTS LEADING TO THE CHAPTER 11 FILINGS

A. Adverse Market Conditions

The difficulties faced by the Debtors are consistent with those faced industry-wide. Oil and natural gas companies and others have been challenged by low natural gas prices for years, and prices remained near \$2 per million Btu as of the Petition Date, down from approximately \$6 per million Btu in early 2014. The price of natural gas liquids, likewise, has undergone a steep decline. More recently, the price of crude oil has plummeted: the price of West Texas intermediate crude oil was near \$45 per barrel as of the Petition Date and dropped as low as approximately \$26 per barrel in January 2016, down from prices above \$100 per barrel as recently as July 2014.

These market conditions have affected oil and natural gas companies at every level of the industry around the world. All companies in the oil and gas industry (not just upstream producers) have felt these effects. But independent oil and natural gas companies have been especially hard-hit, as their revenues are generated from the sale of unrefined oil and natural gas. Over 60 exploration & production companies filed for bankruptcy protection in 2015 alone, and more have filed so far in 2016, including most recently Seventy Seven Energy Inc., Sandridge Energy, Inc., Midstates Petroleum Co., and Energy XXI Ltd. Numerous other oil and natural gas companies have defaulted on their debt obligations, negotiated amendments or covenant relief with creditors to avoid defaulting, or have effectuated out-of-court restructurings. The current volatility in the commodity markets has made it especially difficult for some companies to identify and execute on any viable restructuring alternatives.

Despite these material market adjustments, the Debtors were able to maintain strong operations through 2015 and the six months ended June 30, 2016, and the Debtors believe they have ample liquidity to fund both the remainder of their Chapter 11 Cases and their post-emergence business plan. This resulted, in part, from key operational and financial responses to the deteriorating market, as well as a proactive approach to addressing leverage concerns. Specifically, the Debtors determined that proactively pursuing a comprehensive balance sheet restructuring was preferable to attempting to wait out prevailing market conditions.

B. Proactive Approach to Addressing Liquidity Constraints

1. Operational Adjustments

In response to deteriorating market conditions, the Debtors implemented a disciplined strategy to “live within cash flow” and maximize the value of the enterprise while mitigating the effects of declining commodity prices. For 2015, the Debtors decreased total capital expenditures by 67 percent as compared to 2014. The capital budget was further reduced for 2016. The Debtors also reduced recurring lease operating expenses and general and administrative expenses.

To further strengthen their cash position and optimize their portfolio of oil and natural gas assets, in August 2015, the Debtors closed the sale of certain properties in the Permian Basin, in Texas, for approximately \$276 million. Additionally, in January 2015, LINN Energy reduced its distribution to \$1.25 per unit from \$2.90 per unit and, in October 2015, suspended the distribution entirely as of the end of the third quarter of 2015.

The Debtors continue to implement cost reduction initiatives across the organization. In 2016, the Debtors are implementing measures to achieve an anticipated 48 percent further reduction in capital expenditures as compared to 2015. The Debtors likewise continue to focus on reducing lease operating expenses and general and administrative expenses. For example, the Debtors closed their Denver offices and consolidated administrative functions in Oklahoma City and Houston to reduce headcount and maximize efficiency, thereby reducing costs.

2. Liability Management

The Debtors also implemented a liability management program to take advantage of commodity price uncertainty to capture discounts and reduce interest expense. This included discounted open market and privately-negotiated repurchases of approximately \$992 million in

principal amount of LINN Unsecured Notes during 2015. In addition, the Second Lien Exchange consummated on November 20, 2016 also reduced the LINN Debtors' aggregate debt by approximately \$1 billion and resulted in approximately \$16 million in annual interest savings.

3. Appointment of LAC Authorized Representative

As discussed above, Berry is managed by LAC, as its sole member, which is in turn managed by LINN, as its sole member. Under LAC's organization documents, LINN initially designated three of its officers as authorized representatives of LAC to manage LAC on its behalf. On March 10, 2016, LINN appointed Steven Winograd, who is unaffiliated with the Debtors, to serve as a disinterested authorized representative of LAC. In such capacity, he is charged with considering the best interests of Berry in any matters with respect to which the LINN board or any LAC representative determines could potentially involve alleged conflicts of interest between the LINN Debtors and Berry. Mr. Winograd replaced an existing authorized representative of LAC. LAC and Berry have engaged Munger, Tolles & Olson LLP, as legal counsel, and Huron Consulting Services LLC, as financial advisor, to independently advise LAC and Berry with respect to any alleged conflict matters between Berry and the LINN Debtors.

4. LINN Revolver Draw

At the end of January 2016, the LINN First Lien Revolving Loan had approximately \$919 million of availability. To ensure full access to this liquidity, in February 2016, the LINN Debtors borrowed the full remaining undrawn amount under the LINN First Lien Revolving Loan. Access to this cash has proven critical both in restructuring negotiations and as a source of cash to fund the Debtors' ongoing restructuring efforts and going-forward operations. Indeed, the LINN First Lien Revolving Loan is the Debtors' least expensive source of liquidity to fund a post-bankruptcy business plan. As permitted by the LINN Credit Agreement, the Debtors directed that the approximate \$919 million of proceeds be deposited into an account that was not subject to liens securing the LINN First Lien Credit Facility, where the unused amounts remain as of the Petition Date.⁷

5. LINN Second Lien Mortgage Grace Period

Upon closing of the Second Lien Exchange, the LINN Second Lien Notes were secured by pledges of the equity interests in the LINN Debtors other than LINN and certain assets of the LINN Debtors. The LINN Second Lien Indenture obligated the LINN Debtors to convey and make arrangements for recordation of second-lien mortgages on certain oil and natural gas assets within 90 days of the closing of the exchange. On February 18, 2016, to preserve restructuring flexibility, the Debtors determined not to convey the second-lien mortgages at that time and entered into applicable the grace period under the LINN Second Lien Indenture. After extensive negotiations, however, on April 4, 2016, the LINN Debtors entered into the Second Lien Settlement. Pursuant to the terms of the LINN RSA, settlement of all claims and causes of action related to the Second Lien Notes will be implemented through the Plan.

⁷ As of June 30, 2016, LINN had cash of \$775 million and restricted cash of \$205 million.

6. LinnCo Exchange Offer

On March 22, 2016, LinnCo launched the LinnCo Exchange Offer. The LinnCo Exchange Offer was intended to provide an opportunity for LINN unitholders to exchange their LINN units for LinnCo shares at a one-to-one ratio. Under the LinnCo Exchange Offer, LinnCo offered one common share representing limited liability company interests in LinnCo for each outstanding unit representing limited liability company interests in LINN. The offer was for all unrestricted LINN units other than those held by LinnCo. LinnCo registered the LinnCo Exchange Offer under the U.S. Securities Act of 1933. LINN paid the fees and expenses associated with the LinnCo Exchange Offer on LinnCo's behalf. The applicable SEC filings for the LinnCo Exchange Offer made it clear that parties participating in the LinnCo Exchange Offer may ultimately receive no recovery on account of the LinnCo shares received in the LinnCo Exchange Offer. *LinnCo recommended that LINN unitholders obtain independent tax advice before determining whether to participate in the LinnCo Exchange Offer.*

The LinnCo Exchange Offer expired on August 1, 2016. A total of 123,100,715 LINN units were exchanged for LinnCo shares pursuant to the LinnCo Exchange Offer.

7. Entry Into Grace Periods

On April 15, 2016, approximately \$31 million in interest payments were due under the 8.625% LINN Unsecured Notes due April 2020. On May 1, 2016, approximately \$18 million in interest payments were due under the 6.25% LINN Unsecured Notes due November 2019 and approximately \$9 million in interest payments were due under the 6.75% Berry Unsecured Notes due November 2020. The indentures governing each of the applicable series of notes permit the Debtors a 30-day grace period to make the interest payments. To preserve liquidity while restructuring negotiations were underway, the Debtors determined to enter into the grace period with respect to each of these interest payments. The Debtors did not make the payments as of the Petition Date.

VIII. MATERIAL DEVELOPMENTS AND ANTICIPATED EVENTS OF THE CHAPTER 11 CASES

A. 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 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).

B. Expected Timetable of the Chapter 11 Cases

The Debtors expect the Chapter 11 Cases to proceed quickly. Should the Debtors' projected timelines prove accurate, the Debtors could emerge from chapter 11 by [•] 2016. **No assurances can be made, however, that the Court will enter various orders on the timetable anticipated by the Debtors.**

C. First Day Relief

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Petitions"), 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. The Debtors also filed a motion to continue the LinnCo Exchange Offer postpetition [Docket No. 12]. On May 12, May 13, and May 17, 2016, the Court entered orders approving the First Day Motions as well as the continuation of the LinnCo Exchange Offer on either an interim or final basis. A final hearing to approve certain of the First Day Motions, other than the Cash Collateral Motion, Cash Management Motion, and the Hedging Motion, was held on June 27, 2016. On The First Day Motions, and all orders for relief granted in the Chapter 11 Cases, can be viewed free of charge at <https://cases.primeclerk.com/linn>.

1. Cash Collateral Motion

On the Petition Date, the Debtors filed the *Debtors' Emergency Motion for Interim and Final Orders (A) Authorizing Postpetition Use of Cash Collateral, (B) Granting Adequate Protection to Prepetition Lenders, and (C) Granting Related Relief* [Docket No. 18] (the "Cash Collateral Motion") requesting authority for the Debtors to use cash collateral and granting adequate protection to the Prepetition First Lien LINN Secured Parties (as defined in the Cash Collateral Motion) and Prepetition Berry Lenders (as defined in the Cash Collateral Motion). The proposed adequate protection package was composed of (i) superpriority claims, (ii) adequate protection liens, (iii) adequate protection payments, (iv) professional fees and expenses, (v) payment of swap proceeds if any should materialize, and (vi) a financial covenant.

On May 12, 2016, the Berry Ad Hoc Group and Wilmington Trust each filed objections to the Cash Collateral Motion [Docket Nos. 73, 74]. The Berry Ad Hoc Group and Wilmington Trust both argued, among others, that (a) the Debtors' proposed use of cash collateral would permit intercompany transfers between Debtor entities without a mechanism for ensuring remuneration should the court seek to unwind the transfers; (b) the Debtors' proposed adequate protection package was overbroad; and (c) the definition of "Linn Collateral Diminution" (as defined in the cash collateral motion).

On July 5, 2016, Wilmington Trust and the Berry Ad Hoc Group filed supplemental objections that reiterated the arguments raised in their previous objections [Docket No. 461, 466]. Additionally, the Committee filed an objection to the Cash Collateral Motion [Docket No. 467]. The Committee asserted many of the same arguments as set out in the Wilmington Trust and Berry Ad Hoc Group objections as well as additional objections regarding the scope of

adequate protection contemplated by the Cash Collateral Motion. The Committee reiterated these arguments in a supplemental objection filed on July 19, 2016 [Docket No. 606].

On July 28, 2016, after a hearing that spanned several days, the Debtors reached a settlement with the objecting parties which is reflected in the final order approving the Cash Collateral Motion entered on July 31, 2016 [Docket No. 743].

2. Cash Management Motion

On the Petition Date, the Debtors filed the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System and Maintain Existing Bank Accounts and (B) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* [Docket No. 16] (the "Cash Management Motion"). Pursuant to the Cash Management Motion, the Debtors sought the authority to continue to operate their consolidated cash management system, maintain existing bank accounts, use business forms in their present form without reference to Debtors' status as debtors in possession, continue to use certain investment accounts, close existing bank accounts and open new accounts, and continue certain intercompany and netting arrangements between and among the Debtors and their Debtor and non-Debtor affiliates on an administrative priority basis.

The Bankruptcy Court granted interim relief on May 13, 2016 [Docket No. 87]. Each of the Berry Ad Hoc Group, Wilmington Trust, and the Committee filed an objection to the Cash Collateral Motion arguing, among other things, that the LINN Debtors and Berry should maintain separate cash management systems and separate allocations of professional fees [Docket Nos. 73, 74, 461, 466, 467, 606].

On July 28, 2016, after a hearing that spanned several days, the Debtors reached a settlement with the objecting parties which is reflected in the final order approving the Cash Management Motion on July 31, 2016 [Docket No. 744]. As part of the cash management settlement, the Debtors agreed to formulate a work plan within 60 days of entry of the final order approving the Cash Management Motion to address, among other items, cash separation, personnel issues, and contract realignment between Berry and the LINN Debtors. In addition, the Debtors have agreed to provide the Berry Ad Hoc Group with increased reporting related to intercompany transfers.

3. Hedging and Trading Arrangements

On the Petition Date, the Debtors filed *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing the Debtors to (A) Continue Performing Under Prepetition Hedging and Trading Arrangements, (B) Honor Obligations Thereunder, and (C) Enter into and Perform Under Trading Continuation Agreements and New Postpetition Hedging Arrangements* (the "Hedging Motion") [Docket No. 15]. Pursuant to the Hedging Motion, the Debtors sought authority to: (a) honor prepetition payment and collateral obligations under existing forward contracts and swap agreements to hedge their exposure to commodity risks, including price and delivery risk (collectively, the "Hedging and Trading Arrangements") (b) perform all postpetition obligations arising under the Hedging and Trading Arrangements; and (c) enter into and perform under new Hedging and Trading Arrangements on a postpetition basis.

On May 17, 2016, the Bankruptcy Court granted the relief requested in the Hedging Motion on an interim basis [Docket No. 128]. On July 5, 2016 and August 15, 2016, the Committee filed objections to the Hedging Motion arguing, among other things, that the Debtors should be prohibited from maintaining a derivative portfolio in excess of 85 percent of the Debtors' expected future production, and that certain language in the Debtors' proposed order could impermissibly allow receipts from postpetition hedging activity to increase the value of prepetition collateral [Docket Nos. 465, 809].

On August 16, 2016, the Bankruptcy Court entered a final order approving the Hedging Motion [Docket No. 820].

D. Satanta Decommissioning Motion

On November 7, 2016, the Debtors filed *Debtors' Motion for Entry of an Order (A) Authorizing (I) Closure of Plant, (II) Transfer of Plant Capacity, (III) Transfer of Certain Plant Equipment and Assets, and (IV) Termination of Processing Agreement and (B) Approving the (I) Purchase and Sale Agreement, (II) Settlement, and (III) Payment of Severance Obligations and (C) Granting Related Relief* (the "Satanta Decommissioning Motion") [Docket No. 1165]. Pursuant to the Satanta Decommissioning Motion, the Debtors sought authority to: (a) cease operations at the Debtors' fuel-powered Satanta Gas Processing Plant ("Satanta") in Kansas' Hugoton Basin; and (b) transfer Satanta's processing capabilities to the Debtors' nearby electric-powered Jayhawk Gas Processing Plant ("Jayhawk"). The transfer of gas processing capabilities contemplated in the Satanta Decommissioning Motion will allow the Debtors to realize significant long-term savings by avoiding necessary capital expenditures at Satanta while also capturing operational efficiencies at Jayhawk.

On December 1, 2016, the Bankruptcy Court entered a final order approving the Satanta Decommissioning Motion [Docket No. 1236].

E. Other Procedural and Administrative Motions

The Debtors also Filed several other motions subsequent to the Petition Date to further facilitate the smooth and efficient administration of the Chapter 11 Cases and reduce the administrative burdens associated therewith, including:

- Ordinary Course Professionals Motion. On June 1, 2016, the Debtors Filed the *Debtors' Motion for Entry of an Order Authorizing the Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business* [Docket No. 206] (the "OCP Motion"). On June 27, 2016, the Court entered an order granting the OCP Motion [Docket No. 397] (the "OCP Order"). The OCP Order establishes procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course operation of their businesses.
- Claims Bar Date Motion. On July 8, 2016, the Debtors Filed the *Debtors' Motion for Entry of an Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests,*

- (IV) *Approving Notice of Bar Dates* [Docket No. 488] (the “Bar Date Motion”). The Bar Date Motion sought entry of an order approving: (a) September 16, 2016, at 5:00 p.m. (prevailing Central Time), as the deadline for all non-Governmental Units to File Claims in the Chapter 11 Cases; (b) November 7, 2016, at 5:00 p.m. (prevailing Central Time) as the deadline for all Governmental Units to File Claims in the Chapter 11 Cases; (c) procedures for Filing Proofs of Claims; and (d) the form and manner of notice of the bar dates. The Court entered the Bar Date Order, approving the relief requested in the Bar Date Motion on August 4, 2016 [Docket No. 756].
- Interim Compensation Procedures Motion. On June 1, 2016, the Debtors Filed the *Debtors’ Motion for Entry of an Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 205] (the “Interim Compensation Motion”), which sets forth procedures for the interim compensation and reimbursement of expenses of retained Professionals in the Chapter 11 Cases. On July 31, 2016, the Court entered an order approving the Interim Compensation Motion [Docket No. 742] (the “Interim Compensation Order”).
 - Removal Extension Motion. On August 5, 2016, the Debtors Filed the *Debtors’ Motion for Entry of an Order Extending the Time Within Which the Debtors May Remove Actions* [Docket No. 768] (the “Removal Extension Motion”), which seeks entry of an order enlarging the period within which the Debtors may remove actions pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027 by 120 days, up to and including December 7, 2016. On August 15, 2016, the Bankruptcy Court granted the Removal Extension Motion [Docket No. 816].
 - Exclusivity Motion. On August 1, 2016, the Debtors filed the *Debtors’ Motion to Extend Their Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. 749] (the “First Exclusivity Motion”) seeking to extend by 180 days the Debtors’ exclusive period for filing and soliciting votes on a plan of reorganization from September 8, 2016 to March 7, 2017 and November 7, 2016 to May 8, 2017. Subsequently, the Debtors reach an agreement with the Committee on a 130 day extension. The Berry Ad Hoc Group filed an objection to any extension of the exclusivity period [Docket No. 841]. After a hearing, the Bankruptcy Court approved an order as modified to reflect the Debtors’ agreement with the Committee, thereby extending the Debtors’ exclusive period for filing and soliciting votes on a plan of reorganization to January 16, 2017 and March 17, 2017 [Docket No. 870].
 - Contract Procedures Motion. On September 30, 2016, the Debtors filed the *Debtors’ Motion for Entry of an Order (i) Authorizing and Approving Procedures to Reject or Assume Executory Contracts and Unexpired Leases and (ii) Granting Related Relief* [Docket No. 1033] (the “Contract Procedures Motion”) seeking to establish procedures for the rejection, assumption, or assumption and assignment, to the extent applicable, for the Debtors’ approximately 25,000 executory contracts and unexpired leases. On November 7, 2016, the Bankruptcy Court granted the Contract Procedures Motion [Docket No. 1153].

- Claims Procedures Motion. On November 8, 2016, the Debtors filed the *Debtors' Amended Motion for Entry of an Order Approving Omnibus Claims Objection Procedures and Filing of Substantive Omnibus Claims Objections* [Docket No. 1168] (the "Claims Procedures Motion") seeking to establish omnibus claims objection procedures in order to expedite and ultimately complete the claims reconciliation process. As of the filing of this Disclosure Statement, the Debtors have received three formal objections to the Claims Procedures Motion, which is set for final hearing on December 8, 2016. The objections to the Claims Procedures Motion are from Dorchester Minerals, LP and Maecenas Minerals LLP [Claim Nos. 3821, 4100, 4505, and 4671], Jennifer McKnight and Scott McKnight [Claim Nos. 5061, 5077, 5107, and 5149] and certain royalty interest holders [Objection Docket No. 1224] (the "Objecting Claims"). In response to the filed objections, the Debtors have proposed to not file omnibus objections with respect to the Objecting Claims and are waiting on a response from the objecting parties thereto.

F. Appointment of Official Creditors' Committee

On May 23, 2016, the U.S. Trustee Filed the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 159], notifying parties in interest that the U.S. Trustee had appointed the Committee in the Chapter 11 Cases. The Committee is currently composed of the following members: (a) Wilmington Trust Company; (b) The Bank of New York Mellon Trust Company, N.A.; (c) Semptra Rockies Marketing, LLC; (d) Global One Transport, Inc.; and (d) PCS Ferguson. The Committee has retained Ropes & Gray LLP as its legal counsel, Conway MacKenzie as its restructuring advisor, and has sought court approval for the retention of Gardere as local counsel.

G. Retention of Professionals

The Debtors filed applications for and the Bankruptcy Court entered orders approving the retention of various professionals to assist the Debtors in carrying out their duties as debtors in possession and to represent their interests in the Chapter 11 Cases:

- AlixPartners, LLP, as restructuring advisor [Docket Nos. 201, 395];
- Prime Clerk LLC, as administrative advisor and notice and claims agent [Docket Nos. 7, 79];
- Lazard Frères & Co. LLC., as investment banker [Docket Nos. 202, 555];
- Kirkland & Ellis LLP, as restructuring co-counsel [Docket Nos. 204, 399]; and
- Pricewaterhouse Coopers LLP, as bankruptcy accounting and tax advisors [Docket Nos. 238, 474];
- Munger, Tolles & Olson LLP, as restructuring co-counsel to LAC and Berry with respect to Alleged Conflicts Matters [Docket No. 200 and 394]; and
- Huron Consulting Services LLC, as restructuring advisor to LAC and Berry with respect to Alleged Conflicts Matters [Docket Nos. 199 and 393].

H. Other Litigation Matters

In the ordinary course of business, the Debtors are parties to a number of lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims.

With certain exceptions, the Filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases generally is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation Claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases.

Following commencement of the Chapter 11 Cases, certain litigation counterparties have Filed, or may File in the future, requests to modify or lift the automatic stay to continue pursuing their prepetition litigation against the Debtors. The Debtors will evaluate all such requests for relief from the automatic stay on a case-by-case basis and object or resolve on a consensual basis, as appropriate.

I. Employee Compensation Plans

The Debtors currently employ approximately 1,500 employees. As is typical for any organization of similar size, scope, and complexity, the Debtors developed programs to encourage and reward exceptional employee performance.

The Debtors historically have provided compensation programs that encourage and reward exceptional performance. The Debtors also have provided classic retention-based incentives for non-insider employees. On June 1, 2016, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing and Approving the Debtors' (A) Employee Compensation Plan for all Non-Insider Employees, (B) Critical Employee Recognition Program, and (C) Executive Incentive Plan, and (II) Granting Related Relief* [Docket No. 207] (the "Compensation Motion"), seeking authority to pay, in the ordinary course of business: (1) cash distributions to all non-insider employees for each of the final three quarters of the 2016 performance period; (2) two lump sum cash payments in September 2016 and September 2017 to 106 critical, non-insider employees; and (3) cash distributions to six insider employees in the event that they satisfy certain performance metrics.

On June 27, 2016, the Bankruptcy Court entered an order granting the Compensation Motion with respect to the non-insider payments [Docket No. 405]. Subsequently, the Office of the United States Trustee for the Southern District of Texas filed an objection to the continuation of the insider payment plan as articulated in the Compensation Motion [Docket No. 582]. As a result, the Debtors' submitted a reply to the Trustee's objection containing proposed modifications that adjusted not only the total amount of payments under the insider program, but the way in which it measures the insiders' performance [Docket No. 672]. The Bankruptcy Court granted the Debtors' Compensation Motion with respect to the insider payments as modified on August 1, 2016 [Docket No. 753].

J. Rejection and Assumption of Executory Contracts and Unexpired Leases

Prior to the Petition Date and in the ordinary course of business, the Debtors entered into certain Executory Contracts and Unexpired Leases. The Debtors, with the assistance of their advisors, are reviewing the Executory Contracts and Unexpired Leases to identify contracts and leases to either assume or reject pursuant to sections 365 or 1123 of the Bankruptcy Code.

On May 11, 2015, the Debtors Filed the *Debtors' Motion for Entry of an Order Authorizing Rejection of Certain Executory Contracts and Unexpired Lease Effective Nunc Pro Tunc to the Petition Date* [Docket No. 17] (the "Rejection Motion"), seeking authority to reject Executory Contracts and Unexpired Leases. On June 27, 2016, the Court entered an order (the "Rejection Order") granting the relief requested with respect to all but two of the agreements referenced in the Rejection Motion [Docket No. 258]. Pursuant to the Rejection Order, a final determination with respect to agreements not rejected pursuant to the Rejection Order was continued to a later date. Such matters were resolved via two separate stipulations and agreed orders entered on September 12, 2016 [Docket No. 956] and October 5, 2016 [Docket No. 1042], respectively.

On July 22, 2016, the Debtors filed *Debtors' Motion for Entry of an Order Extending the Time Within Which the Debtors Must Assume or Reject Unexpired Leases of Nonresidential Real Property* [Docket No. 651] (the "Rejection Extension Motion").⁸ Given the large number of unexpired leases to which the Debtors are a party, the Debtors Filed the Rejection Extension Motion seeking entry of an order extending by 90 days the time period within which the Debtors must assume or reject unexpired leases of nonresidential real property so that the Debtors may fully and adequately address and appraise the complexities inherent in the leases. On August 18, 2016, the Bankruptcy Court entered an order granting the Rejection Extension Motion [Docket No. 829].

Subsequent to the Rejection Extension Motion, the Debtors have filed four separate motions to reject or assume executory contracts or unexpired leases. The first of these motions (the "Enterprise Rejection Motion") was filed by the Debtors on August 11, 2016 seeking to reject a gas purchasing agreement with Enterprise Products Operating LLC ("Enterprise") [Docket No. 784]. No objections were made to the Enterprise Rejection Motion and on September 7, 2016, this Court granted the Enterprise Rejection without hearing [Docket No. 918]. On November 8, 2016, the Debtors moved: (a) to reject certain of their gas processing agreements with Williams Field Services Company, LLC; and (b) for authorization to enter into a new gas processing agreement with Enterprise Gas Processing, LLC (the "Williams Rejection Motion") [Docket No. 1166]. On December 1, 2016, the Bankruptcy Court entered an order granting the Williams Rejection Motion [Docket No. 1242].

In addition, the Debtors have also sought to: (a) assume the unexpired lease for Berry's corporate offices in Bakersfield, California (the "Bakersfield Assumption Motion") [Docket No. 1043]; (b) assume an amended gas gathering agreement with Enlink Midstream Services, LLC (the "Enlink Assumption Motion") [Docket No. 1014]; and (c) assume certain oil and gas leases in the state of Kansas and on federal or tribal lands [Docket No. 1239] (the "Kansas/Tribal

⁸ The Rejection Extension Motion was amended to include the correct negative notice language as required by LR 9013-1(b) [Docket No. 652].

Assumption Motion”). Pursuant to the Enlink Assumption Motion, the Debtors also sought authorization to enter into a new gas gathering agreement with Enlink Oklahoma Gas Processing, LP. No objections were filed in response to either the Bakersfield Assumption Motion or the Enlink Assumption Motion, and after holding an uncontested hearing on October 27, 2016, the Bankruptcy Court granted both Motions [Docket Nos. 1122 and 1123]. The Kansas/Tribal Motion is set for hearing on January 24, 2016.

The Debtors may file additional motions seeking to assume or reject certain Executory Contracts or Unexpired Leases. Additionally, the Plan Supplement will include information regarding the assumption or rejection of the remaining Executory Contracts and Unexpired Leases. Any Executory Contracts or Unexpired Leases not addressed during the Chapter 11 Cases will be treated in accordance with Article V of the Plan.

K. Mortgage Lien Analysis.

With the assistance of their advisors, the Debtors have sought to determine the extent and identity of their assets that are pledged as security under the LINN Credit Agreement and the Berry Credit Agreement.⁹ Although the analysis remains ongoing, the Debtors have concluded that at least [87] percent of the value of the properties listed on the LINN Debtors’ most recent reserve report is LINN Collateral. At least [88] percent of the value of the properties listed on Berry’s most recent reserve report secure the Berry First Lien Credit Facility.

The Debtors’ analysis is the product of many months of coordinated work between the Debtors’ internal land and legal teams, the Debtors’ external counsel and restructuring advisors, and local counsel engaged by the Debtors across a variety of the jurisdictions in which the Debtors’ assets are located. The analysis underwent numerous rounds of revision in light of additional data, supplemental legal issues raised by assets located in certain areas, and feedback and questions from various external parties claiming interests in the assets. The Debtors invested significant time in informing these stakeholders as to the methods used to reach and revise the collateral determinations. At times this collaboration involved the coordination of joint calls with local counsel, the sharing of legal memoranda prepared by local counsel, joint calls and meetings with the Debtors’ restructuring advisors, the provision of additional land and other legal records by the company, and the facilitation of follow-up research by local counsel.

IX. RISK FACTORS

Holders of Claims 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 LINN 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 under the Plan but will

⁹ The LINN Second Lien Indenture provides that the LINN Second Lien Notes must be secured by all assets securing the LINN Credit Agreement.

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 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 LINN 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 LINN 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 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 Confirmation Date and the Effective Date of the Plan are subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Confirmation Date or the Effective Date will not take place.

3. The LINN Debtors May Fail to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Court to confirm the Plan, the LINN Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the LINN Debtors may seek to confirm an alternative chapter 11 plan or proceed with a sale of all or substantially all of the LINN Debtors' assets pursuant to section 363 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative chapter 11 plan or sale pursuant to section 363 of the Bankruptcy Code would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

4. The LINN 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 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 LINN 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 Court

will confirm the Plan. A non-accepting Holder of an Allowed Claim 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 Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the 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 Court, it is unclear whether the LINN Debtors will be able to reorganize their business and what, if anything, Holders of Allowed Claims against them would ultimately receive on account of such Allowed Claims.

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 will receive on account of such Allowed Claims.

The LINN Debtors, subject to the terms and conditions of the Plan, the LINN RSA, and the LINN Backstop Agreement 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 LINN Debtors believe that the Plan satisfies these requirements, and the LINN Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the 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 the Plan is consummated, the LINN 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 natural 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 LINN Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the LINN Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The LINN Debtors will have retained the exclusive right to propose the Plan upon Filing their Petitions. If the Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the LINN Debtors' ability to achieve confirmation of the Plan in order to achieve the LINN Debtors' stated goals.

Furthermore, even if the LINN Debtors' debts are reduced and/or discharged through the Plan, the LINN Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the LINN Debtors' businesses 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 Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the 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 LINN 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, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

Further, conversion to a case under chapter 7 is a Creditor Termination Event, as that term is defined in the LINN RSA. Occurrence of a Creditor Termination Event entitles, but does not require, the Required Consenting LINN Creditors to terminate the LINN RSA (as more fully set forth therein). The LINN Debtors anticipate that such parties would exercise their termination rights under the LINN RSA if the Chapter 11 Cases converted to cases under chapter 7 of the Bankruptcy Code.

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

Except as otherwise provided in the Plan, the LINN 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 that 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 LINN 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. If the Effective Date does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan, the Disclosure Statement, the LINN RSA, and the LINN Backstop Agreement shall: (a) constitute a waiver or release of any Claims by or Claims against or Interests in the LINN Debtors; (b) prejudice in any manner the rights of the LINN Debtors, any Holder of a Claim or Interest or any other Entity; (c) constitute an admission, acknowledgment, offer, or undertaking by the LINN Debtors, any Holders of Claims or Interests, or any other Entity in any respect; or (d) be used by the LINN Debtors or any Entity as evidence (or otherwise) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments or claims.

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

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims 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 creditor recoveries 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 LINN 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 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 LINN 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 LINN Debtors May Not Be Able to Achieve their Projected Financial Results**

Reorganized LINN may not be able to achieve their projected financial results. The Financial Projections set forth in this Disclosure Statement represent the LINN Debtors' management team's best estimate of the LINN Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of Reorganized LINN' operations, as well as the United States and world economies in general, and the industry segments in which the LINN Debtors operate in particular. While the LINN 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 LINN Debtors do not achieve their projected financial results, the value of the Reorganized LINN Common Stock may be negatively affected and the LINN Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of Reorganized LINN from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the LINN Debtors' historical financial statements.

2. The Reorganized LINN's New Common Equity May Not Be Publicly Traded

The Reorganized LINN Common Stock to be issued under the Plan may not initially be listed on or traded on any nationally recognized market or exchange. Accordingly, there can be no assurance that an active trading market for the Reorganized LINN Common Stock will develop, nor can any assurance be given as to the prices at which such stock might be traded. In the event an active trading market does not develop, the ability to transfer or sell the Reorganized LINN Common Stock may be substantially limited. Finally, there can be no assurance that even if an active trading market does develop, that such shares will trade at prices that are anywhere near (and in fact, may be materially different) to the recovery percentages as set forth in the Disclosure Statement.

3. Certain Holders of Equity Issued Under the Plan May Be Restricted in their Ability to Transfer or Sell their Securities

[To the extent that the LINN Rights and the Reorganized LINN Common Stock issued under the Plan is covered by section 1145(a) of the Bankruptcy Code, it may be resold by the Holders thereof without registration under the Securities Act unless the Holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such securities; provided, however, such rights or shares of such stock will not be freely tradable if, at the time of transfer, the Holder is an "affiliate" of Reorganized LINN as defined in Rule 144(a)(1) under the Securities Act or had been such an "affiliate" within 90 days of such transfer. Such affiliate Holders would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. Resales by Persons who receive LINN Rights and Reorganized LINN Common Stock pursuant to the Plan that are deemed to be "underwriters" would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or applicable law. Such Persons would only be permitted to sell such securities without registration if they are

able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act.

The unsubscribed shares of Reorganized LINN Common Stock purchased by the LINN Backstop Parties pursuant to the LINN Backstop Agreement (which excludes any shares issued on account of the LINN Backstop Commitment Premium) will be issued in reliance upon either (i) section 1145 of the Bankruptcy Code or (ii) section (4)(a)(2) of the Securities Act or Regulation D promulgated thereunder, and each will be “restricted securities” subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration or an applicable exemption from registration under the Securities Act and other applicable law.

LINN Rights and Reorganized LINN Common Stock will not be registered under the Securities Act or any state securities laws, and the LINN Debtors make no representation regarding the right of any Holder of LINN Rights and Reorganized LINN Common Stock to freely resell such shares. *See* Article XII to this Disclosure Statement, entitled “CERTAIN SECURITIES LAW MATTERS,” which begins on page 80.]

4. Certain Securities Law Implications of the Plan

Holders of Allowed Claims should carefully review Article XII of this Disclosure Statement, entitled CERTAIN SECURITIES LAW MATTERS.

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

The LINN Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the LINN 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. If the LINN Debtors fail to maintain the adequacy of their internal controls, the LINN Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required for the LINN Debtors’ financial reporting under SEC rules and regulations and the terms of the agreements governing the LINN Debtors’ indebtedness. Any such difficulties or failure could materially adversely affect the LINN Debtors’ business, results of operations, and financial condition. Further, the LINN Debtors may discover other internal control deficiencies in the future and/or fail to adequately correct previously identified control deficiencies, which could materially adversely affect the LINN Debtors’ businesses, results of operations, and financial condition.

C. Risks Related to the LINN Debtors’ and Reorganized LINN’s Businesses

1. Reorganized LINN May Not Be Able to Generate Sufficient Cash to Service All of their Indebtedness

Reorganized LINN’s ability to make scheduled payments on, or refinance their debt obligations, depends on Reorganized LINN’s financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain

financial, business, legislative, regulatory, and other factors beyond Reorganized LINN's control. Reorganized LINN may be unable to maintain a level of cash flow from operating activities sufficient to permit Reorganized LINN to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, anticipated borrowings under the LINN Exit Facility upon emergence.

2. The LINN Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the LINN 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; (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 LINN Debtors' operations; (e) ability of third parties to seek and obtain Court approval to terminate contracts and other agreements with the LINN Debtors; (f) ability of third parties to seek and obtain Court approval to terminate or shorten the exclusivity period for the LINN 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 LINN Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the LINN Debtors' plans.

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

3. Operating in Bankruptcy for a Long Period of Time May Harm the LINN Debtors' Businesses

The LINN Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Court protection could have a material adverse effect on the LINN 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 Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the LINN 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 LINN 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 LINN Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. Furthermore, the LINN 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, Reorganized LINN's 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 LINN 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 significantly impact the LINN Debtors' consolidated financial statements. As a result, the LINN Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

In addition, if the LINN 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 LINN Debtors' operating plans pursuant to a plan of reorganization. The LINN 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 LINN Debtors' consolidated balance sheets. The LINN Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

5. The LINN Debtors' Substantial Liquidity Needs May Impact Production Levels and Revenue

The LINN Debtors' principal sources of liquidity historically have been cash flow from operations, sales of oil and natural gas properties, borrowings under the LINN First Lien Credit Facility and the Berry First Lien Credit Facility, and issuances of debt or equity securities. If the LINN Debtors' cash flow from operations remains depressed or decreases as a result of lower commodity prices or otherwise, the LINN Debtors' ability to expend the capital necessary to replace proved reserves, maintain leasehold acreage, or maintain current production may be limited, resulting in decreased production and proved reserves over time.

The LINN Debtors face uncertainty regarding the adequacy of their liquidity and capital resources and have extremely limited, if any, access to additional financing. In addition to the cash necessary to fund ongoing operations, the LINN Debtors have incurred significant professional fees and other costs in connection with preparing for the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11

Cases. The LINN Debtors cannot guarantee that cash on hand and cash flow from operations will be sufficient to continue to fund their operations and allow the LINN Debtors to satisfy obligations related to the Chapter 11 Cases until the LINN Debtors are able to emerge from bankruptcy protection.

The LINN Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) ability to comply with the terms and conditions of any cash collateral order entered by the Court in connection with the Chapter 11 Cases; (b) ability to maintain adequate cash on hand; (c) ability to generate cash flow from operations; (d) ability to develop, confirm, and consummate a chapter 11 plan or other alternative restructuring transaction; and (e) the cost, duration, and outcome of the Chapter 11 Cases. The LINN Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the LINN Debtors' control. In the event that cash on hand and cash flow from operations are not sufficient to meet the LINN Debtors' liquidity needs, the LINN Debtors may be required to seek additional financing. The LINN Debtors can provide no assurance that additional financing would be available or, if available, offered to the LINN Debtors on acceptable terms. The LINN Debtors' access to additional financing is, and for the foreseeable future likely will continue to be, extremely limited if it is available at all.

6. Oil and Natural Gas Prices Are Volatile, and Continued Low Oil or Natural Gas Prices Could Materially Adversely Affect the LINN Debtors' Businesses, Results of Operations, and Financial Condition

The LINN Debtors' revenues, profitability and the value of the LINN Debtors' properties substantially depend on prevailing oil and natural gas prices. Oil and natural gas are commodities, and therefore, their prices are subject to wide fluctuations in response to changes in supply and demand. Oil and natural gas prices historically have been volatile and are likely to continue to be volatile in the future, especially given current economic and geopolitical conditions. During 2015, NYMEX-WTI¹⁰ oil prices fell from an already depressed \$60 per Bbl¹¹ to as low as \$35 per Bbl, with prices continuing to fall to a 13-year low of just \$26.55 per Bbl as of close of markets on January 20, 2016. Over the same period, Henry Hub¹² natural gas prices fell from as high as \$3.70 per MMBtu to as low as \$1.76 per MMBtu. Prices as of September 30, 2016, were \$48.24 per Bbl for oil and \$2.91 per MMBtn for natural gas. The LINN Debtors expect such volatility to continue in the future. The prices for oil and natural gas are subject to a variety of factors beyond the LINN Debtors' control, such as:

- the current uncertainty in the global economy;

¹⁰ West Texas Intermediate light sweet crude oil delivered to Cushing, Oklahoma and listed with the New York Mercantile Exchange.

¹¹ "Bbl," or "barrel," is a unit of volume for crude oil and petroleum products. One bbl equals approximately 42 U.S. gallons.

¹² Natural gas delivered to the Henry Hub in Louisiana and listed on the New York Mercantile Exchange.

- changes in global supply and demand for oil and natural gas;
- the condition of the United States and global economies;
- the actions of certain foreign countries;
- the price and quantity of imports of foreign oil and natural gas;
- political conditions, including embargoes, war or civil unrest in or affecting other oil producing activities of certain countries;
- the level of global oil and natural gas exploration and production activity;
- the level of global oil and natural gas inventories;
- production or pricing decisions made by the Organization of Petroleum Exporting Countries (“OPEC”);
- weather conditions;
- technological advances affecting energy consumption; and
- the price and availability of alternative fuels.

Oil and natural gas prices affect the amount of cash flow available to the LINN Debtors to meet their financial commitments and fund capital expenditures. Moreover, prior to the Petition Date, the LINN Debtors had terminated most of their then outstanding commodity derivative contracts, meaning substantially all of the LINN Debtors’ estimated production is exposed to commodity price volatility. Oil and natural gas prices also impact the LINN Debtors’ ability to borrow money and raise additional capital. Lower oil and natural gas prices may not only decrease the LINN Debtors’ revenues on a per-unit basis, but also may reduce the amount of oil and natural gas that the LINN Debtors can produce economically in the future. Higher operating costs associated with any of the LINN Debtors’ oil or natural gas fields will make their profitability more sensitive to oil or natural gas price declines. A sustained decline in oil or natural gas prices may materially and adversely affect the LINN Debtors’ future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. In addition, a sustained decline in oil or natural gas prices might result in substantial downward estimates of the LINN Debtors’ proved reserves. As a result, if there is a further decline or sustained depression in commodity prices, the LINN Debtors may, among other things, be unable to maintain or increase their borrowing capacity, meet their debt obligations or other financial commitments, or obtain additional capital, all of which could materially adversely affect the LINN Debtors’ businesses, results of operations, and financial condition.

7. Drilling for and Producing Oil and Natural Gas Are High Risk Activities with Many Uncertainties that Could Adversely Affect the LINN Debtors' Business, Financial Condition and Results of Operations

The LINN Debtors' future success will depend on, among other things, the success of their development and production activities. The LINN Debtors' decisions to purchase, develop, or exploit properties will depend in part on the evaluation of data obtained through geophysical and geological analysis, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. The LINN Debtors' costs of drilling and operating wells are often uncertain before drilling commences. Overruns in budgeted expenditures are common risks that can make a particular project uneconomical. Further, the LINN Debtors' future business, financial condition, results of operations, liquidity, or ability to finance planned capital expenditures could be materially and adversely affected by any factor that may curtail, delay, or cancel drilling, including the following:

- delays imposed by or resulting from compliance with regulatory requirements;
- unusual or unexpected geological formations;
- pressure or irregularities in geological formations;
- shortages of or delays in obtaining equipment and qualified personnel;
- equipment malfunctions, failures, or accidents;
- unexpected operational events and drilling conditions;
- pipe or cement failures;
- casing collapses;
- lost or damaged oilfield drilling and service tools;
- loss of drilling fluid circulation;
- uncontrollable flows of oil, natural gas, and fluids;
- fires and natural disasters;
- environmental hazards, such as natural gas leaks, oil spills, pipeline ruptures, and discharges of toxic gases;
- adverse weather conditions;
- decreases in oil and natural gas prices;
- oil and natural gas property title problems; and

- market limitations for oil and natural gas.

If any of these factors were to occur with respect to a particular field, the LINN Debtors could lose all or a part of their investment in the field, or they could fail to realize the expected benefits from the field, either of which could materially and adversely affect their revenue and profitability.

8. Commodity Prices and Hedging May Present Additional Risks

The Hedging Motion authorizes the LINN Debtors to perform under new Hedging and Trading Arrangements on a postpetition basis. If the LINN Debtors are unable or unwilling to enter into commodity derivatives in the future on favorable terms, the LINN Debtors could be more affected by changes in commodity prices than their competitors that engage in favorable hedging arrangements. The LINN Debtors' inability to hedge the risk of low commodity prices in the future, on favorable terms or at all, could have a material adverse impact on their businesses, financial condition, and results of operations.

The LINN Debtors' entry into commodity derivatives may limit the benefit the LINN Debtors would receive from increases in commodity prices. These arrangements would also expose the LINN Debtors to risk of financial losses in some circumstances, including the following: (a) the LINN Debtors' production could be materially less than expected; or (b) the counterparties to the contracts could fail to perform their contractual obligations.

If the LINN Debtors' actual production and sales for any period are less than the production covered by any commodity derivatives (including reduced production due to operational delays) or if the LINN Debtors are unable to perform their exploration and development activities as planned, the LINN Debtors might be required to satisfy a portion of their obligations under those commodity derivatives without the benefit of the cash flow from the sale of that production, which may materially impact the LINN Debtors' liquidity. Additionally, if market prices for production exceed collar ceilings or swap prices, the LINN Debtors would be required to make cash payments, which could materially adversely affect their liquidity.

9. Reorganized LINN May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases

In the future, Reorganized LINN 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 Reorganized LINN's financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that Reorganized LINN may become party to, nor the final resolution of such litigation. The impact of any such litigation on Reorganized LINN's businesses and financial stability, however, could be material.

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

The LINN Debtors' operations are dependent on a relatively small group of key management personnel, including the LINN Debtors' executive officers. The LINN Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key

management personnel and employees. As a result, the LINN Debtors may experience increased levels of employee attrition. Because competition for experienced personnel in the oil and gas industry can be significant, the LINN 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 LINN 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 LINN Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the LINN Debtors' businesses and the results of operations.

11. Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the LINN 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 LINN Debtors' Filing of their Petitions 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 Reorganized LINN's financial condition and results of operations on a post-reorganization basis.

X. 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 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 D**.

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 Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all Holders of claims against a debtor are entitled to vote on a chapter 11 plan. The table in section IV.C of this Disclosure Statement, entitled "Am I entitled to vote on the Plan?," which begins on page 16, 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) under the Plan.

As shown in the table, the LINN Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes A3, A4, A5, A6, A7, B3, B4, and B5 (collectively, the "Voting Classes"). The Holders of Claims in the Voting Classes are Impaired under the Plan and may, in certain circumstances, receive a distribution under the Plan. Accordingly, Holders of Claims in the Voting Classes have the right to vote to accept or reject the Plan.

The LINN Debtors are *not* soliciting votes from Holders of Claims and Interests in Classes A1, A2, A8, A9, A10, A11, B1, B2, B6, B7, and B8. Additionally, the Disclosure Statement Order provides that certain Holders of Claims in the Voting Classes, such as those Holders whose Claims 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 Voting Record Date is [•], 2016. The Voting Record Date is the date on which it will be determined which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims 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.

C. Voting on the Plan

The Voting Deadline is [•], 2017, at 4:00 p.m. (prevailing Central Time). In order to be counted as votes to accept or reject the Plan, all ballots must be (a) electronically submitted utilizing the online balloting portal maintained by the Notice and Claims Agent on or before the Voting Deadline; or (b) properly executed, completed, and delivered (either by using the return envelope provided, by first class mail, overnight courier, or personal delivery) so that the ballots are **actually received** by the Notice and Claims Agent on or before the Voting Deadline at the following address:

DELIVERY OF BALLOTS

**LINN ENERGY, LLC
C/O PRIME CLERK LLC
830 3RD AVENUE 3RD FLOOR
NEW YORK, NY 10022**

If you received an envelope addressed to your nominee, please return your ballot to your nominee, allowing enough time for your nominee to cast your vote on a ballot before the Voting Deadline.

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; (2) it was transmitted by facsimile, email, or other electronic means other than as

specifically set forth in the ballots; (3) it was cast by an Entity that is not entitled to vote on the Plan; (4) it was cast for a Claim listed in the LINN Debtors' Schedules as contingent, unliquidated, or disputed for which the applicable Claims 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 LINN Debtors, the LINN Debtors' agents/representatives (other than the Notice and Claims Agent), the LINN Administrative Agent, an indenture trustee, or the LINN Debtors' financial or legal advisors instead of the Notice 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 NOTICE AND CLAIMS AGENT TOLL-FREE AT
844-276-3026.
ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE
NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL
NOT BE COUNTED.**

XI. 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 Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The LINN Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11; (2) the LINN 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.

If any Parties intend to seek discovery in connection with Confirmation of the Plan, such Parties are encouraged to seek such discovery as soon as possible, because (1) there is no guarantee that there will be sufficient funds to finance the Chapter 11 Cases if the Confirmation Hearing is delayed due to protracted Plan discovery and (2) a protracted discovery timeline likely would cause the LINN Debtors to breach certain milestones in the LINN RSA and the LINN Backstop Agreement. There can be no guarantee the Restructuring Support Parties will continue to support the Plan, or any other plan of reorganization, in that scenario. Further, if this happens, as the LINN Debtors have stated previously in the Chapter 11 Cases and elsewhere in this Disclosure Statement, the LINN Debtors may be forced to liquidate, resulting in zero to very low recoveries for all stakeholders.

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 LINN Debtors liquidated under chapter 7.

Attached hereto as **Exhibit E** and incorporated herein by reference is a liquidation analysis (the “Liquidation Analysis”) prepared by the LINN Debtors with the assistance of AlixPartners LLP, the LINN Debtors’ restructuring advisor. As reflected in the Liquidation Analysis, the LINN Debtors believe that liquidation of the LINN Debtors’ businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Claims as compared to distributions contemplated under the Plan. Consequently, the LINN Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Claims than would a liquidation under chapter 7 of the Bankruptcy Code.

If the Plan is not confirmed, and the LINN Debtors fail to propose and confirm an alternative plan of reorganization, the LINN Debtors’ businesses may be liquidated pursuant to the provisions of a chapter 11 liquidating plan. In liquidations under chapter 11, the LINN Debtors’ assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. Thus, a chapter 11 liquidation may result in larger recoveries than a chapter 7 liquidation, but the delay in distributions could result in lower present values received and higher administrative costs. Any distribution to Holders of Claims under a chapter 11 liquidation plan would most likely be substantially delayed. Most importantly, the LINN Debtors believe that any distributions to creditors in a chapter 11 liquidation scenario would fail to capture the significant going concern value of their businesses, which is reflected in the Reorganized LINN Common Stock to be distributed under the Plan. Accordingly, the LINN Debtors believe that a chapter 11 liquidation would not result in distributions as favorable as those under the Plan.

Further, conversion to a case under Chapter 7 or failure to confirm a plan of reorganization are each a Creditor Termination Event, as that term is defined in section 7 of the LINN RSA. Occurrence of a Creditor Termination Event entitles, but does not require, the Required Consenting Creditors, as defined in the LINN RSA, to terminate the LINN RSA (as more fully set forth therein). The LINN Debtors anticipate that such parties would exercise their termination rights under the LINN RSA if the Chapter 11 Cases converted to cases under chapter 7 of the Bankruptcy Code or if the LINN Debtors fail to obtain Confirmation of the Plan and are forced to pursue a plan of liquidation.

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 LINN Debtors, with the assistance of Lazard, have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the LINN Debtors have prepared a projected consolidated income statement, which includes the following: (a) the LINN Debtors' consolidated, unaudited, preliminary, financial statement information for the fiscal year ended December 31, 2016 and (b) consolidated, projected, unaudited, financial statement information of Reorganized LINN (collectively, the "Financial Projections") for the period beginning 2017 and continuing through 2020. The Financial Projections are based on an assumed Effective Date of January 31, 2017 and certain assumptions regarding the LINN Debtors' ability to obtain Exit Financing. To the extent that the Effective Date occurs before or after January 31, 2017, recoveries on account of Allowed Claims could be impacted. Creditors and other interested parties should review Article IX of this Disclosure Statement, entitled "RISK FACTORS," which begins on page 61, for a discussion of certain factors that may affect the future financial performance of Reorganized LINN.

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

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.¹³

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.

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

¹³ 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.

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 LINN 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 LINN 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 LINN Debtors reserve the right 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.

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 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.

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 LINN Debtors submit that if the LINN 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. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100 percent of the amount of Allowed Claims in that Class. The LINN 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. The Plan Supplement

The LINN Debtors will File certain documents that provide additional details regarding implementation of the Plan in the Plan Supplement, which will be Filed with the Bankruptcy Court no later than fourteen Business Days before the Confirmation Hearing (or such later date as may be approved by the Bankruptcy Court). The LINN Debtors will serve a notice that will inform all parties that the Plan Supplement was Filed, list the information included therein, and explain how copies of the Plan Supplement may be obtained. Holders of Claims and Interests

that are eligible to vote to accept or reject the Plan shall not be entitled to change their vote based on the contents of the Plan Supplement. It is anticipated that the Plan Supplement will include:

- the New Organizational Documents;
- the Assumed Executory Contract and Unexpired Lease List;
- the Rejected Executory Contract and Unexpired Lease List;
- a list of retained Causes of Action;
- the Reorganized LINN Employee Incentive Plan
- the Reorganized LINN Registration Rights Agreement
- the identity of the members of the New Boards and management for Reorganized LINN;
- the LINN Exit Facility Documents;
- the Transition Services Agreement;
- the Form Joint Operating Agreement; and
- the LINN Backstop Agreement.

Copies of the Plan Supplement documents will be available on the website of the LINN Debtors' Notice and Claims Agent at <https://cases.primeclerk.com/linn> (free of charge) or the Court's website at <http://www.txs.uscourts.gov> (for a fee).

XII. CERTAIN SECURITIES LAW MATTERS

A. New Common Equity

As discussed herein, the Plan provides for Reorganized LINN to distribute Reorganized LINN Common Stock to Holders of LINN Second Lien Notes Claims and Holders of LINN Unsecured Notes Claims. Reorganized LINN EIP Equity will also be distributed under Reorganized LINN's Employee Incentive Plan.

The LINN Debtors believe that the Reorganized LINN Common Stock and the Reorganized LINN EIP Equity 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 LINN Debtors further believe that the offer and sale of Reorganized LINN Common Stock and Reorganized LINN EIP Equity pursuant to the Plan is, and subsequent transfers 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. The new equity underlying Reorganized LINN's Employee

Incentive Plans will be issued pursuant to a registration statement or another available exemption from registration under the Securities Act and other applicable law.

B. Issuance and Resale of New Common Equity under the Plan

1. Private Placement Exemptions

[All shares of Reorganized LINN Common Stock issued in the LINN Funded Debt Equity Distribution, the LINN Rights (and any shares issuable upon the exercise thereof), and shares issuable as part of the LINN Backstop Premium, will be issued in reliance upon section 1145 of the Bankruptcy Code. All other shares of Reorganized LINN Common Stock, including the Reorganized LINN EIP Equity and the unsubscribed Reorganized LINN Common Stock purchased by the LINN Backstop Parties pursuant to the LINN Backstop Agreement that will be issued under the Plan will be issued in reliance upon either (i) section 1145 of the Bankruptcy Code or (ii) section (4)(a)(2) of the Securities Act or Regulation D promulgated thereunder. All shares of Reorganized LINN Common Stock and Reorganized LINN EIP Equity issued pursuant to 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 new equity underlying Reorganized LINN’s Employee Incentive Plans will be issued pursuant to a registration statement or another available exemption from registration under the Securities Act and other applicable law.

Persons who are issued Reorganized LINN Common Stock and Reorganized LINN EIP Equity 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 Reorganized LINN Common Stock and Reorganized LINN EIP Equity without registration if they are able to comply with the applicable provisions of Rule 144 or Rule 144A under the Securities Act, or another applicable exemption from the securities laws, or if such securities are registered with the Securities and Exchange Commission.]

RECIPIENTS OF REORGANIZED LINN COMMON STOCK AND REORGANIZED LINN EIP EQUITY ARE ADVISED 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 Equity; Definition of Underwriter

Securities issued in reliance on Section 1145 of the Bankruptcy Code may be sold by the holders thereof without registration under the Securities Act unless the Holder is an “underwriter,” as defined in section 1145(b) of the Bankruptcy Code with respect to such securities; provided, however, such securities will not be freely tradable if, at the time of transfer, the holder thereof is an “affiliate” of Reorganized LINN as defined in Rule 144(a)(1) under the Securities Act or had been such an “affiliate” within 90 days of such transfer. 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. While there is no precise definition of a “controlling” stockholder, 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 Reorganized LINN Common Stock and Reorganized LINN EIP Equity 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 Reorganized LINN Common Stock and Reorganized LINN EIP Equity who are deemed to be “underwriters” may be entitled to resell their Reorganized LINN Common Stock and Reorganized LINN EIP Equity pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act. Generally, Rule 144 of 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 Reorganized LINN Common Stock and Reorganized LINN EIP Equity would depend upon various facts and circumstances applicable to that Person. Given the complex nature of the question of whether a particular person may be an underwriter and other issues arising under applicable securities laws, accordingly, the LINN Debtors express no view as to whether any Person would be deemed an “underwriter” with respect to the Reorganized LINN Common

Stock and Reorganized LINN EIP Equity. **The LINN Debtors recommend that potential recipients of Reorganized LINN Common Stock and Reorganized LINN EIP Equity 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. Reorganized LINN Employee Incentive Plan

There will be reserved, exclusively for management employees of Reorganized LINN, a pool of equity (such reserve, the “EIP Pool”) having a value equal to: (i) 8% of the LINN Plan Value as of the Effective Date as follows: (x) 2.5% of the LINN Plan Value in the form of restricted stock units (“RSUs”) to be issued on the Effective Date, (y) 1.5% of the LINN Plan Value in the form of profits interests that will vest based on time and performance (with the performance conditions satisfied once the equity value of Reorganized LINN (as equitably adjusted for subsequent contributions and distributions) is equal to 1.5 times the value utilized pursuant to the LINN Rights Offerings), all of which will be issued on the Effective Date (the “Base Profits Interests”), and (z) the remaining 4% of the LINN Plan Value in a form of equity-based award as determined by the board of directors of Reorganized LINN, taking into account the then prevailing practices of publicly traded E&P companies (the “Other Awards”); and (ii) an additional 2.0% of the LINN Plan Value, which will be issued as of the Effective Date in the form of profits interests that vest once the equity value of Reorganized LINN (as equitably adjusted for subsequent contributions and distributions) is equal to 1.5 times the LINN Plan Value (the “Appreciation Profits Interests”). The precise amount of equity and number of shares to be reserved will be determined in a manner consistent with the intended effect of the Plan, the LINN RSA, and any attachments or exhibits thereto.

The Confirmation Order shall authorize the Reorganized LINN Board to adopt and enter into the Reorganized LINN Employee Incentive Plan, on the terms set forth in Article IV.M of the Plan. However, the LINN Debtors do not seek Court approval of the Reorganized LINN Employee Incentive Plan itself, only the maximum percentage of the Reorganized LINN EIP Equity to be set aside in connection therewith. The Reorganized LINN Employee Incentive Plan shall dilute all of the equity of Reorganized LINN.

XIII. 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 of the implementation of the Plan to the LINN Debtors, Reorganized LINN, and certain Holders of Claims. This summary is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), the U.S. Treasury Regulations promulgated thereunder (the “Treasury Regulations”), judicial decisions and published administrative rules, and pronouncements of the Internal Revenue Service (the “IRS”), all as in effect on the date hereof (collectively, “Applicable 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 consequences described below. The LINN Debtors have not requested, and will not request, any ruling or determination from the IRS 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 would not assert, or that a court would not sustain, a different position than any position discussed herein.

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 LINN Debtors within the meaning of the Tax Code, foreign taxpayers, 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 who will hold the new common equity 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 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 Tax Code). This summary also assumes that the various debt and other arrangements to which any of the LINN 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 LINN Debtors “solely as a creditor” for purposes of section 897 of the Tax Code. This summary does not discuss differences in tax consequences to Holders of Claims that act or receive consideration in a capacity other than any other Holder of a Claim 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 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 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, 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 should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. 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 LINN Debtors and Reorganized LINN

1. The LINN Restructuring Transaction Is Being Structured as a Taxable Transaction

In general, the Restructuring Transaction is being structured as a taxable transfer of assets by LINN to Reorganized LINN. The effect of these transactions on the LINN Debtors other than LinnCo, LinnCo, and Reorganized LINN are described immediately below.

(a) *LINN Debtors other than LinnCo and Reorganized LINN.*

Pursuant to the Plan with respect to the LINN Debtors, LINN should be treated as transferring its assets (and the assets of its subsidiaries, which are generally disregarded entities from LINN for U.S. federal income tax purposes, in each case)¹⁴ in a taxable disposition to Reorganized LINN. Because LINN is a partnership for U.S. federal income tax purposes, LINN's items of gain or loss in connection with these transfers should be allocated to LINN's unitholders, including LinnCo. The LINN Debtors anticipate that substantial losses should be generated in connection with the transfer of the LINN assets to Reorganized LINN. Reorganized LINN should receive LINN's assets with a tax basis equal to fair market value as of the Effective Date.¹⁵

Reorganized LINN is expected to be structured such that the Reorganized LINN Common Stock (other than certain Reorganized LINN Common Stock issued pursuant to the Reorganized LINN Employee Incentive Plan) consists entirely of common stock in an entity taxed as a corporation for U.S. federal income tax purposes (the "Corporation Structure").¹⁶

¹⁴ The Debtors are continuing to evaluate how the assets of any subsidiaries of LINN that are treated as corporations, including Linn Operating, Inc., will be transferred to Reorganized LINN. As such, this discussion generally does not address the U.S. federal income tax consequences of the Restructuring Transactions with respect to such corporate subsidiaries of LINN. The Debtors expect that, in all cases, the restructuring of any such corporate subsidiaries will be structured to avoid any taxable gain that cannot be offset by tax attributes available to such corporate subsidiaries.

¹⁵ Although the form of the ultimate restructuring of Berry has not been determined, in all cases, such restructuring is expected to a taxable disposition of Berry's assets by LINN for U.S. federal income tax purposes. Such disposition is expected to give rise to significant taxable income at LinnCo pursuant to Section 704(c) of the Tax Code. The Debtors expect such taxable income to be offset by the losses generated by the taxable disposition of LINN's other assets to Reorganized LINN; a substantial portion of such losses should be allocated to LinnCo. Accordingly, other than a potentially small amount of alternative minimum taxable income, LinnCo is not expected to have any net U.S. federal income tax liability as a result of the Restructuring Transactions related to the LINN Debtors and any eventual restructuring of Berry.

¹⁶ Applicable term sheets also provided for two alternative structures. Specifically, the term sheets provided that (a) the Reorganized LINN Common Stock could consist of a combination of (i) common stock in an entity taxed as a corporation for U.S. federal income tax purposes and (ii) common units in an LLC that is taxed as a partnership for U.S. federal income tax purposes, with such common units exchangeable for common stock in

In the Corporation Structure, profits interests being received pursuant to the Reorganized LINN Employee Incentive Plan will be issued by an LLC that either directly or indirectly owns all of all of the operating assets of Reorganized LINN (the “Operating LLC”). The Operating LLC will otherwise be wholly-owned by the corporation that is the issuer of the Reorganized LINN Common Stock (the “Corporate Issuer”). Accordingly, for U.S. federal income tax purposes, the Operating LLC will allocate its items of gain and loss to the Corporate Issuer and recipients under the Reorganized LINN Employee Incentive Plan.¹⁷

The cancellation of Claims against LINN should give rise to cancellation of indebtedness income (“CODI”). Because LINN is a partnership for U.S. federal income tax purposes, such CODI will be allocated to LINN’s unitholders, including LinnCo.

(b) LinnCo.

As noted above, the cancellation of claims against LINN should give rise to CODI that will be allocated to LINN’s unitholders, including LinnCo. Pursuant to Section 108 of the Tax Code, any such allocated CODI should be excluded from LinnCo’s taxable income. However, such allocated CODI will result in a reduction of LinnCo’s tax attributes, including net operating losses allocated to LinnCo based on LinnCo’s ownership of LINN. The LINN Debtors expect that the amount of CODI allocated to LinnCo will completely eliminate all LinnCo tax attributes. In any event, the Plan provides for LinnCo’s dissolution following the consummation of the Restructuring Transactions.

C. Certain U.S. Federal Income Tax Consequences to Certain U.S. Holders of Claims

The following discussion assumes that the LINN Debtors will undertake the Restructuring Transactions currently contemplated by the Plan. Holders of Claims and Interests are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

1. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed LINN Lender Claims

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed LINN Lender Claim agrees to a less favorable treatment in exchange for full and final satisfaction, settlement, release and discharge of such Claim, the U.S. Holder of such Claim shall receive *either* (a) to the extent a Holder agrees to participate in the LINN Exit Facility, a Pro Rata distribution of (i) the LINN Exit Facility and (ii) the LINN Lender Paydown (*i.e.*, Cash); or (b) to the extent a Holder

the corporation (the “Up-C Structure”); or (b) that the Reorganized LINN Common Stock could consist entirely of common units in an LLC that is taxed as a partnership for U.S. federal income tax purposes (the “Partnership Structure”). Based on communications from the Requisite Commitment Parties, the Debtors do not anticipate that the Up-C Structure or the Partnership Structure will be utilized, and they are not analyzed any further in this Disclosure Statement.

¹⁷ The U.S. federal income tax treatment of units in the Operating LLC held by management is not discussed herein. Accordingly, further references in this tax disclosure to Reorganized LINN Common Stock are references to Reorganized LINN Common Stock issued by the Corporate Issuer, unless otherwise indicated.

determines not to participate in the LINN Exit Facility, a Pro Rata distribution of the Reorganized LINN Non-Conforming Term Notes.

U.S. Holders of LINN Lender Claims should be treated as exchanging such Claim for the LINN Exit Facility and Cash or the Reorganized LINN Non-Conforming Term Notes, as applicable, in a taxable exchange under section 1001 of the Tax Code. Accordingly, other than with respect to any amounts received that are attributable to accrued but untaxed interest (or original issue discount), each U.S. Holder of such Claim should recognize gain or loss equal to the difference between (1) the sum of (a) the Cash received and (b) the issue price of the LINN Exit Facility or the Reorganized LINN Non-Conforming Term Notes, as applicable (as discussed below) received in exchange for the Claim; and (2) such U.S. Holder's adjusted basis, if any, in such Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss 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, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim. A U.S. Holder's tax basis in its Pro Rata share of the LINN Exit Facility or Reorganized LINN Non-Conforming Term Notes, as applicable, received should equal the issue price of such Pro Rata share of the LINN Exit Facility or Reorganized LINN Non-Conforming Term Notes, as applicable, as of the Effective Date. A U.S. Holder's holding period for its Pro Rata share of the LINN Exit Facility or Reorganized LINN Non-Conforming Term Notes, as applicable, should begin on the day following the Effective Date.

2. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed LINN Second Lien Notes Claims and LINN Unsecured Notes Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed LINN Second Lien Notes Claim or LINN Unsecured Notes Claim agrees to a less favorable treatment in exchange for full and final satisfaction, settlement, release and discharge of such Claim, the U.S. Holder of such Claim shall receive a Pro Rata distribution of (a) the Reorganized LINN Common Stock; (b) the LINN Rights; and (c) in the case of Holders of Allowed LINN Second Lien Notes Claims, Cash.

U.S. Holders of LINN Second Lien Notes Claims and LINN Unsecured Notes Claims should be treated as exchanging such Claims for the consideration received in a taxable exchange under section 1001 of the Tax Code. Accordingly, other than with respect to any amounts received that are attributable to accrued but untaxed interest (or original issue discount), each U.S. Holder of such Claim should recognize gain or loss equal to the difference between (1) the sum of (a) the fair market value of the Reorganized LINN Common Stock and LINN Rights and (b) Cash received in exchange for such Claim; and (2) such U.S. Holder's adjusted basis, if any, in such Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss 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, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim. A U.S. Holder's tax basis in the Reorganized LINN Common Stock and LINN Rights received should equal the fair market value of such consideration as of the Effective Date. A U.S. Holder's holding period for the Reorganized LINN Common Stock and LINN Rights received should begin on the day following the Effective Date.

(a) Election to Participate in the LINN Rights Offerings.

As noted above, Holders of Allowed LINN Second Lien Notes Claims and LINN Unsecured Notes Claims will receive the LINN Rights.

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

A U.S. Holder that elects not to exercise the LINN Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such LINN Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders electing not to exercise their LINN Rights should consult with their own tax advisors as to the tax consequences of electing not to exercise the LINN Rights.

3. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed LINN General Unsecured Claims and LINN Convenience Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed LINN General Unsecured Claim or LINN Convenience Claim agrees to a less favorable treatment in exchange for full and final satisfaction, settlement, release and discharge of such Claim, the U.S. Holder of such Claim shall receive a Pro Rata distribution of Cash. U.S. Holders of LINN General Unsecured Claims or LINN Convenience Claims should be treated as exchanging such Claims for the consideration received in a taxable exchange under section 1001 of the Tax Code. Accordingly, other than with respect to any amounts received that are attributable to accrued but untaxed interest (or original issue discount), each U.S. Holder of such Claim should recognize gain or loss equal to the difference between (1) the Cash received in exchange for the Claim and (2) such U.S. Holder's adjusted basis, if any, in such Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss 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, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS.

4. 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 LINN 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 should consult their own tax advisors regarding the proper allocation of the consideration received by them.

U.S. HOLDERS SHOULD 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.

5. Market Discount

Under the "market discount" provisions of the 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 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 original issue discount, 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.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE APPLICATION OF THE MARKET DISCOUNT RULES TO THEIR CLAIMS.

6. Limitation on Use of Capital Losses

A U.S. Holder of a Claim 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.

7. Determination of Issue Price for LINN Exit Facility and Reorganized LINN Non-Conforming Term Notes.

As noted above, Holders of LINN Lender Claims will receive their Pro Rata share of the LINN Exit Facility or LINN Non-Conforming Term Notes, as applicable, in partial satisfaction of their Claims. In each case, the amount of gain or loss recognized by U.S. Holders of such Claims will be determined, in part, by the issue price of a U.S. Holder's Pro Rata share of the new debt received. The determine 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 LINN 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 LINN 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 LINN Debtors believe it is likely that the Claims against the LINN 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 will likely not equal the stated redemption price at maturity and such debt instruments may be traded as issued with original issue discount ("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.

8. U.S. Federal Income Tax Consequences to Holders of Owning and Disposing of Reorganized LINN Common Stock.

(a) Dividends on Reorganized LINN Common Stock.

Any distributions made on account of Reorganized LINN 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 LINN as determined under U.S. federal income tax principles. 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 such current and accumulated earnings and profits, 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 Holder's basis in its shares (determined on a share-by-share basis) generally should be treated as capital gain.

Dividends paid to U.S. Holders that are corporations generally should be eligible for the dividends-received deduction so long as there are sufficient earnings and profits. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a U.S. Holder has held its stock is reduced for any period during which the Holder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

(b) Sale, Redemption, or Repurchase of Reorganized LINN Common Stock.

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 Reorganized LINN Common Stock. Such capital gain will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder held the 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.

(c) Medicare Tax

Certain U.S. Holders that are individuals, estates, or trusts are required to pay an additional 3.8 percent tax on, among other things, dividends and gains from the sale or other disposition of capital assets. U.S. Holders that are individuals, estates, or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of stock.

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

1. Consequences to Non-U.S. Holders of Claims

The following discussion 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 should consult its own tax advisor regarding the U.S. federal, state, and local and the foreign tax consequences of the consummation of the Plan to such non-U.S. Holders and the ownership and disposition of the various forms of consideration non-U.S. Holders may receive under the Plan.

Whether a non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is generally determined in the same manner as set forth above in connection with U.S. Holders.

(a) Gain Recognition

Subject to the FIRPTA rules discussed below, any gain realized by a non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (i) 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 (ii) 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 and does not qualify for deferral, 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 if such gain is effectively connected with the non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). 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.

(b) Accrued Interest and Interest Payable on LINN Exit Facility

Payments to a non-U.S. Holder that are attributable to accrued but untaxed interest, and interest on debt instruments received pursuant to the Plan, generally will not be subject to U.S. federal income or withholding tax, 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:

- (i) the non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of LINN's units (in the case of recoveries in respect of Claims against the LINN Debtors) or Reorganized LINN, as applicable (in the case of the new debt instruments issued pursuant to the Plan) entitled to vote (after application of certain attribution rules);
- (ii) the non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to LINN (in the case of recoveries in respect of Claims against the LINN Debtors) or Reorganized LINN, as applicable (in the case of the new debt instruments issued pursuant to the Plan) (each, within the meaning of the Tax Code);
- (iii) the non-U.S. Holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Tax Code; or
- (iv) such interest 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 but untaxed 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 exemption from withholding tax with respect to accrued but untaxed interest that is not effectively connected income 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 payments that are attributable to accrued but untaxed interest. For purposes of providing a properly executed IRS Form W-8BEN or W-BEN-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.

(c) Dividends on Reorganized LINN Common Stock

Any distributions made with respect to Reorganized LINN Common Stock will constitute dividends for U.S. federal income tax purposes to the extent of the Corporate Issuer's current or accumulated earnings and profits as determined under U.S. federal income tax principles. To the

extent that a non-U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Holder's basis in its shares. Any such distributions in excess of a non-U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain from a sale or exchange, and will be subject to the FIRPTA rules (as defined and discussed below). Except as described below, dividends paid with respect to stock held by a non-U.S. Holder that are not effectively connected with a non-U.S. Holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30 percent (or lower treaty rate or exemption from tax, if applicable). A non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-BEN-E (or a successor form) upon which the non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to stock held by a non-U.S. Holder that are effectively connected with a non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, 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 dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

(d) Disposition of Reorganized LINN Common Stock

In general, and subject to the discussion immediately below regarding FIRPTA, a non-U.S. Holders of Reorganized LINN Common Stock should not be subject to U.S. federal income tax or U.S. federal withholding tax with respect to the Reorganized LINN Common Stock 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 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% (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.

Notwithstanding the general rule stated above, the Corporate Issuer will be a U.S. real property holding company (a "USRPHC") under the Foreign Investment in Real Property Tax Act ("FIRPTA"). The application of the FIRPTA rules to the Reorganized LINN Common Stock will depend on whether (a) such equity is regularly traded on an established securities market and (b) whether an individual non-U.S. Holder has directly or indirectly owned more than 5% of the value of such equity during a specified testing period.

In general, the FIRPTA provisions will not apply to the extent a non-U.S. Holder does not exceed the 5% ownership test and the applicable equity is regularly traded on an established securities market.

If the Reorganized LINN Common Stock is not regularly traded on an established securities market, or if a non-U.S. Holder holds more than 5% of the Reorganized LINN Common Stock (directly or indirectly by attribution), on the sale or other taxable disposition of Reorganized LINN Common Stock, such non-U.S. Holder will be subject to U.S. federal income tax as if the gain were effectively connected with the conduct of the non-U.S. Holder's trade or business in the United States.

If the Reorganized LINN Common Stock is not regularly traded on an established securities market, a transferee of Reorganized LINN Common Stock generally will be required to withhold tax, under U.S. federal income tax laws, in an amount equal to 15% of the amount realized by a non-U.S. Holder on the sale or other taxable disposition of Reorganized LINN Common Stock (subject to certain exceptions).

The rules regarding United States real property interests are complex, and non-U.S. Holders are urged to consult with their own tax advisors on the application of these rules based on their particular circumstances.

2. 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 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, and also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding tax.

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 occurs after December 31, 2018.

Each non-U.S. Holder should consult its own tax advisor regarding the possible impact of these rules on such non-U.S. Holder's ownership of the consideration being received under the Plan.

E. Information Reporting and Back-Up Withholding

The LINN Debtors will withhold all amounts required by law to be withheld from payments of interest and dividends. The LINN Debtors will comply with all applicable reporting requirements of the 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 FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME 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 SHOULD CONSULT WITH 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.

XIV. RECOMMENDATION

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

Dated: [•], 2016

LINN ENERGY, LLC
on behalf of itself and all other LINN Debtors

/s/

Name: Arden L. Walker, Jr.
Title: Chief Operating Officer of Linn Energy, LLC

Exhibit A

Plan of Reorganization

Exhibit B

LINN RSA

Exhibit C

Corporate Organization Chart



Linn Energy Corporate Structure Chart

Key
■ Direct
■ Non-Direct

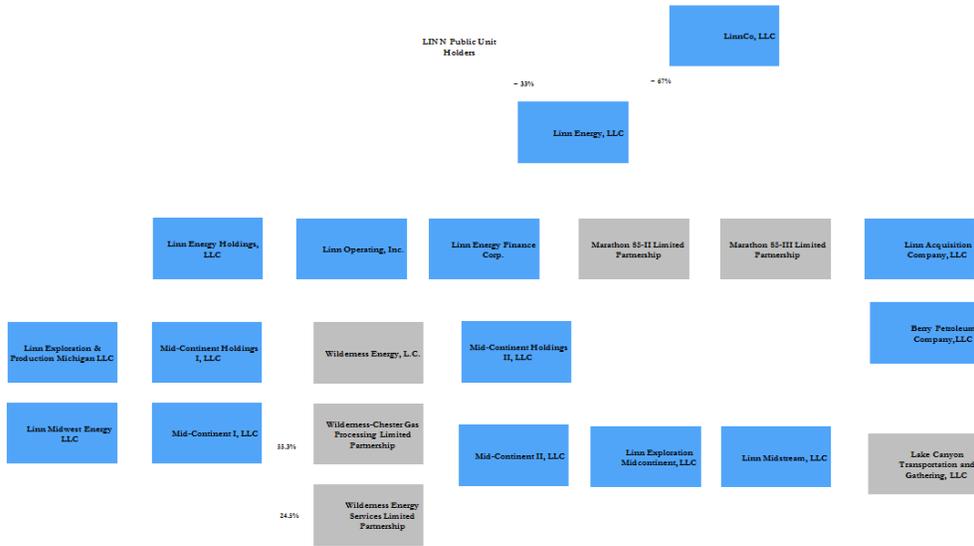


Exhibit D

Disclosure Statement Order

Exhibit E

Liquidation Analysis

LIQUIDATION ANALYSIS¹

Introduction

Under the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of an allowed claim or interest that does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the Plan satisfies the best interests of creditors test, the Debtors, with the assistance of their restructuring advisors, AlixPartners, LLP, have prepared the hypothetical liquidation analysis (the “Liquidation Analysis”), which is based upon certain assumptions discussed in the Disclosure Statement and accompanying notes to the Liquidation Analysis.

The Liquidation Analysis sets forth an estimated range of recovery values for each Class of Claims and Interests upon disposition of assets pursuant to a hypothetical chapter 7 liquidation. As illustrated by the Liquidation Analysis, holders of Claims in certain Unimpaired Classes that would receive a full recovery under the Plan would receive less than a full recovery in a hypothetical liquidation. Additionally, holders of Claims or Interests in Impaired Classes would receive a lower recovery in a hypothetical liquidation than they would under the Plan. Further, no holder of a Claim or Interest would receive or retain property under the Plan of a value that is less than such holder would receive in a chapter 7 liquidation. Accordingly, and as set forth in greater detail below, the Debtors believe that the Plan satisfies the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code.

Statement of Limitations

The preparation of a liquidation analysis is an uncertain process involving the use of estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive risks, uncertainties and contingencies, most of which are difficult to predict and many of which are beyond the control of the Debtors, their management, and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could materially affect the ultimate results in an actual chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors’ assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Disclosure Statement.

The underlying financial information in the Liquidation Analysis and values stated herein have not been subject to any review, compilation, or audit by any independent accounting firm. In addition, various liquidation decisions upon which certain assumptions are based are subject to change. As a result, the actual amount of claims against the Debtors' estates could vary significantly from the estimates stated herein, depending on the nature and amount of claims asserted during the pendency of the chapter 7 case. Similarly, the value of the Debtors' assets in a liquidation scenario is uncertain and could vary significantly from the values set forth in the Liquidation Analysis.

The Liquidation Analysis was prepared for the sole purpose of generating a reasonable and good faith estimate of the recoveries that would result if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code and is not intended and should not be used for any other purpose. The Liquidation Analysis does not include estimates for: (i) the tax consequences, either foreign or domestic, that may be triggered upon the liquidation and sale of assets, (ii) recoveries resulting from any potential preference (other than those specifically identified below), fraudulent transfer, or other litigation or avoidance actions, or (iii) certain claims that may be entitled to priority under the Bankruptcy Code, including administrative priority claims under sections 503(b) and 507(b) of the Bankruptcy Code. More specific assumptions are detailed in the notes below. ACCORDINGLY, NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE DEBTORS WOULD OR WOULD NOT, IN WHOLE OR IN PART, APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED HEREIN. THE ACTUAL LIQUIDATION VALUE OF THE DEBTORS IS SPECULATIVE AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED HEREIN.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' Schedules of Assets and Liabilities and the Debtors' financial statements to account for other known liabilities, as necessary. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted in the chapter 11 cases, but which could be asserted and allowed in a chapter 7 liquidation, including unpaid chapter 11 Administrative Claims, and chapter 7 administrative claims such as wind down costs, trustee fees, and tax liabilities. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

Basis of Presentation

The Liquidation Analysis has been prepared assuming that the Debtors converted their current chapter 11 cases to cases under chapter 7 of the Bankruptcy Code on or about January 31, 2017 (the “Liquidation Date”). Except as otherwise noted herein, the Liquidation Analysis is based upon the unaudited financial statements of the Debtors as of August 31, 2016 and those values, in total, are assumed to be representative of the Debtors’ assets and liabilities as of the Liquidation Date. It is assumed that on the Liquidation Date, the Bankruptcy Court would appoint a chapter 7 trustee (the “Trustee”) to oversee the liquidation of the Debtors’ estates, during which time all of the assets of the LINN Debtors and the Berry Debtors (together, the “Liquidating Entities”) would be sold and the cash proceeds, net of liquidation-related costs, would then be distributed to creditors in accordance with applicable law: (i) *first*, for payment of liquidation and wind down expenses, trustee fees, and professional fees attributable to the liquidation and wind down (together, the “Wind Down Expenses”); (ii) *second*, to pay the costs and expenses of other administrative claims that may arise from the termination of the Debtors operations; (iii) *third*, to pay the secured portions of all Allowed Secured Claims; and (iv) *fourth*, to pay amounts on the Allowed Other Priority Claims.² Any remaining net cash would be distributed to creditors holding Unsecured Claims, including deficiency Claims that arise to the extent of the unsecured portion of the Allowed Secured Claims.

The Liquidation Analysis has been prepared assuming that the Debtors’ current chapter 11 cases convert to chapter 7 on the Liquidation Date. The Liquidation Analysis is based on the book values of the Debtors’ assets and liabilities as of August 31, 2016, or more recent values where available. The Debtors’ management team believes that the August 31, 2016 book value of assets and certain liabilities are a proxy for such book values as of the Liquidation Date. The Debtors have also projected unencumbered and encumbered cash balances and certain tax and severance liabilities forward to the Liquidation Date. This Liquidation Analysis assumes operations of the Liquidating Entities will cease and the related individual assets will be sold in a rapid sale under a two to three month liquidation process (the “Liquidation Timeline”) under the direction of the Trustee, utilizing the Debtors’ resources and third-party advisors, to allow for the orderly wind down of the Debtors’ estates. There can be no assurance that the liquidation would be completed in a limited time frame, nor is there any assurance that the recoveries assigned to the assets would in fact be realized. Under section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously (generally at distressed process) as is compatible with the best interests of parties-in-interest. The Liquidation Analysis is also based on the assumptions that: (i) the Debtors have continued access to cash collateral during the course of the Liquidation Timeline to fund Wind Down Expenses and (ii)

² For purposes of this Liquidation Analysis, recoveries in a hypothetical liquidation of the Berry Debtors was analyzed in order to determine the recoveries to the LINN Debtors on certain intercompany claims held by the LINN Debtors in Berry. The results of liquidating the Berry Debtors have not been depicted below, other than the recoveries accruing to the LINN Debtors.

field security, accounting, treasury, IT, and other management services needed to wind down the estates continue. The Liquidation Analysis was prepared on a by-entity basis for all Liquidating Entities. Asset recoveries accrue first to satisfy creditor claims at the legal entity level. To the extent any remaining value exists, it flows to each individual entity's parent organization. For the LINN Lender Claims, LINN Second Lien Notes Claims and LINN Unsecured Notes Claims, the Liquidation Analysis assumes that claims have been filed against each of the LINN Debtors. In addition, the Liquidation Analysis includes an analysis of the recovery of pre-petition and post-petition LINN Intercompany Claims and Berry Intercompany Claims. Pre-petition intercompany claims are treated as receiving the same recovery as general unsecured claims and post-petition claims are treated as receiving the same recovery as general administrative claims, meaning that at each entity, all post-petition intercompany claims are satisfied before unsecured claims receive any recovery.

Conclusion

The Debtors have determined, as summarized in the following analysis that confirmation of the Plan will provide creditors with a recovery that is not less than what they would otherwise receive in connection with a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

LINN Debtors Liquidation Analysis Summary - 1/31/17							
		Book Value	Recovery %		Proceeds		
			Low	High	Low	High	
Cash	[A]	\$ 1,065,147,639	100%	100%	\$ 1,065,147,639	\$ 1,065,147,639	
Accounts Receivable, net	[B]	140,999,067	80%	95%	112,799,254	133,949,114	
Inventory	[C]	17,723,454	70%	85%	12,406,418	15,064,936	
Prepaid Expenses	[D]	70,843,378	46%	57%	32,852,056	40,574,884	
PP&E - Oil and Related Assets	[E]	3,710,809,373	33%	43%	1,210,601,209	1,592,801,747	
Other Assets	[F]	29,648,658	5%	7%	1,500,470	2,095,383	
Intercompany Receivables - Berry	[G]	6,826,257	0%	0%	0	-	
Gross Proceeds from Liquidation		\$ 5,035,171,569	48%	57%	\$ 2,435,307,045	\$ 2,849,633,703	
<u>Administrative</u>							
Lienable Administrative and Chapter 7 Claims:	[H]				\$ 240,813,107	\$ 249,099,640	
Recovery \$					240,813,107	249,099,640	
Recovery %					100.0%	100.0%	
General Administrative Claims:					\$ 123,499,676	\$ 123,499,676	
Recovery \$					15,414,266	49,669,485	
Recovery %					12.5%	40.2%	
<u>LINN Lender Claims - Credit Facility and Term Loan</u>							
LINN Lender Claims	[I]				\$ 2,388,986,057	\$ 2,388,986,057	
LINN Lender Claims Recovery from Pledged Assets					1,546,729,868	1,856,025,304	
LINN Lender Claims Recovery from Diminution Claim					502,013,850	347,280,500	
LINN Lender Claims Recovery from Deficiency Claims					36,328,161	110,816,679	
Total LINN Lender Claims Recovery \$					\$ 2,085,071,879	\$ 2,314,122,483	
Total LINN Lender Claims Recovery %					87.3%	96.9%	
<u>LINN Second Lien Notes Claims</u>							
LINN Second Lien Notes Claims	[J]				\$ 2,057,333,333	\$ 1,057,333,333	
Second Lien Recovery from Deficiency Claims					37,372,088	59,787,237	
Recovery %					1.8%	5.7%	
<u>LINN Unsecured Notes Claims</u>							
LINN Unsecured Notes Claims	[K]				\$ 3,109,979,979	\$ 3,109,979,979	
Recovery \$					56,493,735	175,854,769	
Recovery %					1.8%	5.7%	
<u>LINN General Unsecured Claims</u>							
LINN General Unsecured Claims	[L]				\$ 134,774,155	\$ 134,774,155	
Recovery \$					13,277	649,309	
Recovery %					0.0%	0.5%	
<u>LINN Intercompany Claims - Berry</u>							
Intercompany Payables - Berry	[M]				\$ 25,450,781	\$ 25,450,781	
Recovery \$					128,693	450,781	
Recovery %					0.5%	1.8%	
Total Distributions					\$ 2,435,307,045	\$ 2,849,633,703	

Specific Notes to the Liquidation Analysis

Asset book values and unsecured trade claims shown above are as of August 31, 2016 unless otherwise noted. Although the LINN Debtors performed the liquidation analysis on an entity-by-entity basis, the table above is presented, for illustrative purposes, on a consolidated basis.

[A] Cash and Cash Equivalents: The cash balances are the projected balances as of January 31, 2017, assuming that the \$450 million in total payments to the secured lenders as part of the RSA are returned to the Debtors as part of a successful preference action. The cash forecast projects that approximately \$444 million of cash held in U.S. banks is pledged as collateral to the

Debtors' credit facilities and approximately \$170 million of cash is unencumbered. Additionally, the \$450 million cash recovery from the preference action is assumed to be unencumbered, before the filing of diminution claims (discussed further below). A 100% recovery on cash and equivalents has been estimated for the low and high cases.

[B] Accounts Receivable, Net: An 80% to 95% recovery has been estimated given the lack of customer concentration and relatively young age of the LINN Debtors' receivables.

[C] Inventory: A 70% to 85% recovery has been estimated for inventory that is primarily comprised of hydrocarbon inventory and well equipment.

[D] Prepaid Expenses: Prepaid expenses consist of prepaid items that will likely be largely unrecoverable in the event of a chapter 7 liquidation including prepaid financing fees (recognized for accounting purposes only), software licenses, rent, and other items that are amortized over the applicable license or rental period. These items have been examined individually and assigned recoveries ranging from 0% (for accounting related assets) to 90% for prepaid insurance, which is likely largely recoverable. On a blended basis, a 46% to 57% recovery has been assigned to these prepaid amounts.

[E] PP&E — Oil and Related Assets: PP&E primarily consists of proved reserves and the associated wells, pipelines, and equipment associated with extracting those reserves. Where economically feasible, it has been assumed that the LINN Debtors' reserves will be sold as operating wells. The value of these wells has been estimated by reserve type using the Debtors' internal projections and business plan, adjusted for liquidation conditions. In total, the LINN Debtors' oil producing and related assets would amount to approximately \$1.2 billion and \$1.6 billion in a liquidation scenario, under the low and high end, respectively. In the low end, it is assumed that all mortgages perfected prior to the Petition Date remain in effect. On the high end, it is assumed that mortgages perfected within 90 days of the filing date are unwound as part of a preference action. In addition, approximately \$66 million to \$90 million has been added to the value of the reserves, wells, and related equipment to account for the LINN Debtors' Jayhawk facility, compression, midstream, building, land, vehicle, and other assets. In total, the implied recovery relative to net book value is 33% to 43%.

[F] Other Assets: Other assets consist of deferred tax assets, certain long term prepaid items (expenses and insurance), and equity investments in minority owned Wilderness Energy Services. On a blended basis, the recovery is 5% to 7% of net book value.

[G] Intercompany Receivables — Berry: The intercompany receivables represent the recovery from Berry for post-petition intercompany claims that exist between LINN Debtors and Berry. The Debtors project no recovery from these receivables.

[H] Administrative Claims: Lienable and chapter 7 claims include trade payables that may be subject to mechanics and other liens, estimated wind down costs of \$17.6 million, a 1% trustee fee on non-cash proceeds, and an estimated 1% expense allocation for legal/professional fees on

non-cash recoveries. It is assumed that the lienable claims must be satisfied in order to achieve a successful sale of the reserves and wells as operating entities versus capping and abandoning the wells. The wind down salary expense estimate assumes that payroll expenses include two months with full LOE payroll and a third month at 35%, while G&A payroll is estimated at 50% for two months and 5% for the third month. The table below provides a summary of estimated administrative claims.

Additionally, post-petition payables, accruals, and liabilities that are not subject to mechanics and other liens are included in the general administrative claims.

LINN Administrative Claim Summary		
	Low	High
Trade Subject to Liens	\$ 37,748,724	\$ 37,748,724
Royalties Payable and Gas Imbalance	83,043,825	83,043,825
Severance Taxes	16,866,066	16,866,066
Property Taxes	41,487,225	41,487,225
Chapter 11 Professional Fees	16,664,029	16,664,029
Trustee Fee	13,701,594	17,844,861
Chapter 7 Professional Fees	13,701,594	17,844,861
Wind down Salary Expenses	17,600,049	17,600,049
Lienable/Chapter 7 Administrative Claims	\$ 240,813,107	\$ 249,099,640
General Administrative Claims	123,499,676	123,499,676
Total Administrative Claims	\$ 364,312,783	\$ 372,599,316

[I] LINN Lender Claims — Credit Facility and Senior Term Loan: The claim amount represents an estimate of the secured claims. Recovery amounts include deficiency claim recoveries for amounts not covered by secured assets and diminution claims of \$502 million in the low case and \$347 million in the high case for the decline of secured lenders' collateral from the Petition Date to the Liquidation Date. The Liquidation Analysis assumes that intercompany receivables have been pledged at LINN Energy Holdings, LINN Operating Inc., Mid-Continent II LLC, LINN Midstream LLC and Linn Exploration Midcontinent LLC and thus, are secured assets. Intercompany receivables have not been pledged at LINN Energy, LLC, LINN E&P Michigan LLC, and LINN Midwest Energy LLC and thus, are not secured assets.

[J] LINN Second Lien Notes Claims: On the low recovery side, the Debtors assumed that these notes are entitled to submit claims of \$2 billion plus accrued interest on an unsecured basis while they are entitled to submit a claim of \$1 billion plus accrued interest in the high recovery case.³ Recoveries on the LINN Second Lien Notes range from 1.8% to 5.7%.

[K] LINN Unsecured Notes Claims: The claim amount represents an estimate of the LINN senior notes claim. Senior notes share recoveries ratably with other unsecured claims and the

³ The Debtors believe the risk of the Second Lien Settlement not being approved in a liquidation scenario is low. Nevertheless, the Debtors have included this high recovery scenario in an effort to provide as comprehensive an analysis as practicable.

secured and second lien unsecured/deficiency claims at each entity. Recoveries on the LINN Senior Unsecured Notes range from 1.8% to 5.7%.

[L] LINN General Unsecured: General unsecured claims primarily consist of pre-petition accounts payable and contract rejection claims, including anticipated claims that will result from a chapter 7 liquidation. These claims have been evaluated on a debtor-by-debtor basis and recovery rates for individual claims range from 0.0% to 0.5% depending on the specific entity and case in question. Aggregate general unsecured recoveries are lower than those shown above for LINN debt instruments because debt claims are asserted against multiple LINN entities that have provided a guarantee.

[M] LINN Intercompany Claims — Berry: The intercompany payables represent the payments to Berry for intercompany claims. The Debtors project a recovery of \$0.1 million to \$0.5 million.

The following tables provide a summary of the asset recoveries and payments made at each of the Debtors' entities.

The following table provides a summary of the asset recoveries and payments made at LINN Energy Holdings, LLC.

LINN Energy Holdings, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ -	\$ -
Accounts Receivable, net	146,537,666	174,013,478
Inventory	2,685,950	3,261,511
Prepaid Expenses	5,767,310	8,460,360
PP&E - Oil and Related Assets	1,042,497,405	1,372,010,119
Other Assets	1,489,157	2,084,070
Intercompany Receivables	4,936	7,709
Gross Proceeds from Liquidation	\$ 1,198,982,424	\$ 1,559,837,248
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:		
Recovery \$	\$ 126,564,788	\$ 133,781,829
Recovery %	100.0%	100.0%
General Administrative Claims:		
Recovery \$	\$ 47,942,213	\$ 47,942,213
Recovery %	13,686,994	47,942,213
	28.5%	100.0%
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	1,056,008,873	1,299,087,544
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 1,332,977,184	\$ 1,089,898,513
LINN Lender Claims Recovery from Deficiency Claims Recovery	-	8,791,169
Recovery %	0.0%	0.8%
Total LINN Lender Claims Recovery \$	\$ 1,056,008,873	\$ 1,307,878,713
Total LINN Lender Claims Recovery %	44.2%	54.7%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	-	8,528,497
Recovery %	0.0%	0.8%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	-	25,085,235
Recovery %	0.0%	0.8%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 75,834,514	\$ 75,834,514
Recovery \$	-	611,685
Recovery %	0.0%	0.8%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 3,291,859,273	\$ 3,291,859,273
Recovery \$	2,721,769	36,009,076
Recovery %	0.1%	1.1%
Total Distributions	\$ 1,198,982,424	\$ 1,559,837,248

As shown in the table above, the LINN Lender Claims receive a 44.2% to 54.7% recovery from LINN Energy Holdings, LLC, while unsecured claimants receive a 0.0% to 0.8% recovery. Intercompany recoveries exceed that of unsecured claims as they are comprised of both pre-petition and post-petition intercompany payables.

The following table provides a summary of the asset recoveries and payments made at LINN Operating Inc.

LINN Operating Inc. Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ 443,964,700	\$ 443,964,700
Accounts Receivable, net	(20,542,514)	(24,394,235)
Inventory	9,625,070	11,687,585
Prepaid Expenses	26,765,296	31,647,099
PP&E - Oil and Related Assets	16,161,943	22,071,036
Other Assets	11,313	11,313
Intercompany Receivables	45,744,948	83,310,146
Gross Proceeds from Liquidation	\$ 521,730,756	\$ 568,297,644
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ 101,697,792	\$ 101,877,825
Recovery \$	101,697,792	101,877,825
Recovery %	100.0%	100.0%
General Administrative Claims:	\$ 67,713,336	\$ 67,713,336
Recovery \$	-	-
Recovery %	0.0%	0.0%
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	420,032,964	466,419,819
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 1,968,953,093	\$ 1,922,566,238
LINN Lender Claims Recovery from Deficiency Claims Recovery	-	-
Recovery %	0.0%	0.0%
Total LINN Lender Claims Recovery \$	\$ 420,032,964	\$ 466,419,819
Total LINN Lender Claims Recovery %	17.6%	19.5%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	-	-
Recovery %	0.0%	0.0%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	-	-
Recovery %	0.0%	0.0%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 57,543,649	\$ 57,543,649
Recovery \$	-	-
Recovery %	0.0%	0.0%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 2,128,403,885	\$ 2,128,403,885
Recovery \$	-	-
Recovery %	0.0%	0.0%
Total Distributions	\$ 521,730,756	\$ 568,297,644

As shown in the table above, the LINN Lender Claims receive a 17.6% to 19.5% recovery from LINN Operating Inc., while unsecured claimants receive no recovery.

The following table provides a summary of the asset recoveries and payments made at LINN Energy, LLC.

LINN Energy, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ 620,335,739	\$ 620,335,739
Accounts Receivable, net	-	-
Inventory	-	-
Prepaid Expenses	-	-
PP&E - Oil and Related Assets	-	-
Other Assets	-	-
Intercompany Receivables	706,160	28,808,023
Gross Proceeds from Liquidation	\$ 621,041,899	\$ 649,143,762
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
General Administrative Claims:	\$ 313,184	\$ 313,184
Recovery \$	313,184	313,184
Recovery %	100.0%	100.0%
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	-	-
LINN Lender Claims Recovery from Diminution Claim	502,013,850	347,280,500
LINN Lender Claims Recovery from Deficiency Claims	\$ 1,886,972,207	\$ 2,041,705,557
LINN Lender Claims Recovery from Deficiency Claims Recovery	26,360,835	80,453,016
Recovery %	1.4%	3.9%
Total LINN Lender Claims Recovery \$	\$ 528,374,685	\$ 427,733,516
Total LINN Lender Claims Recovery %	22.1%	17.9%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	28,740,765	41,664,017
Recovery %	1.4%	3.9%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	43,446,145	122,548,165
Recovery %	1.4%	3.9%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 910,909	\$ 910,909
Recovery \$	12,725	35,894
Recovery %	1.4%	3.9%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 1,442,687,062	\$ 1,442,687,062
Recovery \$	20,154,394	56,848,986
Recovery %	1.4%	3.9%
Total Distributions	\$ 621,041,899	\$ 649,143,762

As shown in the table above, the LINN Lender Claims receive a 22.1% to 17.9% recovery from LINN Energy, LLC, while unsecured claimants receive a 1.4% to 3.9% recovery.

The following table provides a summary of the asset recoveries and payments made at LINN E&P Michigan, LLC.

LINN E&P Michigan, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ -	\$ -
Accounts Receivable, net	3,907,138	4,639,726
Inventory	-	-
Prepaid Expenses	69,279	103,918
PP&E - Oil and Related Assets	36,126,541	46,033,199
Other Assets	-	-
Intercompany Receivables	-	-
Gross Proceeds from Liquidation	\$ 40,102,958	\$ 50,776,843
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ 1,309,345	\$ 1,522,823
Recovery \$	1,309,345	1,522,823
Recovery %	100.0%	100.0%
General Administrative Claims:	\$ 566,887	\$ 566,887
Recovery \$	566,887	566,887
Recovery %	100.0%	100.0%
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	9,112,848	11,270,500
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 2,379,873,209	\$ 2,377,715,557
LINN Lender Claims Recovery from Deficiency Claims Recovery	8,552,634	12,869,392
Recovery %	0.4%	0.5%
Total LINN Lender Claims Recovery \$	\$ 17,665,483	\$ 24,139,892
Total LINN Lender Claims Recovery %	0.7%	1.0%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	7,393,512	5,722,819
Recovery %	0.4%	0.5%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	11,176,445	16,832,775
Recovery %	0.4%	0.5%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 153,439	\$ 153,439
Recovery \$	551	830
Recovery %	0.4%	0.5%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 2,035,460	\$ 2,035,460
Recovery \$	1,990,735	1,990,816
Recovery %	97.8%	97.8%
Total Distributions	\$ 40,102,958	\$ 50,776,843

As shown in the table above, the LINN Lender Claims receive a 0.7% to 1.0% recovery from LINN E&P Michigan, LLC, while unsecured claimants receive a 0.4% to 0.5% recovery. Intercompany recoveries exceed that of unsecured claims as they are comprised of both pre-petition and post-petition intercompany payables.

The following table provides a summary of the asset recoveries and payments made at Mid-Continent I, LLC.

Mid-Continent I, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ -	\$ -
Accounts Receivable, net	-	-
Inventory	-	-
Prepaid Expenses	-	-
PP&E - Oil and Related Assets	-	-
Other Assets	-	-
Intercompany Receivables	381	607
Gross Proceeds from Liquidation	\$ 381	\$ 607
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
General Administrative Claims:	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	381	607
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 2,388,985,676	\$ 2,388,985,450
LINN Lender Claims Recovery from Deficiency Claims Recovery	-	-
Recovery %	0.0%	0.0%
Total LINN Lender Claims Recovery \$	\$ 381	\$ 607
Total LINN Lender Claims Recovery %	0.0%	0.0%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	-	-
Recovery %	0.0%	0.0%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	-	-
Recovery %	0.0%	0.0%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 17,055,448	\$ 17,055,448
Recovery \$	-	-
Recovery %	0.0%	0.0%
Total Distributions	\$ 381	\$ 607

As shown in the table above, the LINN Lender Claims receive a 0.0% recovery from Mid-Continent I, LLC, while unsecured claimants receive no recovery.

The following table provides a summary of the asset recoveries and payments made at Mid-Continent II, LLC.

Mid-Continent II, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ -	\$ -
Accounts Receivable, net	-	-
Inventory	-	-
Prepaid Expenses	-	-
PP&E - Oil and Related Assets	50,615,629	64,949,666
Other Assets	-	-
Intercompany Receivables	568	1,603
Gross Proceeds from Liquidation	\$ 50,616,197	\$ 64,951,269
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ 1,944,506	\$ 2,231,187
Recovery \$	1,944,506	2,231,187
Recovery %	100.0%	100.0%
General Administrative Claims:	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	45,293,291	58,162,396
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 2,343,692,766	\$ 2,330,823,661
LINN Lender Claims Recovery from Deficiency Claims Recovery	1,039,363	1,616,400
Recovery %	0.0%	0.1%
Total LINN Lender Claims Recovery \$	\$ 46,332,654	\$ 59,778,797
Total LINN Lender Claims Recovery %	1.9%	2.5%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	912,371	733,249
Recovery %	0.0%	0.1%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	1,379,190	2,156,736
Recovery %	0.0%	0.1%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 688	\$ 688
Recovery \$	0	0
Recovery %	0.0%	0.1%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 15,336,805	\$ 15,336,805
Recovery \$	47,476	51,301
Recovery %	0.3%	0.3%
Total Distributions	\$ 50,616,197	\$ 64,951,269

As shown in the table above, the LINN Lender Claims receive a 1.9% to 2.5% recovery from Mid-Continent II, LLC, while unsecured claimants receive a 0.0% to 0.1% recovery. Intercompany recoveries exceed that of unsecured claims as they are comprised of both pre-petition and post-petition intercompany payables.

The following table provides a summary of the asset recoveries and payments made at LINN Midstream, LLC.

LINN Midstream, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ -	\$ -
Accounts Receivable, net	(17,103,036)	(20,309,855)
Inventory	95,397	115,840
Prepaid Expenses	250,171	363,506
PP&E - Oil and Related Assets	47,351,911	64,664,609
Other Assets	-	-
Intercompany Receivables	1,927,609	6,779,712
Gross Proceeds from Liquidation	\$ 32,522,052	\$ 51,613,811
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ 8,921,308	\$ 9,206,101
Recovery \$	8,921,308	9,206,101
Recovery %	100.0%	100.0%
General Administrative Claims:	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	-	-
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Deficiency Claims Recovery	-	6,534,945
Recovery %	0.0%	0.3%
Total LINN Lender Claims Recovery \$	\$ -	\$ 6,534,945
Total LINN Lender Claims Recovery %	0.0%	0.3%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	-	2,892,279
Recovery %	0.0%	0.3%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	-	8,507,185
Recovery %	0.0%	0.3%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 328,603	\$ 328,603
Recovery \$	-	899
Recovery %	0.0%	0.3%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 188,749,467	\$ 188,749,467
Recovery \$	23,600,744	24,472,402
Recovery %	12.5%	13.0%
Total Distributions	\$ 32,522,052	\$ 51,613,811

As shown in the table above, the LINN Lender Claims and unsecured claimants receive a 0.0% to 0.3% recovery. Intercompany recoveries exceed that of unsecured claims as they are comprised of both pre-petition and post-petition intercompany payables.

The following table provides a summary of the asset recoveries and payments made at LINN Exploration Midcontinent, LLC.

LINN Exploration Midcontinent, LLC Liquidation Analysis Summary - 1/31/17		
	Low	High
Cash	\$ -	\$ -
Accounts Receivable, net	-	-
Inventory	-	-
Prepaid Expenses	-	-
PP&E - Oil and Related Assets	17,847,780	23,073,119
Other Assets	-	-
Intercompany Receivables	1,823	13,999
Gross Proceeds from Liquidation	\$ 17,849,603	\$ 23,087,117
<u>Administrative</u>		
Lienable Administrative and Chapter 7 Claims:	\$ 375,368	\$ 479,875
Recovery \$	375,368	479,875
Recovery %	100.0%	100.0%
General Administrative Claims:	\$ -	\$ -
Recovery \$	-	-
Recovery %	na	na
<u>LINN Lender Claims - Credit Facility and Term Loan</u>		
LINN Lender Claims	\$ 2,388,986,057	\$ 2,388,986,057
LINN Lender Claims Recovery from Pledged Assets	16,281,511	21,084,437
LINN Lender Claims Recovery from Diminution Claim	-	-
LINN Lender Claims Recovery from Deficiency Claims	\$ 2,372,704,546	\$ 2,367,901,620
LINN Lender Claims Recovery from Deficiency Claims Recovery	375,328	551,757
Recovery %	0.0%	0.0%
Total LINN Lender Claims Recovery \$	\$ 16,656,839	\$ 21,636,194
Total LINN Lender Claims Recovery %	0.7%	0.9%
<u>LINN Second Lien Notes Claims</u>		
LINN Second Lien Notes Claims	\$ 2,057,333,333	\$ 1,057,333,333
LINN Second Lien Notes Claims Recovery	325,441	246,375
Recovery %	0.0%	0.0%
<u>LINN Unsecured Notes Claims</u>		
LINN Unsecured Notes Claims	\$ 3,109,979,979	\$ 3,109,979,979
Recovery \$	491,955	724,673
Recovery %	0.0%	0.0%
<u>General Unsecured</u>		
General Unsecured Claims - All Entities (excluding notes)	\$ 2,353	\$ 2,353
Recovery \$	0	1
Recovery %	0.0%	0.0%
<u>Intercompany Claims</u>		
Total Intercompany Claims	\$ 186	\$ -
Recovery \$	0	-
Recovery %	0.0%	na
Total Distributions	\$ 17,849,603	\$ 23,087,117

As shown in the table above, the LINN Lender Claims receive a 0.7% to 0.9% recovery from LINN Exploration Midcontinent, LLC, while unsecured claimants receive a 0.0% recovery.

The following table provides a summary of the asset recoveries and payments made at LINNCo, LLC.

LINNCo, LLC Liquidation Analysis Summary - 1/31/17				
	Low		High	
Cash	\$	847,200	\$	847,200
Accounts Receivable, net		-		-
Inventory		-		-
Prepaid Expenses		-		-
PP&E - Oil and Related Assets		-		-
Other Assets		-		-
Intercompany Receivables		-		-
Gross Proceeds from Liquidation	\$	847,200	\$	847,200
<u>Administrative</u>				
Lienable Administrative and Chapter 7 Claims:	\$	-	\$	-
Recovery \$		-		-
Recovery %		na		na
General Administrative Claims:	\$	6,964,055	\$	6,964,055
Recovery \$		847,200		847,200
Recovery %		12.2%		12.2%
<u>General Unsecured</u>				
General Unsecured Claims - All Entities (excluding notes)	\$	-	\$	-
Recovery \$		-		-
Recovery %		na		na
<u>Intercompany Claims</u>				
Total Intercompany Claims	\$	-	\$	-
Recovery \$		-		-
Recovery %		na		na
Total Distributions	\$	847,200	\$	847,200

As shown in the table above, the LINNCo, LLC is not subject to LINN Lender Claims.

Exhibit F

Financial Projections

Financial Projections

In connection with the Disclosure Statement,¹ the Debtors' management team ("Management") prepared financial projections ("Financial Projections") for Reorganized LINN for the six months ending December 31, 2016 and fiscal years 2017 through 2020 (the "Projection Period"). The Financial Projections were prepared by Management and are based on a number of assumptions made by Management with respect to the future performance of Reorganized LINN's operations. ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, THE DEBTORS AND REORGANIZED LINN CAN PROVIDE NO ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT REORGANIZED LINN'S FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE FINANCIAL PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE RISK FACTORS SET FORTH IN THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

The Debtors believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the planning and development of a plan of reorganization and for the purposes of determining whether such plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE DEBTORS' INDEPENDENT AUDITOR HAS NOT EXAMINED, COMPILED OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROSPECTIVE FINANCIAL INFORMATION CONTAINED IN THIS EXHIBIT AND, ACCORDINGLY, IT DOES NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY. THE DEBTORS' INDEPENDENT AUDITOR ASSUMES NO RESPONSIBILITY FOR, AND DENIES ANY ASSOCIATION WITH, THE PROSPECTIVE FINANCIAL INFORMATION.

¹ All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of LINN Energy, LLC and Its Debtor Affiliates* (the "Disclosure Statement").

Principal Assumptions for the Financial Projections

The Financial Projections are based on, and assume the successful implementation of, the LINN Debtors' business plan. Both the business plan and the Financial Projections reflect numerous assumptions, including various assumptions regarding the anticipated future performance of Reorganized LINN, commodity pricing, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Debtors. In addition, the assumptions do not take into account the uncertainty and disruption of business that may accompany a restructuring in Bankruptcy Court. Therefore, although the Financial Projections are necessarily presented with numerical specificity, the actual results achieved during the Projection Period will likely vary from the projected results. These variations may be material. Accordingly, no representation can be or is being made with respect to the accuracy of the Financial Projections or the ability of Reorganized LINN to achieve the projected results of operations. See "Risk Factors."

In deciding whether to vote to accept or reject the Plan, creditors must make their own determinations as to the reasonableness of such assumptions and the reliability of the Financial Projections. See "Risk Factors." Moreover, the Financial Projections were prepared solely in connection with the restructuring pursuant to the Plan.

Under Accounting Standards Codification "ASC" 852, "Reorganizations" ("ASC 852"), the Debtors note that the Financial Projections reflect the operational emergence from chapter 11 but not the impact of fresh start accounting that will likely be required upon emergence. Fresh start accounting requires all assets, liabilities, and equity instruments to be valued at "fair value." The Financial Projections account for the reorganization and related transactions pursuant to the Plan. While the Debtors expect that they will be required to implement fresh start accounting upon emergence, they have not yet completed the work required to quantify the impact to the Financial Projections. When the Debtors fully implement fresh start accounting, differences are anticipated and such differences could be material.

Safe Harbor Under The Private Securities Litigation Reform Act of 1995

The Financial Projections contain statements which constitute "forward-looking statements" within the meaning of the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995 (the "Exchange Act"). Forward-looking statements in the Financial Projections include the intent, belief, or current expectations of the Debtors and members of its management team with respect to the timing of, completion of, and scope of the current restructuring, reorganization plan, business plan, bank financing, and debt and equity market conditions and Reorganized LINN's future liquidity, as well as the assumptions upon which such statements are based.

While the Debtors believe that the expectations are based on reasonable assumptions within the bounds of their knowledge of their business and operations, parties in interest are cautioned that

any such forward-looking statements are not guarantees of future performance, and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Select Risk Factors Related to the Financial Projections

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond management's control, related to the exploration for and development, production, gathering, and sale of oil, natural gas, and natural gas liquids. Factors that may cause actual results to differ from expected results include, but are not limited to:

- fluctuations in oil and natural gas prices and Reorganized LINN's ability to hedge against movements in prices;
- the uncertainty inherent in estimating reserves, future net revenues, and discounted future cash flows;
- the timing and amount of future production of oil and natural gas;
- changes in the availability and cost of capital;
- environmental, drilling and other operating risks, including liability claims as a result of oil and natural gas operations;
- proved and unproved drilling locations and future drilling plans;
- employee turnover at the management, production, and field operations level; and
- the effects of existing and future laws and governmental regulations, including environmental, hydraulic fracturing, and climate change regulation.

General Assumptions

A. Presentation

- The Financial Projections for Reorganized LINN are presented on a standalone basis and assume that the Berry Debtors are separated from the Linn Debtors upon the Effective Date.

B. Methodology

- Management developed a business plan for the Projection Period based on forecasted estimates of the LINN Debtors' oil and gas reserves, estimated commodity pricing, and estimated future incurred operating costs, capital expenditures, and overhead costs.

C. Plan Consummation

- The Financial Projections set forth below have been prepared based on the assumption that the effective date is January 31, 2017 (the "Effective Date"). This date reflects the Debtors' best current estimate but there can be no assurance as to when the Effective Date will actually occur.

D. Operations

- The Financial Projections incorporate production estimates and capital spend on a project-by-project basis over the Projection Period. Production estimates are based on Management’s best efforts to forecast decline curves for their existing proved developed producing wells in addition to new wells brought online which were forecasted based on current type curves and the corresponding capital program.

Assumptions with Respect to the Financial Projections

A. Production

- Oil and gas production volumes are estimates based on decline curves for existing producing wells and wells expected to be drilled and completed during the Projection Period.

B. Commodity Pricing

- Crude oil and natural gas based on October 31, 2016 New York Mercantile Exchange (“NYMEX”) strip pricing. Natural gas liquids (“NGLs”) prices are Management’s expectations of realizations as a percentage of future crude oil based on October 31, 2016 NYMEX strip pricing.
- Differentials and realizations vary by producing region.
- Reorganized LINN realized pricing reflects the effects of natural gas and oil hedges in place through 2017.

Projected Realized Pricing - Reorganized Linn

	Fiscal Year Ended December 31				
	2H'16E	2017E	2018E	2019E	2020E
Realized natural gas prices (\$/Mcf)	\$2.77	\$2.95	\$2.84	\$2.76	\$2.78
Realized oil price (\$/Bbl)	43.24	47.48	49.58	50.67	51.49
Realized NGL price (\$/Bbl)	14.09	16.42	17.50	18.12	18.68

C. Operating Expenses

- Operating expenses include lease operating expenses, and transport & processing expenses, and were generally forecasted at the well level.
- Lease operating expenses include labor, field office, vehicle, supervision, maintenance, tools and supplies, and workover expenses, among others.

D. Production Taxes

- Production taxes include severance, ad valorem taxes, and other miscellaneous taxes, which are based on Management's estimates of production volumes and related value and future tax obligations.

E. General & Administrative

- G&A is primarily comprised of senior management and other personnel costs, rent, insurance, and corporate overhead necessary to manage the business and comply with any regulatory requirements.
- Projected G&A is based on current development plans and includes certain adjustments for cost reduction initiatives.
- G&A is forecasted on a standalone basis for Reorganized LINN upon the assumed Effective Date.

F. Reorganization Expenses

- Represent expenses in connection with the chapter 11 reorganization process, and are largely comprised of professional fees paid to advisors and backstop fees related to the rights offerings.

G. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)

- EBITDA between 2017 and 2020 is anticipated to improve due to the following factors, among others:
 - Increased commodity pricing over the Projection Period, mainly as it relates to oil and NGLs;
 - Assumed buildup of Tuttle midstream system, increasing other revenues over time; and
 - No further reorganization expenses assumed in connection with the Chapter 11 process after the Effective Date.

F. Cash Income Taxes

- Cash Income Taxes are projected based on the Financial Projections, commodity prices, assumed capital plan, and depreciable tax assets pro forma for the reorganization, including the separation of the Berry Debtors from the LINN Debtors on the Effective Date.

- Actual cash income taxes may vary depending on commodity prices, Reorganized LINN's actual capital spending, interest expense, and other factors that affect taxable income.

G. Capital Expenditures

- Capital Expenditures are projected for drilling and completion activities, midstream capital, and other activities.

H. Working Capital Adjustments Related to Reorganization

- Represents cash flow timing adjustments as it relates to accrual and payment of professional and transaction fees, ad valorem taxes, and accounts payable adjustments related to emergence from bankruptcy and ad valorem withholding cash settlement between the LINN Debtors and Berry Debtors. Other than the cash flow adjustments in connection with the chapter 11 reorganization, management does not expect meaningful working capital swings over the Projection Period.

I. Capital Structure and Liquidity

- The Financial Projections assume that Reorganized LINN will obtain exit financing with initial commitments equal to \$1,700 million, including \$1,400 million of RBL commitments and \$300 million of term loan commitments (the "Linn Exit Facility"). Borrowings under the RBL facility are estimated at \$622 million on the Effective Date, pro forma for the funding of the \$530 million rights offering investment and cash distributions under the Plan. Management expects to have approximately \$771 million of available liquidity under its RBL on the Effective Date;

Estimated Sources & Uses at the Assumed Effective Date - Reorganized Linn^(a)*(\$ in millions)*

Sources		Uses	
Assumed Rights Offering Proceeds ^(b)	\$530	Repayment of LINN First Lien Credit Facility	\$1,939
Reorganized LINN RBL A Drawn at Emergence	622	Distribution to Second-Liens	30
Reorganized LINN RBL B Drawn at Emergence	--	Cash on Balance Sheet Post-Consummation	--
Issuance of New Term Loan	300		
Balance Sheet Cash Pre-Consummation	518		
Total Sources	\$1,969	Total Uses	\$1,969

(a) Assumed Effective Date of January 31, 2017.

(b) Excludes any rights offering proceeds from Linn General Unsecured Creditors or any cash payout in lieu of equity.

Estimated Pro Forma Capitalization - Reorganized Linn*(\$ in millions)*

	Pre-Emergence	Adjustment	Post-Emergence
LINN First Lien Credit Facility	\$1,939	(\$1,939)	\$--
Reorganized LINN Conforming RBL A	--	622	622
Reorganized LINN Non-Conforming RBL B	--	--	--
New Term Loan	--	300	300
Linn 2nd Lien Notes	1,000	(1,000)	--
Secured Debt	\$2,939	(\$2,018)	\$922
LINN 6.50% Senior Notes due 2019	562	(562)	--
LINN 6.25% Senior Notes due 2019	581	(581)	--
LINN 8.625% Senior Notes due 2020	719	(719)	--
LINN 7.75% Senior Notes due 2021	779	(779)	--
LINN 6.50% Senior Notes due 2021	381	(381)	--
Unsecured Debt	\$3,023	(\$3,023)	\$--
Total LINN Debt	\$5,962	(\$5,041)	\$922
Memo:			
Projected Cash	\$518	(\$518)	\$--
Projected Revolver Availability ^(a)	--	771	771
Liquidity	\$518	\$254	\$771

(a) Assumes ~\$7mm of outstanding letters of credit after emergence.

Financial Projections - Reorganized Linn

(\$ in millions)

	Fiscal Year End				
	2H'16E	2017E	2018E	2019E	2020E
Total Wellhead Revenues	\$524	\$1,157	\$1,180	\$1,184	\$1,213
(+) Total Hedge Revenues	2	(5)	--	--	--
(+) Other Revenues	14	37	44	53	57
Revenue	\$540	\$1,190	\$1,224	\$1,237	\$1,269
(-) Lease Operating Expenses	(165)	(331)	(334)	(333)	(334)
(-) Transportation	(84)	(172)	(179)	(181)	(182)
(-) Taxes (other than income taxes)	(48)	(109)	(111)	(111)	(114)
(-) General and Administrative Expenses	(69)	(127)	(124)	(127)	(129)
(-) Reorganization and Transaction Expenses	(48)	(70)	--	--	--
(-) Other Expenses	(0)	(4)	(4)	(5)	(5)
Adj. EBITDA	\$125	\$376	\$471	\$480	\$505
(-) Capital Expenditures	(144)	(277)	(318)	(262)	(264)
(-) Net Change in Working Capital - Reorganization Related	(94)	(8)	--	--	--
(-) Cash Income Taxes	(6)	(11)	(10)	(23)	(56)
Unlevered Free Cash Flow	(\$118)	\$81	\$143	\$195	\$185
(-) Interest Expense	(48)	(57)	(46)	(39)	(31)
(-) Mandatory Term Loan Amortization	--	(25)	(38)	(50)	(50)
(-) Net Paydown of LINN First Lien Credit Facility	--	(1,939)	--	--	--
(+) Issuance of New Term Loan	--	300	--	--	--
(+) Proceeds from Rights Offering	--	530	--	--	--
(-) Cash Distribution to Second-Lien Creditors	--	(30)	--	--	--
Levered Free Cash Flow	(\$167)	(\$1,140)	\$59	\$106	\$105
(+) Beginning Cash	760	593	--	--	--
(+) Drawdown/(Repayment) of LINN Exit Facility	--	547	(59)	(106)	(105)
Ending Cash	\$593	\$--	\$--	\$--	\$--
(+) Availability of LINN Exit Facility ^(a)	--	845	905	1,011	1,115
Ending Liquidity	\$593	\$845	\$905	\$1,011	\$1,115
Memo:					
Total Debt	\$5,962	\$822	\$725	\$570	\$415
Total Debt/LTM Adj. EBITDA	9.3x	2.2x	1.5x	1.2x	0.8x

(a) Assumes ~\$7mm of outstanding letters of credit after emergence.

Exhibit G

LINN Backstop Agreement