

**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 ACQUISITION COMPANY, LLC AND BERRY PETROLEUM COMPANY, LLC**

Paul M. Basta, P.C. (admitted *pro hac vice*)
Stephen E. Hessler, P.C. (admitted *pro hac vice*)
Brian S. Lennon (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Patricia B. Tomasco (TX Bar No. 01787600)
Matthew D. Cavanaugh (TX Bar No. 24062656)
Jennifer F. Wertz (TX Bar No. 24072822)
JACKSON WALKER L.L.P.
1401 McKinney Street, Suite 1900
Houston, Texas 70010
Telephone: (713) 752-4200

Co-Counsel to the Debtors and Debtors in Possession

–and–

James H.M. Sprayregen, P.C. (admitted *pro hac vice*)
Joseph M. Graham (admitted *pro hac vice*)
Alexandra Schwarzman (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Thomas B. Walper (admitted *pro hac vice*)
Seth Goldman (admitted *pro hac vice*)
MUNGER, TOLLES & OLSON LLP
355 S. Grand Avenue, 35th Floor
Los Angeles, CA 90017
Telephone: (213) 683-9100

Co-Counsel to the Debtors and Debtors in Possession

Counsel to the Berry Debtors and Berry Debtors in Possession

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 Berry 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 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 Berry Debtors, the Berry Ad Hoc Group, the Committee, and a substantial number of the Berry Lenders. The Debtors urge Holders of Claims whose votes are being solicited to accept the Plan.

The Berry 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 Berry Debtors' Chapter 11 Cases. Although the Berry 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 Berry Debtors' management except where otherwise specifically noted. The Berry 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 Berry Debtors relied on financial data derived from the Berry Debtors' books and records and on various assumptions regarding the Berry Debtors' businesses. While the Berry Debtors believe that such financial information fairly reflects the financial condition of the Berry 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 Berry Debtors' businesses and their future results and operations. The Berry 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 Berry 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 Berry 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 Berry Debtors may subsequently update the information in this Disclosure Statement, the Berry 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 Berry Debtors reserve the right to File an amended or modified Plan and related Disclosure Statement from time to time for the Berry Debtors, subject to the Berry RSA.

The Berry 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 Berry Debtors have not authorized any representations concerning the Berry 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 63, 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 Berry 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 Berry 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 Berry 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 Berry Debtors make statements in this Disclosure Statement that are considered forward-looking statements under federal securities laws. The Berry Debtors consider all statements regarding anticipated or future matters, to be forward-looking statements. Forward-looking statements may include statements about the Berry 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 Berry Debtors' cash position and levels of indebtedness.**

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

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EXHIBITS¹

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

¹ Each Exhibit is incorporated herein by reference.

I. INTRODUCTION

Berry Petroleum Company, LLC (“Berry”) and LINN Acquisition Company, LLC (“LAC,” and collectively with Berry, the “Berry 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 Berry Debtors in connection with the solicitation of acceptances with respect to the *Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC* (the “Plan”), dated December 20, 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 Berry Debtors.

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

II. PRELIMINARY STATEMENT

The Berry Debtors, along with their Debtor affiliates, are an independent oil and natural gas company headquartered in Houston, Texas. Berry is a wholly owned subsidiary of Linn Acquisition Company, LLC (“LAC”), which, in turn, is a wholly owned subsidiary of Linn Energy, LLC (“LINN,” and together with its Debtor Affiliates other than the Berry Debtors, the “LINN Debtors”) (collectively, the LINN Debtors and the Berry Debtors shall hereafter be referred to as the “Debtors”). The LINN Debtors acquired their indirect interest in Berry in December 2013 via a stock-for-stock transaction (the “Berry Acquisition”). 71 percent of LINN’s outstanding units are owned by LinnCo, LLC (“LinnCo”), which is a publicly-traded company. LINN’s remaining units are publicly held.

The Berry Debtors’ funded debt obligations are independent of the LINN Debtors. More specifically, the Berry Debtors are obligated under a Second Amended and Restated Credit Agreement with a borrowing base of approximately \$900 million and approximately \$834 million in senior notes due 2020 and 2022, respectively

The Debtors are operationally integrated. The Debtors’ workforce, which is not unionized, includes approximately 1,500 employees. Pursuant to the Berry Acquisition, Berry no longer has employees and all former Berry employees are now employed by Debtor Linn Operating, Inc. (“LOI”). Collectively, as of year-end 2015, the Debtors had approximately 27,000 gross productive wells in the United States, including in California, Colorado, Illinois,

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.**

Kansas, Louisiana, Michigan, New Mexico, North Dakota, Oklahoma, Texas, Utah, and Wyoming, 6,125 of which were owned by the Berry Debtors. 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. Of this consolidate amount, the Berry Debtors had approximately 1.02 trillion cubic feet equivalent of proved reserves, of which 53 percent were oil, 37 percent were natural gas, and 10 percent were natural gas equivalents. The Debtors also own and operate pipelines, processing facilities, and steam generators to support their production activities.

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

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).

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 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. With respect to the Berry Debtors, the Bank RSA established, among other things: (a) a protocol by which intercompany claims between the LINN Debtors and Berry Debtors would be settled; and (b) a dual prong restructuring path whereby the Berry Debtors would explore both (i) a potential sale of the Berry Debtors’ assets via a marketing process (the “Berry Marketing Process”) and (ii) a restructuring transaction comprised of a new money investment or a backstopped rights offering of Reorganized Berry Common Stock.

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 more than 80% 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 Berry Debtors explored both a potential restructuring transaction with their key stakeholders as well as the Berry Marketing Process, both of which were contemplated by the Bank RSA. Pursuant to the Berry Marketing Process, the Berry Debtors, with the assistance of their investment banker, contacted approximately 150 potential purchasers, executed non-disclosure agreements with approximately 42 potential purchasers, and provided such potential purchasers with access to a virtual data room. The Berry Debtors received 25 preliminary indications of interest on August 8, 2016 from approximately 23 potential purchases. After analyzing the indications of interests, the Berry Debtors, in consultation with their advisors, invited approximately 18 potential purchasers to proceed to the second round of bidding. After further diligence by the potential purchasers, the Berry Debtors received second round bids on September 14, 2016.

Simultaneously with the Berry Marketing Process, the Berry Debtors continued to engage with the Berry Lenders and the Berry Ad Hoc Group regarding the terms of a consensual restructuring of the Berry Debtors. On September 14, 2016, the Berry Debtors received a restructuring proposal from the Berry Ad Hoc Group. The key terms of this proposal included: (a) a cash paydown sufficient to reduce the Claims of the Berry Lenders to \$450 million; (b) a new exit facility consisting of a five-year, single tranche reserve-based revolving loan in the principal amount of \$550 million; (c) two rights offerings with an aggregate amount of \$300 million (or, if the Berry Rights Offerings Amount is increased pursuant to the terms of the Berry Backstop Agreement, \$335 million) backstopped by certain Holders of Berry Unsecured Notes Claims; and (d) the equitization of remaining Berry Unsecured Notes Claims and Berry General Unsecured Claims. The Berry Exit Facility and the amount deemed drawn thereunder are subject to reduction on a dollar-for-dollar basis in an amount equal to the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders.

Subsequently, the Berry Ad Hoc Group and the Berry Lenders began discussions with each other regarding the terms of a potential exit facility for Berry (the “Berry Exit Facility”). On October 18, 2016, the Berry Debtors, the Berry Ad Hoc Group, and the Berry Lenders met in person to further discuss the terms of a potential restructuring transaction. No agreement was reached at the October 18, 2016 meeting, but discussions between the parties continued. On October 20, 2016, the Berry Ad Hoc Group sent the Berry Debtors a signed commitment letter (the “Berry Backstop Commitment Letter”) that contemplated a \$300 million new money investment into the Berry Debtors premised on: (a) certain terms of a plan of reorganization for the Berry Debtors; (b) a proposed \$550 million Berry Exit Facility; and (c) and other terms and conditions set forth in the commitment letter (the “Berry Creditor Proposal”).

Concurrently with the Berry Debtors’ negotiations with respect to the Plan, the LINN Debtors also solicited and received several “new-money” proposals from their various stakeholders, including, 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, among others. Eventually, after consultation with their advisors, the LINN Debtors decided to proceed with a joint restructuring proposal from the Ad Hoc Group of LINN Unsecured Noteholders and the Ad Hoc Group of LINN Second Lien Noteholders (the “Joint Creditor Proposal”), the terms of which were documented in a restructuring support agreement dated as of October 7, 2016 (together with all exhibits and schedules thereto, the “LINN RSA”). In conjunction with the negotiation of the Joint Creditor Proposal and as a condition to entry into the LINN RSA, the LINN Debtors also engaged with the LINN Lenders regarding the terms of an amended and improved \$1.7 billion LINN Exit Facility. On November 17, 2016, the Berry Debtors also 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] (the “Berry Backstop Motion”) seeking authority to enter into a backstop agreement (the “Berry Backstop Agreement”) with the Berry Ad Hoc Group in connection with the Berry Rights Offering.

Having executed the LINN RSA and being in receipt of the Berry Backstop Commitment Letter, the LINN Debtors and Berry Debtors filed their proposed *Proposed Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and its Debtor Affiliates* [Docket No. 1092] (the

“Initial Plan”) and *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and its Debtor Affiliates* [Docket No. 1093] (the “Initial Disclosure Statement”) on October 21, 2016. Initially, the LINN Debtors and Berry Debtors were determined to proceed together through the confirmation process. Subsequent to filing the Initial Plan and Initial Disclosure Statement, however, it became apparent that the LINN Debtors and the Berry Debtors would need to proceed separately and on individual timeframes. Accordingly, on December 2, 2016, the LINN Debtors filed an amended plan of reorganization (the “Amended LINN Plan”) [Docket No. 1255] and disclosure statement in support of the Amended LINN Plan (the “Amended LINN Disclosure Statement”) [Docket No. 1256], which did not include the Berry Debtors.

On December 13, 2016, the Bankruptcy Court entered the *Order (I) Approving the Adequacy of the Disclosure Statement (II) Approving the Solicitation and Notice Procedures With Respect to Confirmation of the Amended Joint Plan of Reorganization of Linn Energy, LLC and Its Debtor Affiliates Other Than Linn Acquisition Company, LLC and Berry Petroleum Company, LLC, (III) Approving the Forms of Ballots and Notices In Connection Therewith, (IV) Approving the LINN Rights Offering Procedures and Related Materials, (V) Scheduling Certain Dates With Respect Thereto, and (VI) Granting Related Relief* [Docket No. 1348]. As of the date hereof, the LINN Debtors have commenced solicitation of votes to approve the Amended LINN Plan.

Notwithstanding the Debtors’ determination to proceed on separate paths to reorganization, the Berry Debtors, the Berry Ad Hoc Group, and the Berry Lenders continued their efforts to negotiate a consensual restructuring transaction, with such efforts resulting in the execution of a restructuring support agreement (the “Berry RSA”) by the Berry Debtors, the Berry Ad Hoc Group, and the certain of the Berry Lenders on December 20, 2016. Additionally on December 20, 2016, the Berry Debtors entered into a Berry backstop commitment agreement (the “Berry Backstop Commitment Agreement”) with certain Holders of Berry Unsecured Notes Claims (the “Berry Initial Backstop Parties”), which contemplates two rights offerings in the aggregate amount of \$300 million fully backstopped by the Berry Initial Backstop Parties and any other Holders of Berry Unsecured Notes Claims who execute the Berry Backstop Agreement prior to the Effective Date of the Plan (the “Berry Rights Offerings”).

III. OVERVIEW OF THE PLAN

The Plan provides for the reorganization of the Berry Debtors as a going concern and will significantly reduce long-term debt and annual interest payments of Reorganized Berry, resulting in a stronger, de-levered balance sheet for the Reorganized Berry Debtors. Specifically, the Plan provides for: (a) the Berry Rights Offerings; (b) a full recovery for the Berry Lenders consisting of (i) if such Holder elects to participate in the Berry Exit Facility (an “Electing Berry Lender,” and collectively, the “Electing Berry Lenders”), its Pro Rata share of (A) the Berry Exit Facility and (B) and the Berry Lender Paydown (as defined below), or (ii) if such Holder elects not to participate in the Berry Exit Facility (a “Non-Electing Berry Lender,” and collectively, the “Non-Electing Berry Lenders”), its Pro Rata share of non-conforming term notes (the “Reorganized Berry Non-Conforming Term Notes”); (c) the issuance of (i) the Reorganized Berry Common Stock/Noteholder Distribution (as defined below) to Holders of Berry Unsecured Notes Claims or (ii) a Pro Rata share of the Berry GUC Cash Distribution Pool (as defined below) for those Holders of Berry Unsecured Notes Claims that elect to certify that they are a

Non-Accredited Investor³; and (d) the issuance of either (i) the Reorganized Berry Common Stock/General Distribution (as defined below) or (ii) a Pro Rata share of a \$35 million Cash pool (the “Berry GUC Cash Distribution Pool”) to Holders Berry General Unsecured Claims.

A. The Berry Rights Offerings

The Berry Rights Offerings contemplate two separate rights offerings totaling \$300 million (or, if such amount is increased pursuant to the terms of the Berry Backstop Agreement, \$335 million, with such amount being referred to herein as the “Berry Rights Offerings Amount”) consisting of: (a) a \$60 million (the “Berry First Tranche Rights Offering Amount”) rights offering fully backstopped by the Berry Initial Backstop Parties, pursuant to which the Berry Initial Backstop Parties will receive rights to purchase Reorganized Berry Preferred Stock (the “Berry First Tranche Rights Offering”); and (b) a \$240 million (the “Berry Second Tranche Rights Offering Amount”) rights offering (or, if the Berry Rights Offerings Amount is increased pursuant to the terms of the Berry Backstop Agreement, a \$275 million rights offering) fully backstopped by the Berry Initial Backstop Parties and any other Holders of Berry Unsecured Notes Claims who execute the Berry Backstop Agreement prior to the Effective Date of the Plan (collectively with the Berry Initial Backstop Parties, the “Berry Backstop Parties”), pursuant to which all Eligible Holders of Berry Unsecured Notes Claims will receive rights to purchase Reorganized Berry Preferred Stock (the “Berry Second Tranche Rights Offering”). Such Reorganized Berry Preferred Stock, in turn, will be convertible into Reorganized Berry Common Stock.

Pursuant to the Plan, the Berry Rights Offerings Amount may be increased up to \$335 million in aggregate amount of Berry Rights upon the mutual election of the Berry Debtors and the Berry Backstop Parties pursuant to the terms of the Berry Backstop Order and the Berry Backstop Agreement. In the event that the Berry Rights Offering Amount is increased, the Berry Second Tranche Rights Offering Amount shall be increased from \$240 million to \$275 million in accordance with the terms of the Berry Backstop Agreement.

All of the Reorganized Berry Preferred Stock issued pursuant to the Berry Rights Offerings shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the Reorganized Berry Preferred Stock in accordance with the Berry 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 and the Berry Lender Paydown

On the Effective Date, the Reorganized Berry Debtors shall enter into the Berry Exit Facility, with Reorganized Berry OpCo as a borrower and Reorganized Berry HoldCo as a guarantor. Reorganized Berry HoldCo shall be a holding company directly holding all of the equity interests of Reorganized Berry OpCo and directly or indirectly holding the equity interests

³ For purposes of the Plan and Disclosure Statement, a Non-Accredited Investor is defined as any Person or Entity that does not meet the requirements as an “accredited investor” as set forth in Regulation D promulgated under section 4(a)(2) of the Securities Act.

of any subsidiary of Berry OpCo. The Berry Exit Facility shall be comprised of a reserve based lending facility with: (a) an initial borrowing base of \$550 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes, if any, issued to Non-Electing Berry Lenders (the “Berry Exit Facility Initial Borrowing Base”); (b) commitments from the Berry Lenders equal to the Berry Exit Facility Initial Borrowing Base; and (c) initial outstanding borrowings equal to not more than \$450 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes, if any, issued by Reorganized Berry to Non-Electing Berry Lenders, with the remaining commitment available to be drawn, subject to the Berry Exit Facility Initial Borrowing Base and the conditions precedent to each draw, and subject to the terms and conditions set forth in the Berry Exit Facility Documents. In addition, the Berry Exit Facility Documents shall provide the administrative agent under the Berry Exit Facility the ability to assign lender commitments under the Berry Exit Facility to any hedging counterparty to the Debtors that is not also a Berry Lender. The proceeds of the Berry Exit Facility will also be used to fund the Berry Debtors’ operations, as applicable, and for general corporate purposes.

Additionally, the Plan contemplates a Cash payment to the Berry Lenders from: (a) \$300 million from Cash proceeds of the Berry Rights Offerings, (b) the prepetition collateral account defined as the “Borrowing Base Account” in the Berry Credit Agreement, and (c) other amounts from the Berry Debtors’ Cash on hand, all in an amount equal to that necessary to satisfy the anti-hoarding provisions in the Berry Exit Facility, after payment of costs and expenses of the Chapter 11 Cases and payments and reserves expressly provided for in the Plan and consistent therewith) (the “Berry Lender Paydown”). For the avoidance of doubt, the Berry Lender Paydown shall be in an aggregate amount equal to (a) the aggregate amount of all Allowed Berry Lender Claims minus (b) the sum of (i) the principal amount of the Berry Exit Facility (which amount shall not exceed \$450 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes on the Effective Date), plus (ii) the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes; *provided*, that none of the Non-Electing Berry Lenders shall receive any portion of the Berry Lender Paydown and shall receive only a Reorganized Berry Non-Conforming Note in a principal amount equal to its Allowed Berry Lender Claim; *provided, further*, that each Electing Berry Lender shall receive a Berry Lender Paydown payment in the amount of (a) its Allowed Berry Lender Claim less (b) the amount of such Electing Berry Lender’s Allowed Berry Lender Claim that is deemed to be drawn loan pursuant to the Berry Exit Facility, plus (c) a Pro Rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been a Consenting Berry Lender; *provided*, that any amount paid to such Electing Lender pursuant to clause (c) shall reduce the amount deemed to be drawn debt pursuant to clause (b).

Each Electing Berry Lender shall receive its Pro Rata share (calculated with respect to the other Electing Berry Lenders only) of (i) the Berry Exit Facility, and (ii) the Berry Lender Paydown plus (iii) a Pro Rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been an Electing Berry Lender, in each case, pursuant to Article III.B.3 (and, any amount paid to such Electing Berry Lender pursuant to clause (iii) shall reduce the amount deemed to be drawn debt pursuant to clause (ii)). The Berry Exit Facility shall be on terms set forth in the Berry Exit Facility Documents and substantially consistent with the terms set forth in the Berry Exit Facility Term Sheet; *provided*, that the Berry Exit Facility lender

commitments shall be reduced dollar for dollar in the amount of the Reorganized Berry Non-Conforming Term Notes that are issued to Non-Electing Berry Lenders, such that the sum of the Berry Exit Facility lender commitments plus the original principal amount of the Reorganized Berry Non-Conforming Term Notes shall be equal to \$550 million.

In the event that any hedging counterparty to the Debtors is not party to the Berry Exit Facility or does not otherwise receive any assignments of loan commitments on account of such Berry Exit Facility, such hedging counterparty shall receive Liens and security interests that are *pari passu* with those Liens and security interests received by hedging counterparties that are also lenders under the Berry Exit Facility. The Berry Administrative Agent and the administrative agent under the Berry Exit Facility shall use its reasonable good-faith efforts to work with such hedging counterparties to the Debtors that are not also lenders to the Berry Exit Facility, as applicable, to assign loan commitments under the Berry Exit Facility to any such hedging counterparty to the Debtors that is not also a Berry Lender.

C. Committee Settlement

After weeks of substantive discussions regarding the Plan, the Berry Debtors, the Berry Ad Hoc Group, and the Committee agreed to a settlement (the “Berry/Committee Settlement”) on December 13, 2016, which provides for the treatment of Holders of Allowed Berry General Unsecured Claims and Allowed Berry Unsecured Notes Claims under the Plan.

1. Treatment of Allowed Berry Unsecured Notes Claims

Pursuant to the Berry/Committee Settlement, Holders of Allowed Berry Unsecured Notes Claims shall receive their Pro Rata share of: (a) 82.3 percent of the Reorganized Berry Common Stock (the “Reorganized Berry Common Stock/Noteholder Distribution”); and (ii) to the extent that the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, their Pro Rata share of the Reorganized Berry Common Stock/General Distribution (as defined below), such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claims per dollar of such Allowed Claim shall equal the aggregate amount of Reorganized Berry Common Stock received by a Holder of an Allowed Berry General Unsecured Claim per dollar of such Allowed Claim.

Notwithstanding the foregoing, each Holder of an Allowed Berry Unsecured Notes Claim that is a Non-Accredited Investor may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; *provided, however*, that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry Unsecured Notes Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry Unsecured Notes Claim); *provided, further, however*, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry Unsecured Notes Claim. To the extent that a Holder of a Berry Unsecured Notes Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.

2. Treatment of Allowed Berry General Unsecured Claims

Holders of Allowed Berry General Unsecured Claims, in turn, will receive their Pro Rata share of 17.7 percent of the Reorganized Berry Common Stock, after allocation and reservation for the Reorganized Berry EIP Equity (the “Reorganized Berry Common Stock/General Distribution”). Notwithstanding the foregoing, each Holder of an Allowed Berry General Unsecured Claim may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; *provided, however*, that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry General Unsecured Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry General Unsecured Claim); *provided, further, however*, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim. To the extent that a Holder of a Berry General Unsecured Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.

For the avoidance of doubt, the election by Holders of Allowed Berry General Unsecured Claims to receive Pro Rata shares of either a Cash distribution from the Berry GUC Cash Distribution Pool or Reorganized Berry Common Stock/General Distribution must be irrevocably made by each Holder of an Allowed Berry General Unsecured Claim on the ballot distributed to such Holders pursuant to the Berry Debtors’ solicitation of votes in support of the Plan.

On the Effective Date, the Berry Debtors shall irrevocably fund the Berry GUC Cash Distribution Pool into a separate, segregated bank account not subject to the control of the Berry Lenders or the administrative agent under the Berry Exit Facility, which account will not be subject to any liens, security interests, or other encumbrances. Except as provided in the Plan, Cash held on account of the Berry GUC Cash Distribution Pool shall not constitute property of the Berry Debtors or the Reorganized Berry 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 Berry GUC Cash Distribution Pool after payment to all eligible Holders of Allowed Berry General Unsecured Claims, such remaining amount, if any, shall be returned to the Reorganized Berry Debtors.

3. Claims Reconciliation Process

Pursuant to the claims reconciliation process, the Berry Debtors or the Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) shall be authorized, but not directed, to establish, in consultation with the Committee prior to the Effective Date, one or more Disputed Claims Reserves, which Disputed Claims Reserve shall be administered by the Reorganized Berry Debtors, to the extent applicable. Prior to the Confirmation Hearing, the Berry Debtors, the Consenting Berry Noteholders, and the Committee shall work together in good faith to determine (1) the funding of the costs incurred (including legal fees and expenses) in connection with the claims reconciliation process with respect to Disputed Berry General Unsecured Claims, (2) other claims administration responsibilities with respect to Disputed Berry General Unsecured Claims, and (3) the eligibility

(or Non-Accredited Investor status) of Holders of Berry Unsecured Notes Claims to elect to receive a Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of Reorganized Berry Common Stock, the resolution of each of which shall be documented in the Confirmation Order.

The Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) may, in their sole discretion, hold Cash, in the same proportions and amounts provided for in the Plan in the Berry GUC Cash Distribution Pool for applicable Holders of Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims, and Reorganized Berry Common Stock, in the same proportions and amounts as provided for in the Plan, in the Disputed Claims Reserves in trust for the benefit of the Holders of the total estimated amount of Claims ultimately determined to be Allowed after the Effective Date; *provided, however*, that the Reorganized Berry Debtors may, rather than issuing Reorganized Berry Common Stock into a trust, elect to issue such stock directly to Holders of Claims ultimately determined to be Allowed as and when such Claims are Allowed. The Reorganized Berry Debtors shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein, as such Claims are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Claims as such amounts would have been distributable had such Claims been Allowed Claims as of the Effective Date under the Plan solely to the extent of the amounts available in the applicable Disputed Claims Reserves. Any portions of the Berry GUC Cash Distribution Pool remaining after resolution of the Disputed Berry General Unsecured Claims shall be released from the applicable Disputed Claims reserves for Pro Rata distributions to each Holder of Allowed Berry General Unsecured Claims who have irrevocably elected to receive its Pro Rata share of the Berry GUC Cash Distribution Pool; *provided*, that in no event shall any such Holder of an Allowed Berry General Unsecured Claim receive a Cash recovery in excess of \$0.35 on each \$1.00 of its Allowed Berry General Unsecured Claim; *provided, further*, that to the extent that there are any amounts of the Berry GUC Cash Distribution Pool remaining after each applicable Holder of Allowed Berry General Unsecured Claims has received its maximum Cash recovery, such excess funds shall be returned to the Reorganized Berry Debtors for general corporate uses.

D. The Berry/LINN Intercompany Settlement

The Plan includes a proposed settlement of numerous potential claims belonging to the Debtors, including asserted and potential intercompany claims between the Berry Debtors and the LINN 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 undertaken 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 was Joseph P. McCoy, assisted by the LINN Debtors’ legal and financial advisors, Jackson Walker LLP and a segregated team from AlixPartners (consisting of personnel who were not involved in

AlixPartners' work for all of the Debtors). The designated disinterested representative of the Berry Debtors was 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 the 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 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 Debtors' 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.

E. Governance

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

other constituent documents of each Reorganized Berry Debtor, which forms shall be included in the Plan Supplement.

F. Recoveries to Claim Holders

The Berry Lenders who elect to participate in the Berry Exit Facility will receive their Pro Rata share of: (a) the Berry Exit Facility; and (b) the Berry Lender Paydown. The Berry Lenders that elect not to participate in the Berry Exit Facility, in turn, will receive their Pro Rata share of the Reorganized Berry Non-Conforming Term Notes.

The Holders of Berry Unsecured Notes Claims will receive: (a) their Pro Rata share of the Reorganized Berry Common Stock/Noteholder Distribution; and (b) to the extent that the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, their Pro Rata share of the Reorganized Berry Common Stock/General Distribution, such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claims per dollar of such Allowed Claim shall in no event be less than the aggregate amount of Reorganized Berry Common Stock received by a Holder of an Allowed Berry General Unsecured Claim per dollar of such Allowed Claim. Holders of Berry Unsecured Notes Claims will additionally be permitted to participate in the Berry Rights Offerings. Such participation as a Berry Backstop Party, however, will be separate and apart from any treatment with respect to Holders of Berry Unsecured Notes Claims under the Plan.

Holders of Berry General Unsecured Claims will receive on the Effective Date, their Pro Rata share of either: (a) the Berry GUC Cash Distribution Pool *provided, however*, that in no event shall an electing Holders receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim; or (b) the Reorganized Berry Common Stock/General Distribution.

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

H. Releases

The Plan contains certain releases (as described more fully in Section IV.U of this Disclosure Statement), including: (a) each of the Debtors, the Reorganized Berry Debtors, and the Reorganized Berry Debtors; (b) the Consenting Berry Creditors; (c) the Berry Backstop Parties; (d) the Berry Administrative Agent; (e) the Berry Unsecured Notes Trustee; (f) the Committee and each of its members; (g) each of the Berry Lenders; and (h) the Ad Hoc Group of Berry Unsecured Noteholders; and (i) with respect to each of the foregoing identified in subsections (a) through (h) herein, each of such entities' respective shareholders, affiliates, subsidiaries, members, 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 (x) any Holder of a Claim or Interest that opts out of the releases contained in the Plan shall not be a "Released Party," and (y) neither Quantum Energy Partners, Sentinel Peak Resources, nor any of their officers, managers, or employees shall be "Released Parties."

The Plan also provides that each holder of a Claim against or an interest in the Berry 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 Berry Debtors and the Released Parties.

I. Dissolution of the Committee

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; *provided*, that the Committee shall be deemed to remain in existence solely with respect to, and shall not be heard on any issue except (i) applications filed by the Professionals pursuant to section 330 and 331 of the Bankruptcy Code, and (ii) its statutory duties as the Committee for Holders of Unsecured Claims against the LINN Debtors.

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 Berry Debtors sending me this Disclosure Statement?

The Berry Debtors are seeking to obtain Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Berry 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 B1	Other Berry Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B2	Other Berry Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B3	Berry Lender Claims	Impaired	Entitled to Vote
Class B4	Berry Unsecured Notes Claims	Impaired	Entitled to Vote
Class B5	Berry General Unsecured Claims	Impaired	Entitled to Vote
Class B6	Berry Intercompany Claims	Impaired	Not Entitled to Vote (Presumed to Accept/ Deemed to Reject)
Class B7	Berry Section 510(b) Claims	Impaired	Note Entitled to Vote (Deemed to Reject)
Class B8	Interests in Berry Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)

D. What will I receive from the Berry 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 Berry 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 BERRY DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.⁴

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
B1	Other Berry Secured Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Berry Secured Claims 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 Berry Secured Claim, each such Holder shall receive, at the option of Berry and with the consent of the Required Consenting Berry Noteholders (which consent shall not be unreasonably	\$5.4 million	100%

⁴ The recoveries set forth below may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Debtors' business operations and general economic conditions. "Allowed" means with respect to any Claim, except as otherwise provided 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.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		withheld), 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.		
B2	Other Berry Priority Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Berry 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 Berry Priority Claim, each such Holder shall receive, at the option of Berry, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	\$0.00	100%
B3	Berry Lender Claims	Notwithstanding any other provision of this Plan to the contrary, on the Effective Date, except to the extent that a Holder of an Allowed Berry Lender 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 Berry Lender Claim, each such Holder shall receive: (i) if such Holder votes (or is deemed to have voted in accordance with the ballot for Holders of Berry Lender Claims) to accept the Plan and elects to participate in the Berry Exit Facility, or voted against the Plan and subsequently changes its vote to accept (with the approval of the Berry Debtors and the Required Consenting Berry Creditors (which approval shall not be unreasonably withheld)) and opts into the Berry Exit Facility (each, an " <u>Electing Berry Lender</u> "), a Pro Rata share (calculated with respect to the other Electing Berry Lenders only) of: (A) the Berry Exit Facility; and (B) the Berry Lender Paydown, which shall be distributed upon such Holder's execution and delivery of the Berry Exit Facility Documents; or (ii) if such Holder votes to reject the Berry Plan and does not subsequently opt into the Berry Exit Facility (each, a " <u>Non-Electing Berry Lender</u> "), a Reorganized Berry Non-Conforming Term Note in an aggregate amount equal to such Non-Electing Berry Lender's Allowed Berry Lender Claim, in lieu of any share of (A) the Berry Exit Facility and (B) the Berry Lender Paydown, upon the execution and delivery of the Reorganized	\$891.3 million	100%

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		<p>Berry Non-Conforming Notes Documents, distributed no earlier than the Effective Date (and after or substantially concurrently with the execution and delivery of such definitive documentation).</p> <p>For the avoidance of doubt, the amount of the Berry Exit Facility Initial Borrowing Base and the commitments of the Electing Berry Lenders shall be reduced in an amount equal to the aggregate amount of the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders. For the further avoidance of doubt, none of the Non-Electing Berry Lenders shall receive any portion of the Berry Lender Paydown and shall receive only a Reorganized Berry Non-Conforming Note in a principal amount equal to its Allowed Berry Lender Claim and each Electing Berry Lender shall receive a Berry Lender Paydown payment in the amount of (a) its Allowed Berry Lender Claim <u>less</u> (b) the amount of such Electing Berry Lender's Allowed Lender Claim that is deemed to be a drawn loan pursuant to the Berry Exit Facility, <u>plus</u> (c) a pro rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been an Electing Berry Lender; <i>provided</i>, that any amount paid to such Electing Berry Lender pursuant to clause (c) shall reduce the amount deemed to be drawn debt pursuant to clause (b).</p>		
B4	Berry Unsecured Notes Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Berry Unsecured Notes Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of the Berry Debtors and their Estates and in exchange for each Berry Unsecured Notes Claim, each such	\$849.0 million	43%–50% ⁵

⁵ The low end of recovery range assumes all Allowed Berry General Unsecured Claims elect to receive their Pro Rata share of the Reorganized Berry Common Stock/General Distribution, and it assumes the high end range of the Allowed Berry General Unsecured Claims. The high end of recovery range assumes all Allowed Berry General Unsecured Claims elect to receive Cash from the Berry GUC Cash Distribution Pool. The estimated recovery for Class B4 contemplates only the recovery to Holders of Allowed Berry Unsecured Notes Claims pursuant to the Reorganized Berry Common Stock/Noteholder Distribution.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		<p>Holder shall receive: (i) its Pro Rata share of the Reorganized Berry Common Stock/Noteholder Distribution; and (ii) to the extent that the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, its Pro Rata share of the Reorganized Berry Common Stock/General Distribution, such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claim per dollar amount of such Allowed Claim shall equal the aggregate amount of Reorganized Berry Common Stock received by a Holder of an Allowed Berry General Unsecured Claim that does not elect to receive its share of the Berry GUC Cash Distribution Pool, per dollar amount of such Allowed Claim.</p> <p>Notwithstanding the foregoing, each Holder of an Allowed Berry Unsecured Notes Claim that is a Non-Accredited Investor may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; <i>provided, however</i>, that if such Non-Accredited Investor Holder (who shall certify such status on the ballot and include reasonably acceptable proof of such status, which may be contested by the Berry Debtors, the Reorganized Berry Debtors, or the Committee) irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry Unsecured Notes Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry Unsecured Notes Claim; <i>provided, further, however</i>, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry Unsecured Notes Claim. To the extent that a Holder of a Berry Unsecured Notes Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.</p>		

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
B5	Berry General Unsecured Claims	<p>On the later of (i) the Effective Date, (ii) ten (10) Business Days after the Distribution Record Date, or (iii) as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Berry General Unsecured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of vis-à-vis the Debtors and their Estates and in exchange for each Berry General Unsecured Claim, each such Holder shall receive, up to the Allowed amount of its Berry General Unsecured Claim, its Pro Rata share of the Reorganized Berry Common Stock/General Distribution.</p> <p>Notwithstanding the foregoing, each Holder of an Allowed Berry General Unsecured Claim may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; <i>provided, however,</i> that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry General Unsecured Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry General Unsecured Claim); <i>provided, further, however,</i> that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim. To the extent that a Holder of a Berry General Unsecured Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.</p>	\$109.0 million to \$165.0 million	21%–46% ⁶
B6	Berry Intercompany Claims	Each Allowed Berry Intercompany Claim shall be canceled and released without any distribution on account of such Claims; <i>provided, however,</i> that any Berry Intercompany Claim relating to	N/A	N/A

⁶ The low end of recovery range assumes all Allowed Berry General Unsecured Claims elect to receive Cash from the Berry GUC Cash Distribution Pool, and it assumes the high end range of the Allowed Berry General Unsecured Claims. The high end of recovery range assumes all Allowed Berry General Unsecured Claims elect to their Pro Rata share of the Reorganized Berry Common Stock/General Distribution, and it assumes the low end range of the Allowed Berry General Unsecured Claims.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		any postpetition payments from any LINN Debtor to Berry under any postpetition Intercompany Transaction (as defined in the Cash Management Order, and including any postpetition payments from LINN to Berry) shall be, unless the applicable 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. For the avoidance of doubt, the Berry LINN Intercompany Settlement releases any Claims of the LINN Debtors against the Berry Debtors and pursuant to such settlement, there shall be no Allowed Berry Intercompany Claims, except for the true-up of postpetition Intercompany Transactions described in the preceding sentence, and thus there will be no other Allowed Claims in this Class. Any such true-up Claim shall be reasonably acceptable to the Berry Debtors and the Required Consenting Berry Creditors.		
B7	Berry Section 510(b) Claims	Each Berry Section 510(b) Claim shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Berry Section 510(b) Claims on account of such Claims.	N/A	0%
B8	Interests in the Berry Debtors	On the Effective Date, existing Interests in the Berry Debtors shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Interests in the Berry Debtors on account of such Interests	N/A	0%

E. What will I receive from the Berry 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. 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, 120 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 Berry 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 Berry 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 Berry 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 Berry 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 78, 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 78, 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 Berry Debtors shall fund distributions under the Plan with respect to the Berry Debtors, as applicable, with one or more of the following, subject to appropriate definitive agreements and documentation: (1) the Berry Exit Facility; (2) the Reorganized Berry Non-Conforming Term Notes (if any); (3) encumbered and unencumbered Cash on hand, including Cash from operations of the Berry Debtors; (4) Cash proceeds of the sale of the Reorganized Berry Preferred Stock pursuant to the Berry Rights Offerings; and (5) the Reorganized Berry Common Stock.

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

Yes. *See* Article IX of this Disclosure Statement, entitled "RISK FACTORS," which begins on page 63.

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 Berry May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases," which begins on page 75.

In the event that it becomes necessary to confirm the Plan over the objection of certain Classes, the Berry 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 Berry Debtors May Not Be Able to Secure Confirmation of the Plan," which begins on page 64.

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. The Berry Debtors contend that the Plan may treat any

right to payment on account of a Royalty and Working Interest that arose prior to the Petition Date as a General Unsecured Claim.

In contrast, and though the Berry Debtors vigorously disagree with such position, certain Royalty and Working Interest Owners, including Dorchester Oil and Gas, Fort Worth Royalty Company, Penn Brothers, Inc., Tortuga Oil and Gas, TX GP, Athena Penson Mineral Ltd, Artemis Investments, and Joe Dreitz Jr. (and royalty owners in certain Kansas wells) (collectively, the “Objecting Royalty and Working Interest Owners”) contend that the Debtors’ proposed treatment of Claims on account of Royalty and Working Interests ignores and contradicts Texas and Kansas law regarding the nature of interests owned by Royalty and Working Interest Owners and may result in the termination of oil and gas leases retroactive to the first missed royalty payment and liability for conversion or theft, including potential personal civil liability for corporate employees and officers for such conversion or theft under the Texas Theft Liability Act or Kansas law. The Objecting Royalty and Working Interest Owners further contend that any right to payment arising from a Royalty and Working Interest, if any, must be classified separately from General Unsecured Claims under the Plan and should not be subject to any discharge and/or release provided hereunder. The Objecting Royalty and Working Interest Owners also assert that an oil and gas lease governed by Texas or Kansas law is a fee determinable estate or real property thereunder and not an executory contract. The Objecting Royalty and Working Interest Owners also contend that, unless the payments owed to Texas Royalty and Working Interests are paid in full, the affected leases may be subject to (i) termination by the holders of those interests, retroactive to the first underpaid or missed royalty payment, after any applicable grace periods; (ii) forfeiture of prior revenues derived by the Debtors under such leases after the effective date of termination; and (iii) potential personal liability for corporate officers and employees. Furthermore, the Objecting Royalty and Working Interest Owners contend that the lease terminations would negatively affect the feasibility of the Plan and that the Disclosure Statement fails to analyze the effect of those potential lease terminations on the feasibility of the Plan.

The William A. Eklund Trust, which filed an objection to the Disclosure Statement, believes that it is improper to classify the prepetition claims of royalty owners as general unsecured claims because they assert the claims of unpaid royalty owners are not substantially similar to the claims of general unsecured creditors.

As previously discussed, the Berry Debtors disagree with the Objecting Royalty and Working Interest Owners’ arguments and believe that the Plan complies with all applicable law and is feasible. The Berry Debtors also disagree with the William A. Eklund Trust and believe that the Plan’s classification scheme is proper.

The Berry Debtors currently are parties to 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.

On November 2, 2016, the McKnights initiated an adversary proceeding in the Chapter 11 Cases asserting that the Debtors have (and still are) violating Oklahoma oil and gas leases by improperly deducting production costs prior to calculating royalty payments (the “underpayment”). The McKnights further contend that the underpayment is hidden from the royalty owners by the use of fictitious sales and misleading and/or false check statements. Further, the McKnights contend that underpayment is not the property of the Debtors but is trust monies to be held for the benefit of the royalty owners. The McKnights have asserted claims for breach of contract, breach of fiduciary duty, conversion, unjust enrichment and imposition of a constructive and/or resulting trust. On December 2, 2016, the Debtors filed a motion to dismiss the McKnights adversary proceeding. A hearing on the McKnights’ complaint and the Debtors’ motion to dismiss has not yet been scheduled.

The Berry Debtors dispute the allegations set forth in the McKnights’ complaint. As of the date hereof, the Berry 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 Berry Debtors continue to review Falcon’s complaint and dispute the allegations set forth therein.

The Debtors intend to comply with applicable bankruptcy and non-bankruptcy (subject to preemption) laws governing the Royalty and Working Interests in place as of the Effective Date of the Plan. The Texas Comptroller of Public Accounts (the “Texas Comptroller”) filed a proof of claim in the case of the Debtor Linn Operating in the amount of \$1,794,310.90, allegedly due to the Texas Comptroller as unclaimed property (Claim No. 7631), and an identical claim in each of the other Debtors’ cases. The Texas Comptroller also filed an estimated proof of claim in the case of the Debtor Linn Operating in the amount of \$1,422,151.89, allegedly due to the Texas Comptroller as unclaimed property (Claim No. 7654), and an identical claim in each of the other Debtors’ cases (collectively, the “Comptroller Claims”). The Texas Comptroller asserts that it retains its rights with respect to any unclaimed property consistent with the Plan, the Confirmation Order, an order of the Court, or any other document implementing the Plan, and consistent with applicable law, including the Bankruptcy Code (subject to preemption).

The Texas Comptroller reserves the right to assert its rights, if any, to recover unclaimed property and to conduct unclaimed property audits under Texas unclaimed property laws. The Texas Comptroller reserves the right to assert that it is not precluded from pursuing unclaimed property held by the Debtors that it asserts is required to be remitted to the Texas Comptroller. All parties in interest reserve their right to contest any action of the Texas Comptroller to recover such property or conduct any audits.

Additionally, numerous holders of Royalty and Working Interests have filed proofs of claim in these cases in an aggregate amount of approximately \$145 million. In some cases, the Royalty and Interest Claims arose as a result of the Debtors making incorrect payments to certain parties due to inaccurate records acquired from BC Operating, Inc., a predecessor in interest with respect to certain acreage currently owned by the Debtors. The Debtors notified by mail certain Royalty and Working Interest Owners of such mispayments and the amounts thereof. The Debtors intend to resolve those claims pursuant to the claims reconciliation process and to continue making all postpetition payments on account of Royalty and Working Interests in the ordinary course. If the Court determines that the Debtors have not made certain postpetition

payments on account of certain Royalty and Working Interests, holders of those Royalty and Working Interests may request reimbursement of such postpetition amounts as an Administrative Claim.

M. What is the Reorganized Berry Employee Incentive Plan?

The Reorganized Berry Debtor Employee Incentive Plan shall be authorized and implemented on the Effective Date by the applicable Reorganized Debtors without any further action by the Reorganized Berry Board or the Bankruptcy Court.

The Reorganized Berry Employee Incentive Plan will be implemented with respect to Reorganized Berry on the Effective Date. The material terms of the Reorganized Berry Employee Incentive Plan shall be agreed upon prior to the Effective Date and set forth in the Reorganized Berry Employee Incentive Plan Agreement.

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

The Berry Debtors estimate that the amount of Allowed Berry General Unsecured Claims could range from approximately \$109.0 million to approximately \$165 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 Berry 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 Berry Debtors; and (e) the Claims reconciliation process.

Although the estimated ranges of Allowed Berry General Unsecured Claims is the result of the Berry Debtors' and their advisors' careful analysis of available information, Berry General Unsecured Claims actually asserted against the Berry Debtors may be higher or lower than the Berry Debtors' estimate provided herein, which difference could be material. Moreover, the Berry 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 Berry Debtors estimate that, in the event the Berry 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 \$163.0 million. Further, the Berry Debtors may object to certain proofs of claim, and any such objections ultimately could cause the total amount of Allowed Berry General Unsecured Claims to change. These changes could affect recoveries to Holders of Claims in Classes B5, 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 Berry 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 Berry 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 Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease; *provided*, that the Berry Debtors or the Reorganized Berry Debtors, as applicable, may not assume or reject any material Executory Contract or Unexpired Lease without the prior written consent of the Required Consenting Berry Creditors (which consent shall not be unreasonably withheld); *provided, further*, that following the request for consent by the Berry Debtors or Reorganized Berry, if the consent of the Required Consenting Berry Creditors is not obtained or declined within five (5) Business Days following written request thereof by the Berry Debtors or Reorganized Berry, such consent shall be deemed to have been granted by the Required Consenting Berry Creditors.

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 Berry 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 Berry Debtors or Reorganized Berry, 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

Berry Debtors' Executory Contracts or Unexpired Leases shall be classified as Berry 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 Berry Debtors estimate that the amount of Allowed Berry General Unsecured Claims could range from approximately \$109.0 million to approximately \$165 million. The Berry Debtors currently estimate that Claims arising from the Berry Debtors' rejection of Executory Contracts and Unexpired Leases total approximately \$108.0 million in the aggregate, but, in the event that the Berry 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 \$163.0 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 B5 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 Berry General Unsecured Claims affect the recovery of Holders of Allowed Berry General Unsecured Claims under the Plan?"

Included among the potential rejection damages Claims against the Berry Debtors are the Claims of Ruby Pipeline LLC [Claim No. 340] and Wyoming Interstate Company, Ltd. [Claim No. 336], which are alleged to be the result of transportation agreements rejected by the Berry Debtors in 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. 1033]. Notwithstanding entry of an order approving the adequacy of information contained in the Disclosure Statement, Ruby Pipeline, LLC and Wyoming Interstate Company reserve all rights regarding the adequacy of the Disclosure Statement pursuant to section 1125(a) of the Bankruptcy Code until the date objections to Confirmation are due.

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

The Berry 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 Berry General Unsecured Claims from Governmental Units, the value of recoveries to Holders of Claims in Classes B5 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 Berry General Unsecured Claims affect the recovery of Holders of Allowed Berry 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 Berry Debtors estimate that the amount of Allowed Berry General Unsecured Claims could range from approximately \$109.0 million to approximately \$165 million. These amounts include the Berry Debtors' reasonable estimate of certain contingent, unliquidated, and disputed litigation Claims known to the Berry Debtors as of the date hereof, which generally are considered Berry General Unsecured Claims. As of the Petition Date, the Berry 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 Berry 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 Berry Debtors herein, the value of recoveries to Holders of Claims in Classes B5 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 Berry General Unsecured Claims affect the recovery of Holders of Allowed Berry 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 Berry 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 addition, before or after the Effective Date, the Berry Debtors or Reorganized Berry, 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. 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 Berry shall retain (or shall receive from the Berry 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 Berry'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 Berry Debtors pursuant to the releases and exculpations contained in the Plan, which shall be deemed released and waived by the Berry 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 Berry Lenders be preserved.

Reorganized Berry may pursue such Causes of Action, as appropriate, in accordance with the best interests of Reorganized Berry. **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 Berry Debtors or Reorganized Berry, 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 Berry 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 Berry Lenders be preserved.

Reorganized Berry reserves (or receives) 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. Reorganized Berry 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.

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

On the Effective Date, the Berry 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 Berry 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 Berry Debtors and Reorganized Berry, and any of their successors or assigns, and any Entity acting on behalf of the Berry Debtors or Reorganized Berry, 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 Berry Debtors, and (iii) to the extent otherwise reserved in the Plan Supplement. No Avoidance Actions shall revert to creditors of the Berry Debtors.

V. Are the Berry 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 Berry Debtors and Reorganized Berry will assume each of the Berry 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 Berry 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.

W. 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 Berry Debtors’ releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Berry Debtors’ overall restructuring efforts and were an essential element of the negotiations between the Berry Debtors, the Berry Ad Hoc Group, and the Berry Lenders in obtaining their support for the Plan pursuant to the terms of the Berry RSA. All of the Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Berry Debtors’ restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the Berry 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 Berry 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 Berry 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 Berry 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 Berry Secured Claims that the Berry Debtors elect to Reinstate in accordance with Article III.B.1 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 Berry Debtors and their successors and assigns (including Reorganized Berry), 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 Berry Debtors or Reorganized Berry Debtors; *provided*, that this Article VIII.C shall not apply to the Berry Lender Claims to the extent specifically provided for in the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents.

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 Berry Debtors, the Reorganized Berry 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 Berry Debtors, that the Berry Debtors, the Reorganized Berry 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 Berry Debtors (including the management, ownership or operation thereof), the Berry Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends and management fees paid), the Berry Credit Agreement, the Berry Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, 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 Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry Backstop Agreement, the Berry Rights Offerings, or any Berry 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 Berry RSA, the Original Berry RSA, the Disclosure Statement, the Plan, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry 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 Berry 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 Debtor, Reorganized Berry Debtor, and each 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 Berry 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 Berry (including the formation thereof), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends paid), transactions pursuant and/or related to the Berry Backstop Agreement, the Berry Credit Agreement, the Berry Rights Offerings, the New Organizational Documents, the Reorganized Berry Registration Rights Agreement, the Berry Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, the Berry Unsecured Notes, the formulation, preparation, dissemination, negotiation, or Filing of the Berry RSA, the Original Berry RSA, the Berry Rights Offerings, the Berry Backstop Agreement, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, or any Berry 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 Berry RSA, the Original Berry RSA, the Disclosure Statement, the Plan, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry 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 Berry Debtors, 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 Berry RSA, the Original Berry RSA, and related prepetition transactions, the Disclosure Statement, the Plan, 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 Berry RSA, the Original Berry RSA, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry Rights Offerings, the Berry Backstop Agreement, the formation of Reorganized Berry, 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 Berry 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 Berry Debtors, the Reorganized Berry 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.

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

On July 11 and 12, 2016, the Berry 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 Berry Debtors that arose (or that are deemed to have arisen) prior to the Petition Date, including without limitation, Class B5 Berry 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 Berry 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 Berry 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.

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

The Voting Deadline is January 20, 2017, at 4:00 p.m. (prevailing Central Time).

Z. 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 20, 2017, at 4:00 p.m. (prevailing Central Time) at the following address: Berry Petroleum Company, 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 Berry 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 76.

AA. 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.

BB. 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 Berry 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 Berry 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 Berry Debtors may also publish the notice of the Confirmation Hearing in such trade or other publications as the Berry Debtors may choose.

CC. 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.

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

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

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

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

As a result of this change in management and control of the Berry Debtors, the future plans and operations of the Reorganized Berry Debtors may not be the same as the plans and operations currently projected by existing management, and the anticipated results reflected in the Financial Projections may differ materially from results that may occur in the future as a result of implementation of different plans and operations.

After the Effective Date, the officers of each of Reorganized Berry shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5)

of the Bankruptcy Code, the Berry 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 Berry. To the extent any such director or officer of Reorganized Berry is an “insider” under the Bankruptcy Code, the Berry 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.

FF. 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 Berry Debtors’ Notice and Claims Agent, Prime Clerk LLC:

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

Berry Petroleum Company, 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 Berry Debtors’ Notice and Claims Agent at the address above or by downloading the exhibits and documents from the website of the Berry 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).

GG. Do the Berry Debtors recommend voting in favor of the Plan?

Yes. The Berry Debtors believe the Plan provides for a larger distribution to the Berry Debtors’ creditors than would otherwise result from any other available alternative. The Berry Debtors believe the Plan, which contemplates a significant deleveraging of the Berry 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.

HH. Who Supports the Plan?

The Plan is supported by the Berry Debtors, the Committee, a substantial number of the Berry Lenders, and the Berry Ad Hoc Group, as set forth in the following chart:

Consenting Parties	Support (expressed as an approximate percentage of the total principal amount of claims outstanding)
Berry Debtors	100%
Berry Lenders	79%
Berry Ad Hoc Group	80%
Committee	100%

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

The Committee supports the Plan and recommends that Holders of Berry Unsecured Notes Claims and Holders of Berry General Unsecured Claims vote to accept the Plan.

V. THE BANK RSA, THE BERRY RSA, AND THE BERRY 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 Berry RSA

Subsequent to the Petition Date, the Berry 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 Berry Debtors solicited and received a \$300 million "new-money" proposal from the Berry Ad Hoc Group that contemplated reorganizing Berry on a standalone basis. Following several weeks of good faith, arms'-length negotiations with the Berry Ad Hoc Group, the Boards of the Berry Debtors determined, after consultation with their advisors, that the Berry Ad Hoc Group's proposal maximized value for all parties in interest, best positioned the Berry Debtors to emerge from chapter 11 as a successful going concern, and represented the best available alternative. The terms of the Berry Ad Hoc Group's proposal were eventually documented in the Berry RSA executed as of December 20, 2016.

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

- payment of the Berry Lender Paydown out of the proceeds of the Berry Rights Offerings;
- provision of the Berry Exit Facility in the aggregate amount of \$550 million;
- conversion of unsecured claims against the Berry Debtors (including the Berry Unsecured Notes Claims and Berry General Unsecured Claims) to equity in Reorganized Berry; and
- a \$300 million fully-backstopped rights offerings for Reorganized Berry Preferred Stock pursuant to the Berry Rights Offerings.

The Berry Exit Facility is essential to the Berry RSA. Assuming all Berry Lenders participate, the Berry Exit Facility includes a \$550 million reserve-based revolving loan consisting of: (a) a \$550 million conforming tranche; and (b) a \$0 million non-conforming tranche. Accordingly, when combined with the Berry Lender Paydown, the Berry Exit Facility significantly deleverages the Berry Debtors and creates a reorganized entity capable of successfully emerging from chapter 11. The Berry Exit Facility is subject to reduction on a dollar-for-dollar basis in an amount equal to the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders.

C. The Berry Backstop Agreement

On December 20, 2016, the Berry Debtors executed the Berry Backstop Agreement with the Berry Backstop Parties, which provides for an aggregate fully back-stopped, new-money investment in the Berry Debtors equal to the Berry Rights Offerings Amount pursuant to the Berry Rights Offerings. The Berry Backstop Agreement contains the following key terms:

- a \$60,000,000 rights offering of Reorganized Berry Preferred Stock to be funded prior to the Effective Date and available to the Berry Initial Backstop Parties;
- a \$240,000,000 (or, if the Berry Rights Offering Amount is increased pursuant to the terms of the Berry Backstop Agreement, \$275,000,000) rights offering of Reorganized Berry Preferred Stock to be funded prior to the Effective Date and available to all Eligible Berry Noteholders; and
- a backstop commitment for the Berry First Tranche Rights Offering and the Berry Second Tranche Rights Offering from the Berry Initial Backstop Parties and Berry Backstop Parties, respectively.

While the Berry Debtors remain committed to working with other constituents in the capital structure on the terms of superior restructuring transactions, the Berry 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 Berry Debtors.

The Plan represents the last step in the Berry Debtors' months-long restructuring process. The Berry RSA, which sets forth the key terms of the Plan will allow the Berry Debtors to proceed expeditiously through chapter 11 to a successful emergence. The Plan will significantly

deleverage the Berry Debtors' balance sheet and provide the capital injection needed for the Berry 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. Berry is a wholly owned subsidiary of Linn Acquisition Company, LLC ("LAC"), which, in turn, is a wholly owned subsidiary of Linn Energy, LLC ("LINN," and together with its Debtor Affiliates other than the Berry Debtors, the "LINN Debtors") (collectively, the LINN Debtors and the Berry Debtors shall hereafter be referred to as the "Debtors"). The LINN Debtors acquired their indirect interest in Berry in December 2013 via a stock-for-stock transaction (the "Berry Acquisition"). 71 percent of LINN's outstanding units are owned by LinnCo, LLC ("LinnCo"), which is a publicly-traded company. LINN's remaining units are publicly held.

The Berry Debtors' funded debt obligations are independent of the LINN Debtors. More specifically, the Berry Debtors are obligated under a Second Amended and Restated Credit Agreement with a borrowing base of approximately \$900 million and approximately \$834 million in senior notes due 2020 and 2022, respectively

The Debtors are operationally integrated. The Debtors' workforce, which is not unionized, currently includes approximately 1,500 employees. The Berry Debtors, in turn, have no employees. A corporate organization chart is attached as Exhibit C. Below is a summary of the Debtors' businesses and operations.

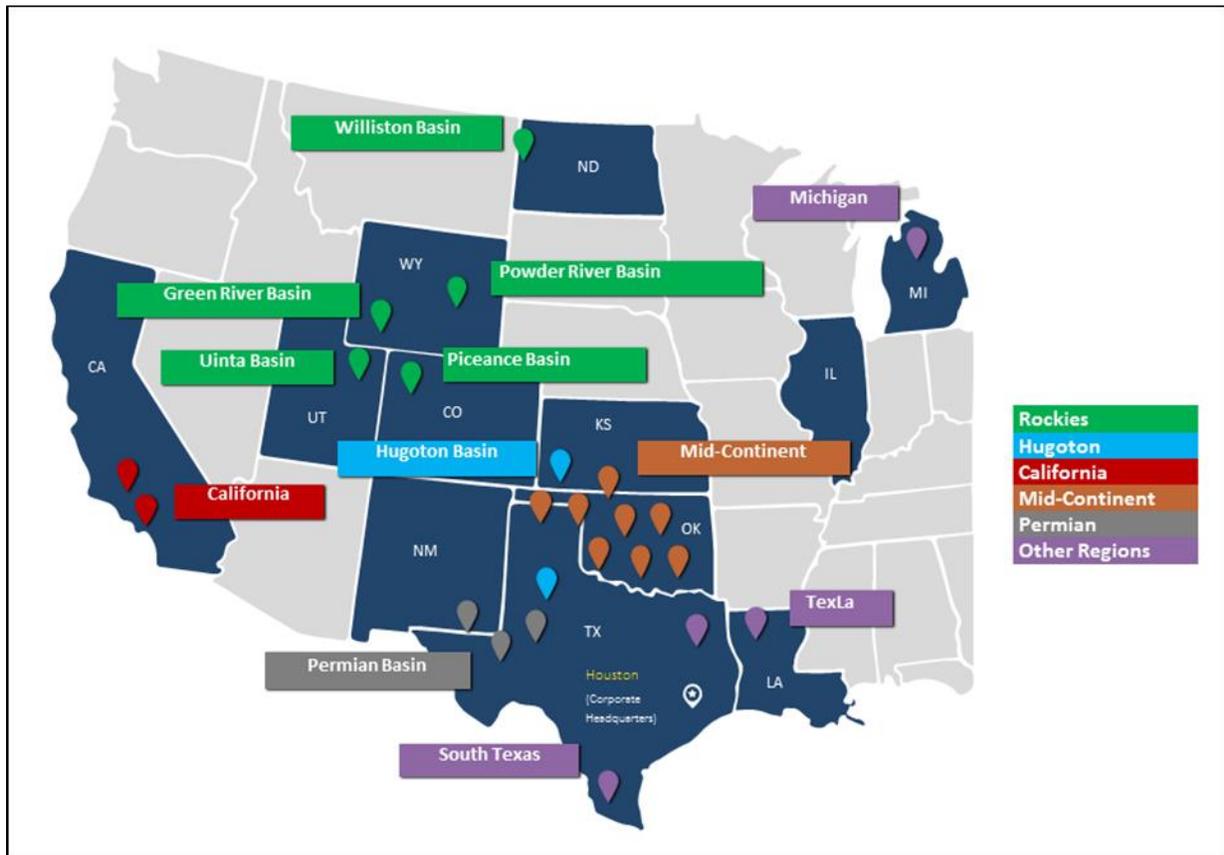
B. Assets and Operations

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. The Berry Debtors, in turn, operate in four of these eight regions: Hugoton Basin; Rockies, California, and TexLa. 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.

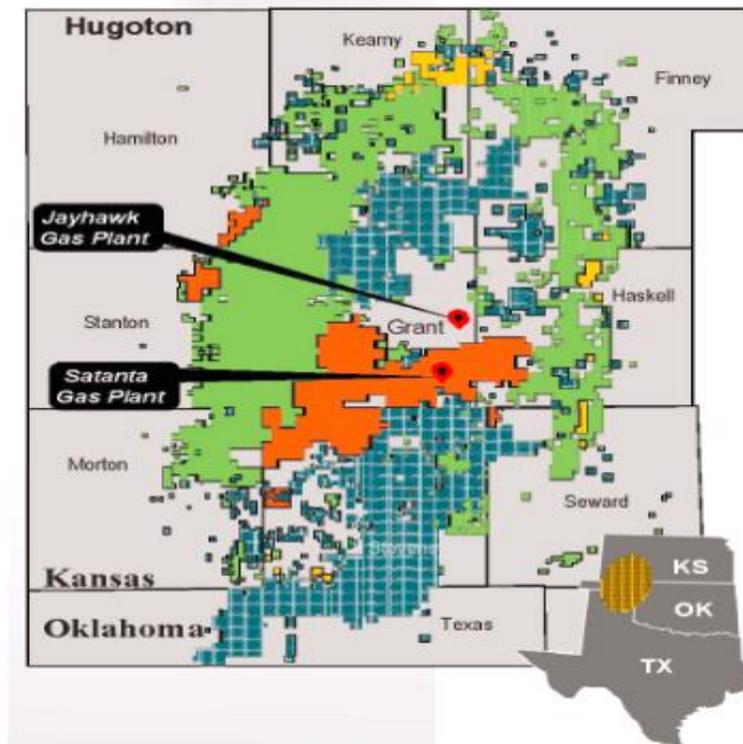


The Debtors’ eight operating regions

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.

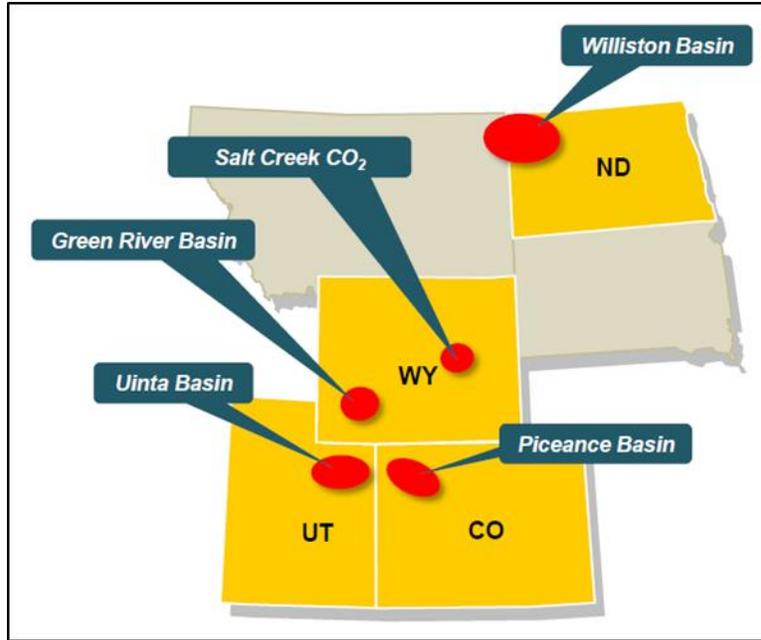


The Debtors' Hugoton Basin region

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.

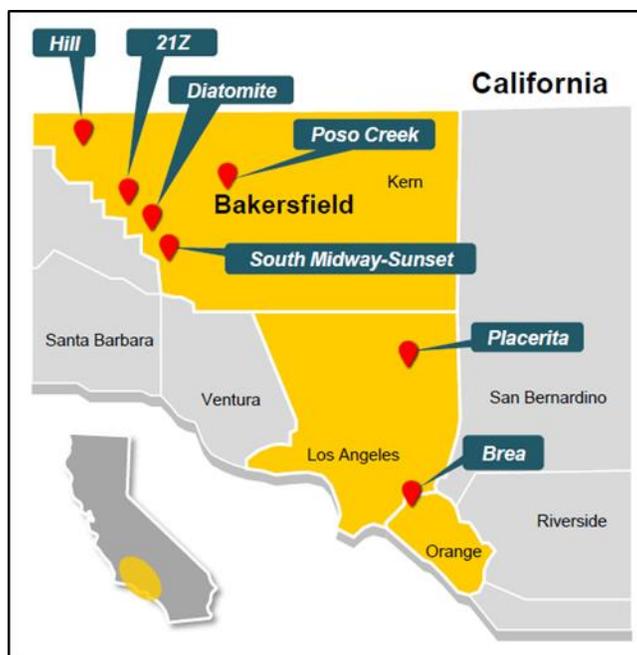


The Debtors' Rockies region

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 Berry Debtors approximate \$1.732 billion of funded debt and the LINN Debtors' approximate \$5.969 billion of funded debt. The Berry Debtors and the LINN Debtors are not obligated on each other's debt. The following table summarizes the Debtors' prepetition capital structure:

Total LINN and Berry Debt	\$7,701,000,000
Berry	Approx. Amount as of June 30, 2016

Berry First Lien Credit Facility⁷	\$898,000,000
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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
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LINN Debtors	Approx. Outstanding as of June 30, 2016
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LINN First Lien Revolving Loan ⁸	\$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
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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
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Total LINN and Berry Debt	\$7,701,000,000
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⁷ Including approximately \$26.2 million in letters of credit.

⁸ Including approximately \$7.5 million in letters of credit.

1. Berry

(a) Berry First Lien Credit Facility

Pursuant to the Berry Credit Agreement, the Berry Debtors maintain the Berry First Lien Credit Facility, 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. As of October 31, 2016, the Berry First Lien Credit Facility is secured by mortgages on oil and natural gas properties representing approximately 74 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.

2. LINN Debtors

(a) LINN First Lien Credit Facility

Pursuant to the LINN Credit Agreement, the LINN Debtors maintain the LINN First Lien Credit Facility (together with the Berry First Lien Credit Facility, the "First Lien Credit Facilities"), 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 86 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.

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.⁹

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.

⁹ 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 Berry 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 Berry 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 Berry Debtors' projected timelines prove accurate, the Berry Debtors could emerge from chapter 11 by February 7, 2017. **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 (the "Final Hedging Order") [Docket No. 820].

On December 14, 2016, the Debtors filed the *Motion for Entry of an Amended Hedging Order* (the "Amended Hedging Motion") [Docket No. 1354] seeking authorization to amend the Final Hedging Order as a result of requests from potential hedge counterparties of the Berry Debtors. Specifically, the Amended Hedging Motion sought the following amendments to the Final Hedging Order:

- inclusion of the affiliates and assignees of Prepetition First Lien Linn Lenders and Prepetition Secured Berry Lenders as eligible hedge counterparties, including those assignees of an amount less than the minimal denomination for assignment under the applicable credit agreement;
- for the avoidance of doubt, the ability of LINN to enter into and perform under postpetition Hedging Arrangements with Prepetition Secured Berry Lenders and the affiliates and assignees thereof;
- for the avoidance of doubt, the ability of Berry to enter into and perform under postpetition Hedging Arrangement with Prepetition First Lien Linn Lenders and the affiliates and assignees thereof;
- the immediate netting of payment amounts by the hedge counterparties upon the occurrence of an Event of Default or a Termination Event under the postpetition Hedging Agreements (without five business days' notice to certain parties); and
- Berry's ability to enter into postpetition Hedging Arrangements that extend beyond the tenor set forth in the Final Hedging Order.

On December 15, 2016, the Bankruptcy Court entered an Order granting the Amended Hedging Motion [Docket No. 1362] without objection.

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. On December 8, 2016, the Bankruptcy Court granted the Claims Procedures Motion [Docket No. 1312].
 - Disclosure Statement Motion. On October 21, 2016, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement (II) Approving the Solicitation and Notice Procedures With Respect to Confirmation of the Amended Joint Plan of Reorganization of Linn Energy, LLC and Its Debtor Affiliates Other Than Linn Acquisition Company, LLC and Berry Petroleum*

Company, LLC, (III) Approving the Forms of Ballots and Notices In Connection Therewith, (IV) Approving the LINN Rights Offering Procedures and Related Materials, (V) Scheduling Certain Dates With Respect Thereto, and (VI) Granting Related Relief [Docket No. 1096] (the “Disclosure Statement Motion”) seeking approval of the Debtors’ Initial Disclosure Statement and solicitation and notice procedures for the Debtors’ Initial Plan. On December 13, 2016, the Bankruptcy Court granted the Disclosure Statement Motion with respect to the LINN Debtors in connection with the Amended Plan and Amended Disclosure Statement [Docket No. 1348].

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) Sempra 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").¹⁰ 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 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

¹⁰ 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 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.¹¹ Although the analysis remains ongoing, the Debtors have concluded that at least 86 percent of the value of the properties listed on the LINN Debtors' most recent reserve report is LINN Collateral. As of October 31, 2016, at least 74 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 Berry 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 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.

¹¹ The LINN Second Lien Indenture provides that the LINN Second Lien Notes must be secured by all assets securing the LINN Credit Agreement.

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 Berry 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 Berry 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 Berry 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 Berry Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Berry Debtors may seek to confirm an alternative chapter 11 plan or proceed with a sale of all or substantially all of the Berry 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 Berry 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 Berry 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 Berry 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 Berry Debtors, subject to the terms and conditions of the Plan, the Berry RSA, and the Berry 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 Berry Debtors believe that the Plan satisfies these requirements, and the Berry 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 Berry 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 Berry Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Berry Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Berry 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 Berry Debtors' ability to achieve confirmation of the Plan in order to achieve the Berry Debtors' stated goals.

Furthermore, even if the Berry Debtors' debts are reduced and/or discharged through the Plan, the Berry Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Berry 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 Berry 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 Berry RSA. Occurrence of a Creditor Termination Event entitles, but does not require, the Required Consenting Berry Creditors to terminate the Berry RSA (as more fully set forth therein). The Berry Debtors anticipate that such parties would exercise their termination rights under the Berry RSA if the Chapter 11 Cases converted to cases under chapter 7 of the Bankruptcy Code.

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

Except as otherwise provided in the Plan, the Berry 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 Berry 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 Berry RSA, and the

Berry Backstop Agreement shall: (a) constitute a waiver or release of any Claims by or Claims against or Interests in the Berry Debtors; (b) prejudice in any manner the rights of the Berry Debtors, any Holder of a Claim or Interest or any other Entity; (c) constitute an admission, acknowledgment, offer, or undertaking by the Berry Debtors, any Holders of Claims or Interests, or any other Entity in any respect; or (d) be used by the Berry 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 Berry 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 Berry 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 Berry Debtors May Not Be Able to Achieve their Projected Financial Results

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

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

The Reorganized Berry 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 Berry 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 Berry 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 Berry Rights, the Reorganized Berry Preferred Stock, and the Reorganized Berry Common Stock issued under the Plan are covered by section 1145(a) of the Bankruptcy Code, they 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 Berry 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 Berry Rights, Reorganized Berry Preferred Stock, and Reorganized Berry 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 Berry Preferred Stock purchased by the Berry Backstop Parties pursuant to the Berry Backstop Agreement (which excludes any shares issued on account of the Berry Backstop Commitment Premium) will be issued in reliance upon 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.

Berry Rights, Reorganized Berry Preferred Stock, and Reorganized Berry Common Stock will not be registered under the Securities Act or any state securities laws, and the Berry Debtors

make no representation regarding the right of any Holder of Berry Rights, Reorganized Berry Preferred Stock, and Reorganized Berry Common Stock to freely resell such shares. *See* Article XII to this Disclosure Statement, entitled “CERTAIN SECURITIES LAW MATTERS,” which begins on page 82.

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 Berry Debtors May Not Be Able to Accurately Report Their Financial Results

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

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

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

Reorganized Berry’s ability to make scheduled payments on, or refinance their debt obligations, depends on Reorganized Berry’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 Berry’s control. Reorganized Berry may be unable to maintain a level of cash flow from operating activities sufficient to permit Reorganized Berry to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, anticipated borrowings under the Berry Exit Facility upon emergence.

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

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

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

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

The Berry 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 Berry 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 Berry 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 Berry 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 Berry 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 Berry 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 Berry'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 Berry 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 Berry Debtors' consolidated financial statements. As a result, the Berry Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

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

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

The Berry Debtors' principal sources of liquidity historically have been cash flow from operations, sales of oil and natural gas properties, borrowings under the Berry First Lien Credit Facility and the Berry First Lien Credit Facility, and issuances of debt or equity securities. If the Berry Debtors' cash flow from operations remains depressed or decreases as a result of lower commodity prices or otherwise, the Berry 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 Berry 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 Berry 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 Berry Debtors cannot guarantee that cash on hand and cash flow from operations will be sufficient to continue to fund their operations and allow the Berry Debtors to satisfy obligations related to the Chapter 11 Cases until the Berry Debtors are able to emerge from bankruptcy protection.

The Berry 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 Berry Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions

and general economic, financial, competitive, regulatory, and other factors beyond the Berry Debtors' control. In the event that cash on hand and cash flow from operations are not sufficient to meet the Berry Debtors' liquidity needs, the Berry Debtors may be required to seek additional financing. The Berry Debtors can provide no assurance that additional financing would be available or, if available, offered to the Berry Debtors on acceptable terms. The Berry 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 Berry Debtors' Businesses, Results of Operations, and Financial Condition

The Berry Debtors' revenues, profitability and the value of the Berry 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-WTI¹² oil prices fell from an already depressed \$60 per Bbl¹³ 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 Hub¹⁴ 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 Berry 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 Berry Debtors' control, such as:

- the current uncertainty in the global economy;
- 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;

¹² West Texas Intermediate light sweet crude oil delivered to Cushing, Oklahoma and listed with the New York Mercantile Exchange.

¹³ "Bbl," or "barrel," is a unit of volume for crude oil and petroleum products. One bbl equals approximately 42 U.S. gallons.

¹⁴ Natural gas delivered to the Henry Hub in Louisiana and listed on the New York Mercantile Exchange.

- 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 Berry Debtors to meet their financial commitments and fund capital expenditures. Moreover, prior to the Petition Date, the Berry Debtors had terminated most of their then outstanding commodity derivative contracts, meaning substantially all of the Berry Debtors’ estimated production is exposed to commodity price volatility. Oil and natural gas prices also impact the Berry Debtors’ ability to borrow money and raise additional capital. Lower oil and natural gas prices may not only decrease the Berry Debtors’ revenues on a per-unit basis, but also may reduce the amount of oil and natural gas that the Berry Debtors can produce economically in the future. Higher operating costs associated with any of the Berry 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 Berry 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 Berry Debtors’ proved reserves. As a result, if there is a further decline or sustained depression in commodity prices, the Berry 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 Berry 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 Berry Debtors’ Business, Financial Condition and Results of Operations

The Berry Debtors’ future success will depend on, among other things, the success of their development and production activities. The Berry 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 Berry 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 Berry 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 Berry 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 Berry Debtors to perform under new Hedging and Trading Arrangements on a postpetition basis. If the Berry Debtors are unable or unwilling to enter into commodity derivatives in the future on favorable terms, the Berry Debtors could be more affected by changes in commodity prices than their competitors that engage in favorable hedging arrangements. The Berry 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 Berry Debtors' entry into commodity derivatives may limit the benefit the Berry Debtors would receive from increases in commodity prices. These arrangements would also expose the Berry Debtors to risk of financial losses in some circumstances, including the following: (a) the Berry Debtors' production could be materially less than expected; or (b) the counterparties to the contracts could fail to perform their contractual obligations.

If the Berry 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 Berry Debtors are unable to perform their exploration and development activities as planned, the Berry 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 Berry Debtors' liquidity. Additionally, if market prices for production exceed collar ceilings or swap prices, the Berry Debtors would be required to make cash payments, which could materially adversely affect their liquidity.

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

In the future, Reorganized Berry 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 Berry'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 Berry may become party to, nor the final resolution of such litigation. The impact of any such litigation on Reorganized Berry's businesses and financial stability, however, could be material.

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

The Berry Debtors' operations are dependent on a relatively small group of key management personnel, including the Berry Debtors' executive officers. The Berry Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result, the Berry Debtors may experience increased levels of employee attrition. Because competition for experienced personnel in the oil and gas industry can be significant, the Berry 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 Berry 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 Berry Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Berry Debtors' businesses and the results of operations.

11. Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Berry 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 Berry 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 Berry'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.

<p><u>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.</u></p>
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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 Berry Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes 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 Berry Debtors are *not* soliciting votes from Holders of Claims and Interests in Classes 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 December 2, 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 January 20, 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 Berry 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 Berry Debtors, the Berry Debtors' agents/representatives (other than the Notice and Claims Agent), the Berry Administrative Agent, an indenture trustee, or the Berry 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 Berry Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11; (2) the Berry 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 Berry Debtors to breach certain milestones in the Berry RSA and the Berry 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 Berry Debtors have stated previously in the Chapter 11 Cases and elsewhere in this Disclosure Statement, the Berry 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 Berry 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 Berry Debtors with the assistance of AlixPartners LLP, the Berry Debtors’ restructuring advisor. As reflected in the Liquidation Analysis, the Berry Debtors believe that liquidation of the Berry 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 Berry 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 Berry Debtors fail to propose and confirm an alternative plan of reorganization, the Berry Debtors' businesses may be liquidated pursuant to the provisions of a chapter 11 liquidating plan. In liquidations under chapter 11, the Berry 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 Berry 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 Berry Common Stock to be distributed under the Plan. Accordingly, the Berry 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 Berry RSA. Occurrence of a Creditor Termination Event entitles, but does not require, the Required Consenting Creditors, as defined in the Berry RSA, to terminate the Berry RSA (as more fully set forth therein). The Berry Debtors anticipate that such parties would exercise their termination rights under the Berry RSA if the Chapter 11 Cases converted to cases under chapter 7 of the Bankruptcy Code or if the Berry 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 Berry Debtors, with the assistance of Lazard, have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Berry Debtors have prepared a projected consolidated income statement, which includes the following: (a) the Berry 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 Berry (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 Berry 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 63, for a discussion of certain factors that may affect the future financial performance of Reorganized Berry.

The Financial Projections are attached hereto as **Exhibit F** and incorporated herein by reference. Based upon the Financial Projections, the Berry 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.¹⁵

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 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 Berry 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 Berry 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 Berry 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.

¹⁵ 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.

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 Berry Debtors submit that if the Berry 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 Berry 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 Berry 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 Berry 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 Berry Employee Incentive Plan

- the Reorganized Berry Registration Rights Agreement
- the identity of the members of the New Boards and management for Reorganized Berry;
- the Berry Exit Facility Documents;
- the Transition Services Agreement;
- the Form Joint Operating Agreement; and
- the Berry Backstop Agreement.

Copies of the Plan Supplement documents will be available on the website of the Berry 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 Equity

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

The Berry Debtors believe that the Reorganized Berry Common Stock and the Reorganized Berry 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 Berry Debtors further believe that the offer and sale of Reorganized Berry Common Stock and Reorganized Berry 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 Berry'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 Equity under the Plan

1. SEC Exemptions

All shares of the Reorganized Berry Common Stock issued under the Plan (except with respect to an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code) will be issued in reliance upon section 1145 of the Bankruptcy Code. The Berry Rights (and any shares issuable upon the exercise thereof), shares issuable as part of the Berry Backstop Commitment Premium, the Reorganized Berry Preferred Stock and all unsubscribed shares of Reorganized Berry Preferred Stock issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement will be issued in reliance upon either (a) section 1145 of the Bankruptcy Code or (b) section 4(a)(2) of the Securities Act or Regulation D promulgated

thereunder. All shares of the Reorganized Berry Common Stock and the Reorganized Berry Preferred Stock issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be considered “restricted securities” and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom.

Pursuant to section 1145 of the Bankruptcy Code, the issuance of the Reorganized Berry Common Stock issued in reliance on section 1145 of the Bankruptcy Code, is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration before the offering, issuance, distribution, or sale of such securities. The Reorganized Berry Common Stock issued in reliance on section 1145 (a) is not a “restricted security” as defined in Rule 144(a)(3) under the Securities Act, and (b) is freely tradable and transferable by any initial recipient thereof that (i) at the time of transfer, is not an “affiliate” of the Reorganized Berry as defined in Rule 144(a)(1) under the Securities Act and has not been such an “affiliate” within 90 days of such transfer, and (ii) is not an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code.

The Berry Rights (and any shares issuable upon the exercise thereof), shares issuable as part of the Berry Backstop Commitment Premium, the Reorganized Berry Preferred Stock and all unsubscribed Reorganized Berry Preferred Stock purchased by the Berry Backstop Parties pursuant to the Berry Backstop Agreement will be issued without registration under the Securities Act in reliance upon either (a) Section 1145 of the Bankruptcy Code, or (b) Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. To the extent issued in reliance on Section 4(a)(2) of the Securities Act or Regulation D thereunder, 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.

Should the Reorganized Berry Debtors or Reorganized Berry, as applicable, elect on or after the Effective Date to reflect any ownership of the Reorganized Berry Common Stock or Reorganized Berry Preferred Stock through the facilities of DTC, the Reorganized Berry Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the Reorganized Berry Common Stock or Reorganized Berry Preferred Stock under applicable securities laws.

DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether any of the Reorganized Berry Common Stock or Reorganized Berry Preferred Stock (including any issuable upon exercise of the Berry Rights), are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Reorganized Berry Common Stock or the Reorganized Berry Preferred Stock issuable upon exercise of the Berry Rights are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

RECIPIENTS OF REORGANIZED BERRY PREFERRED STOCK, REORGANIZED BERRY COMMON STOCK, AND REORGANIZED BERRY 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 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 Berry 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 Berry Common Stock and Reorganized Berry 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 Berry Common Stock and Reorganized Berry EIP Equity who are deemed to be “underwriters” may be entitled to resell their Reorganized Berry Common Stock and Reorganized Berry 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 Berry Common Stock and Reorganized Berry 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 Berry Debtors express no view as to whether any Person would be deemed an “underwriter” with respect to the Reorganized Berry Common Stock and Reorganized Berry EIP Equity. **The Berry Debtors recommend that potential recipients of Reorganized Berry Common Stock and Reorganized Berry 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 Berry Employee Incentive Plan

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

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 Berry Debtors, Reorganized Berry Debtors, 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 Berry 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 Berry 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 Berry 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 Berry 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 Berry Debtors and Reorganized Berry Debtors

1. The Berry Restructuring Transaction Is a Taxable Transaction

In general, the Berry Restructuring Transaction will be treated as a taxable transfer of assets by Berry to the Reorganized Berry Debtors. The effect of these transactions on the Berry Debtors and the Reorganized Berry Debtors are described immediately below.

(a) *Berry Debtor and Reorganized Berry Debtors.*

The Berry Debtors are disregarded entities from LINN for U.S. federal income tax purposes. As a result, the transfer of the Berry Debtors' assets to the Reorganized Berry Debtors should be a taxable disposition and such disposition will be treated as a taxable disposition by LINN of the Berry Debtors' assets. Items of gain and loss with respect to the disposition of the Berry Debtors' assets will be allocated to LINN's partners, including with respect to a significant amount of taxable income that is expected to be allocated to LinnCo pursuant to Section 704(c) of the Tax Code, which income is expected to be offset by losses generated by the taxable disposition of LINN's other assets to Reorganized LINN. The Reorganized Berry Debtors should receive the Berry Debtors' assets with a tax basis equal to fair market value as of the Effective Date.

The final form of the Reorganized Berry Debtors has not yet been finally determined. In particular, the Plan provides for the creation of Reorganized Berry HoldCo, which may either be a corporation or a limited liability company, and Reorganized Berry OpCo, which would be a subsidiary of Reorganized Berry HoldCo. For the purposes of this Disclosure Statement, the Berry Debtors have assumed that Reorganized Berry HoldCo will be taxed as a corporation for U.S. federal income tax purposes, and that Reorganized Berry OpCo will be disregarded from Reorganized Berry HoldCo for U.S. federal income tax purposes (the "Corporation Structure", and Reorganized Berry HoldCo, the "Corporate Issuer").¹⁶ In the event a different structure is utilized, and, in particular, if Holders of Claims were to receive equity interests in an entity treated a partnership for U.S. federal income tax purposes, the treatment discussed below could vary substantially.

The cancellation of Claims against the Berry Debtors should give rise to cancellation of indebtedness income ("CODI"). Because the Berry Debtors are disregarded from LINN for U.S. federal income tax purposes, such CODI will be allocated to LINN's unitholders, including LinnCo.

¹⁶ The Plan contemplates the 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 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.

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

The following discussion assumes that the Berry Debtors will undertake the Restructuring Transactions currently contemplated by the Plan, and that the Corporate Structure will be utilized. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the Berry Restructuring Transactions.

(a) U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Berry Lender Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed Berry 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) with respect to Electing Berry Lenders, a Pro Rata distribution of (i) the Berry Exit Facility and (ii) the Berry Lender Paydown (*i.e.*, cash); or (b) with respect to Non-Electing Berry Lenders, a Reorganized Berry Non-Conforming Term Note.

U.S. Holders of Berry Lender Claims should be treated as exchanging such Claim for the applicable consideration 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 Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, 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 Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, as applicable, received, should equal the issue price of such Pro Rata share of the Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, as applicable, as of the Effective Date. A U.S. Holder's holding period for its Pro Rata share of the Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, as applicable, should begin on the day following the Effective Date.

(b) U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Berry Unsecured Notes Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed Berry 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 (i) Reorganized Berry Common Stock and (ii) Berry Rights.¹⁷

¹⁷ The Berry Debtors intend to take the position for U.S. federal income tax purposes that the Berry Rights are received as part of an exchange for Claims against the Berry Debtors.

U.S. Holders of Berry 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) fair market value of the Reorganized Berry Common Stock and Berry Rights and (b) 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. A U.S. Holder's tax basis in the Reorganized Berry Common Stock and Berry Rights received should equal the fair market value of such Pro Rata share of such consideration as of the Effective Date. A U.S. Holder's holding period for the Reorganized Berry Common Stock received should begin on the day following the Effective Date.

(i) Election to Participate in the Berry Rights Offering.

As noted above, Holders of Allowed Berry Unsecured Notes Claims will receive the Berry Rights.

A U.S. Holder that elects to exercise the Berry 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 Berry Rights, Reorganized Berry Preferred 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 Berry Rights. A U.S. Holder's aggregate tax basis in the Reorganized Berry Preferred Stock should equal the sum of (i) the amount of Cash paid by the U.S. Holder to exercise the Berry Rights plus (ii) such U.S. Holder's tax basis in the Berry Rights immediately before the Berry Rights are exercised. A U.S. Holder's holding period for the Reorganized Berry Preferred 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 Berry Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such Berry Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders electing not to exercise their Berry Rights should consult with their own tax advisors as to the tax consequences of electing not to exercise the Berry Rights.

(c) U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Berry General Unsecured Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed Berry General Unsecured 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* (i) a Pro Rata distribution of Reorganized Berry Common Stock or (ii) Cash.

U.S. Holders of Berry General Unsecured 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 fair market value of the Reorganized Berry Common Stock or Cash received in exchange for the Claim, as applicable; 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 Berry Common Stock received should equal the fair market value of such Pro Rata share of such consideration as of the Effective Date. A U.S. Holder's holding period for the Reorganized Berry Common Stock received should begin on the day following the Effective Date.

(i) Treatment of Potential Escrow With Respect to Berry General Unsecured Claims.

The Berry Debtors shall establish the Berry GUC Cash Distribution Pool, and may establish other Disputed Claims Reserves with respect to Disputed Berry General Unsecured Claims. The Berry Debtors expect that such account or accounts will be treated as "disputed ownership funds" 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 such accounts with respect to any income attributable to the account. Any taxes imposed on such accounts shall be paid 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 Berry General Unsecured Claims on the Effective Date but, instead, is transferred to the Berry GUC Distribution Pool or a Disputed Claims Reserve account, although not free from doubt, U.S. Holders should not recognize any gain or loss on the date that the property is so transferred. Instead, 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 such account, 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 applicable account 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.

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.

2. 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 Berry 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.

3. 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.

4. 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.

5. Determination of Issue Price for Berry Exit Facility and Reorganized Berry Non-Conforming Term Note.

As noted above, Holders of Berry Lender Claims will receive their Pro Rata share of: (i) the Berry Exit Facility and the Berry Lender Paydown; or (ii) the Reorganized Berry Non-Conforming Term Note, as applicable. 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 determination of "issue price" for purposes of this analysis will depend, in part, on whether the new debt is traded on an established market for U.S. federal income tax purposes. The issue price of a debt instrument that is traded on an established market (or that is issued for Claims against the Berry 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 Berry 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 Berry Debtors believe it is likely that the Claims against the Berry 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.

6. U.S. Federal Income Tax Consequences to Holders of Owning and Disposing of Reorganized Berry Common Stock and Reorganized Berry Preferred Stock.

(a) Dividends on Reorganized Berry Common Stock.

Any distributions made on account of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Berry HoldCo 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 Berry Common Stock and Reorganized Berry Preferred 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 Berry Common Stock or Reorganized Berry Preferred 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) Other Issues With Respect to Ownership of Reorganized Berry Preferred Stock.

The terms of the Reorganized Berry Preferred Stock have not been finalized, and the U.S. federal income tax consequences of owning the Reorganized Berry Preferred Stock could vary substantially depending on final determinations regarding, among other things:

- Whether the stated yield on the Reorganized Berry Preferred Stock is (i) payable in kind or added to the Reorganized Berry Preferred Stock's liquidation preference (in which case U.S. Holders of such Reorganized Berry Preferred Stock may be deemed to receive distributions on such Reorganized Berry Preferred Stock when such payments in kind are made (regardless of whether any cash is received) or (ii) merely cumulative and payable only upon a declaration of the board of Reorganized Berry (in which case U.S. Holders will not be treated as receiving a distribution until such dividend is declared).
- The kinds of events (if any) that result in adjustment to the conversion mechanics of the Reorganized Berry Preferred Stock. Certain types of adjustments, particularly adjustments that vary the conversion ratio of the Reorganized Berry Preferred Stock based on cash dividends or other distributions to Holders of Reorganized Berry Common Stock may cause U.S. Holders of the Reorganized Berry Preferred Stock to be treated as receiving a distribution.
- The extent to which the Reorganized Berry Preferred Stock is (i) subject to mandatory "put" or "call" rights or (ii) is treated as common stock for the purpose of determining whether any so-called "preferred OID" must be amortized over a period of time.

In general, the conversion of Reorganized Berry Preferred Stock for Reorganized Berry Common Stock should not be a taxable event for a U.S. Holder of such Reorganized Berry Preferred Stock (except potentially to the extent any cash is received in lieu of a fractional share).

(d) 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 Berry Exit Facility
or Berry Non-Conforming Term Note**

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 Berry Debtors) or the Reorganized Berry Debtors, 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 Berry Debtors) or the Reorganized Berry Debtors, 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 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 Berry Common Stock and Reorganized Berry Preferred Stock

Any distributions (or deemed distributions) made with respect to Reorganized Berry Common Stock will constitute dividends for U.S. federal income tax purposes to the extent of Reorganized Berry HoldCo'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 Berry Common Stock and Reorganized Berry Preferred Stock

In general, and subject to the discussion immediately below regarding FIRPTA, a non-U.S. Holders of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock should not be subject to U.S. federal income tax or U.S. federal withholding tax with respect to the Reorganized Berry Common Stock or Reorganized Berry Preferred 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, Reorganized Berry HoldCo 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 Berry Common Stock or Reorganized Berry Preferred 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 Berry Common Stock or Reorganized Berry Preferred Stock is not regularly traded on an established securities market, or if a non-U.S. Holder holds more than 5% of the Reorganized Berry Common Stock or Reorganized Berry Preferred 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 Berry Preferred Stock is not regularly traded on an established securities market, but the Reorganized Berry Common Stock is so traded, then the 5% tests discussed above shall be applied by determining whether the fair market value of such Reorganized Berry Preferred Stock held by the applicable holder, on the date such stock was acquired by such holder, exceeded 5% of the fair market value of the Reorganized Berry Common Stock. Subsequent acquisitions of Reorganized Berry Preferred Stock require re-testing the aggregate holdings of an acquiring party under this rule.

The converse rule should apply if the Reorganized Berry Preferred Stock is regularly traded on an established securities market but the Reorganized Berry Common Stock is not so traded (*provided* that any additional class of Reorganized Berry equity is regularly traded on an established market, and the Reorganized Berry Common Stock is not convertible into any other class of Reorganized Berry equity, the 5% test will be measured against the class of equity with the lowest value).

If neither the Reorganized Berry Common Stock nor the Reorganized Berry Preferred Stock are not regularly traded on an established securities market, a transferee of Reorganized Berry Common Stock or Reorganized Berry Preferred 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 Berry Debtors and Reorganized Berry Debtors will withhold all amounts required by law to be withheld from payments of interest and dividends. The Berry Debtors and Reorganized Berry 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 Berry Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Berry Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Berry 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: 20, 2016

Berry Petroleum Company, LLC
on behalf of itself and all other Berry Debtors

/s/ David B. Rottino

Name: David B. Rottino
Title: Executive Vice President
Chief Officer of Linn Energy, LLC
Manager

Exhibit A

Plan of Reorganization

Exhibit B

Berry RSA

EXECUTION VERSION

AMENDED AND RESTATED RESTRUCTURING SUPPORT AGREEMENT

This AMENDED AND RESTATED RESTRUCTURING SUPPORT AGREEMENT (this "Agreement") is made and entered into as of December [___], 2016, by and among: (i) Linn Acquisition Company, LLC ("LAC"); (ii) Berry Petroleum Company, LLC ("Berry" and together with LAC, each a "Berry Debtor"); (iii) the undersigned holders (together with their permitted successors and assigns, each a "Consenting Berry Lender") of claims pursuant to that certain Second Amended and Restated Credit Agreement, dated November 15, 2010 (as amended, restated, supplemented, or otherwise modified from time to time, the "Berry Secured Credit Agreement"); and (iv) the undersigned holders of notes issued pursuant to the Berry Notes Indentures (together with their permitted successors and assigns, each a "Consenting Berry Noteholder"). Each of the Berry Debtors, the Consenting Berry Lenders, and the Consenting Berry Noteholders shall be referred to as a "Party" and, collectively, as the "Parties." Unless otherwise noted, capitalized terms used but not immediately defined herein have the meanings ascribed to them in Section 1 of this Agreement.

RECITALS

WHEREAS, on May 10, 2016, the Berry Debtors, together with various of their affiliates, including LINN Energy, LLC ("LINN") and certain of the holders of claims pursuant to the Berry Secured Credit Agreement (the "Original Consenting Berry Lenders"), entered into a Restructuring Support Agreement (as amended, restated, or supplemented from time to time, the "Original RSA");

WHEREAS, on May 11, 2016 (the "Petition Date"), the Berry Debtors together with various of their affiliates, including LINN and its direct and indirect subsidiaries other than the Berry Debtors (collectively, the "LINN Debtors," and together with the Berry Debtors, the "Company") commenced voluntary cases under chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the Southern District of Texas, Victoria Division (together with any court with jurisdiction over such cases, the "Bankruptcy Court"), which cases are being jointly administered under the case number 16-60040 (DRJ) (the "Chapter 11 Cases");

WHEREAS, on October 21, 2016, the LINN Debtors entered into a separate Amended and Restated Restructuring Support Agreement that superseded the Original RSA with respect to the restructuring of the LINN Debtors;

WHEREAS, on October 21, 2016, the Company filed a proposed joint plan of reorganization (the "Filed Plan") [Docket No. 1092] and proposed disclosure statement (the "Filed Disclosure Statement") [Docket No. 1093].

WHEREAS, the Parties have engaged in arms'-length, good-faith discussions regarding the replacement of the Filed Plan as it relates to the Berry Debtors, a copy of such modified plan is attached hereto as **Exhibit A** (as amended, supplemented, or otherwise modified from time to time consistent with the terms of this Agreement and with the reasonable consent of the Required Consenting Berry Creditors, the "Consensual Plan");

WHEREAS, each Party desires to facilitate the confirmation and consummation of the Consensual Plan and related transactions of the Berry Debtors (the "Restructuring"), which shall

(i) provide for, among other things, the transfer of all assets of the Berry Debtors to Reorganized Berry, (ii) provide for a cash payment to the Berry Consenting Lenders from the proceeds of a \$300 million rights offering (the “Berry Rights Offering”) and restricted cash under the Berry Secured Credit Agreement, (iii) provide for the Berry Exit Facility, and (iv) be pursuant to the terms and conditions of the Consensual Plan and in the manner set forth in this Agreement;

WHEREAS, subject to the provisions of the Consensual Plan and this Agreement, the Consenting Berry Lenders have agreed to provide the reorganized Berry Debtors with a replacement reserve based lending facility (the “Berry Exit Facility”) in connection with the Restructuring, substantially on the terms set forth in the term sheet attached hereto as **Exhibit B** (the “Berry Exit Facility Term Sheet”);

WHEREAS, certain Consenting Berry Noteholders have agreed to participate in and backstop the Berry Rights Offering in connection with the Restructuring, subject to the terms and conditions of the backstop commitment agreement attached hereto as **Exhibit C** (the “Backstop Commitment Agreement”);

WHEREAS, the Berry Debtors and the Original Consenting Berry Lenders now wish to amend and restate the Original RSA as set forth herein with respect to the Restructuring of the Berry Debtors;

WHEREAS, to effectuate the Restructuring, the Berry Debtors intend to promptly file the Consensual Plan as agreed to by the Berry Debtors and the Consenting Creditors and a revised disclosure statement (as may be amended, supplemented, or otherwise modified from time to time consistent with the terms of this Agreement and with the reasonable consent of the Required Consenting Berry Creditors, the “Consensual Disclosure Statement”) prior to soliciting votes on the Consensual Plan in accordance with section 1125 of the Bankruptcy Code; and

WHEREAS, the following sets forth the agreement among the Parties concerning their respective rights and obligations in respect of the Restructuring. Each Party has reviewed the Consensual Plan, and each Party has agreed to the terms of the Restructuring on the terms set forth therein and herein.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. Definitions.

The following terms shall have the following definitions:

“Accredited Investor” has the meaning set forth in Rule 501 of the Securities Act.

“Ad Hoc Group of Berry Noteholders” means that certain ad hoc group of holders of Berry Notes or any of its members or their affiliates represented by Quinn Emanuel Urquhart & Sullivan, LLP, Norton Rose Fulbright US LLP, and Houlihan Lokey, Inc.

“Administrative Agent” means Wells Fargo, N.A., in its capacity as administrative agent under the Berry Secured Credit Agreement.

“Agreement” has the meaning set forth in the preamble hereof, and, for the avoidance doubt, includes all of the exhibits attached to this Agreement.

“Agreement Effective Date” means the date upon which this Agreement shall become effective and binding upon each of the Parties pursuant to the terms of Section 2 hereof.

“Alternative Transaction” has the meaning set forth in Section 5.03(g) hereof.

“Approval Order” means an order of the Bankruptcy Court that (a) approves the Berry Debtors’ entry into the Backstop Commitment Agreement pursuant to sections 105 and 363 of the Bankruptcy Code and (b) provides that the Commitment Premium and the Expense Reimbursement (as defined in the Backstop Commitment Agreement) shall constitute allowed administrative expenses of the Berry Debtors’ estates under sections 503(b) and 507 of the Bankruptcy Code and shall be payable by the Berry Debtors as provided in this Agreement and the Backstop Commitment Agreement.

“Backstop Commitment Agreement” has the meaning set forth in the recitals hereof.

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as now in effect or hereinafter amended, and the rules and regulations promulgated thereunder.

“Bankruptcy Court” has the meaning set forth in the recitals hereof.

“Berry Debtors” has the meaning set forth in the preamble hereof.

“Berry Exit Facility” has the meaning set forth in the recitals hereof.

“Berry Lender Claims” means each and all of claims number 5295, 5306, 5317, and 5433, each filed with the clerk of the Bankruptcy Court on September 15, 2016, and such claims stipulated by the Berry Debtors in the Cash Collateral Order.

“Berry Notes” means, collectively, (i) the 6.75% senior unsecured notes due 2020 and (ii) the 6.375% senior unsecured notes due 2022 issued by Berry pursuant to the Berry Notes Indenture.

“Berry Notes Claims” means, at any time, the Claims represented by the Berry Notes.

“Berry Notes Indenture” means that certain Indenture, dated as of June 15, 2006, by and between Berry, as issuer, and Wells Fargo Bank, National Association, as indenture trustee (which has been replaced as indenture trustee by Bank of New York Mellon), as amended or supplemented from time to time prior to the date hereof.

“Berry Rights Offering” has the meaning set forth in the recitals hereof.

“Berry Secured Credit Agreement” has the meaning set forth in the preamble hereof.

“Cash Collateral” has the meaning set forth in section 363(a) of the Bankruptcy Code.

“Cash Collateral Order” means any order of the Bankruptcy Court with respect to the use of the Lenders’ Cash Collateral by a Berry Debtor.

“Chapter 11 Cases” has the meaning set forth in the recitals hereof.

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

“Company” has the meaning set forth in the recitals hereof.

“Company Termination Event” has the meaning set forth in Section 7.02 hereof.

“Confidentiality Agreement” has the meaning set forth in Section 5.06 hereof.

“Confirmation Order” means the order of the Bankruptcy Court confirming the Consensual Plan pursuant to section 1129 of the Bankruptcy Code.

“Consensual Disclosure Statement” has the meaning set forth in the recitals hereto.

“Consensual Plan” has the meaning set forth in the recitals hereof.

“Consenting Berry Lender” has the meaning set forth in the preamble hereof.

“Consenting Berry Noteholder” has the meaning set forth in the preamble hereof.

“Consenting Creditors” means, collectively, the Consenting Berry Lenders and Consenting Berry Noteholders, and “Consenting Creditor” means any of the foregoing individually.

“Creditor Group Termination Event” has the meaning set forth in Section 7.01 hereof.

“Debt Instruments” means, collectively, (i) the Berry Secured Credit Agreement and (ii) the Berry Notes Indenture.

“Definitive Documents” means the definitive documents and agreements governing the Restructuring, including: (i) the Consensual Plan and all exhibits thereto; (ii) the Plan Supplement; (iii) the Consensual Disclosure Statement and all exhibits thereto; (iv) the Plan Solicitation Materials; (v) the Backstop Commitment Agreement and any offering procedures contemplated thereby; (vi) the Berry Exit Facility Documents (as defined in the Consensual Plan); (vii) the Approval Order; and (viii) the Confirmation Order.

“Effective Date” means the date upon which all conditions precedent to the effectiveness of the Consensual Plan have been satisfied or are expressly waived in accordance with the terms thereof, as the case may be, and on which the Restructuring and the other transactions to occur on the Effective Date pursuant to the Consensual Plan become effective or are consummated.

“Expense Reimbursement” has the meaning set forth in Section 13.02 hereof.

“Filed Disclosure Statement” has the meaning set forth in the recitals hereof.

“Filed Plan” has the meaning set forth in the recitals hereof.

“Form Joint Operating Agreement” means one or more joint operating agreements by and between the LINN Debtors and the Berry Debtors that shall be reasonably satisfactory in form and substance to the Parties and shall replace the existing agency agreements for the LINN Debtors and the Berry Debtors and contain standard provisions governing the rights and obligations afforded an operator and non-operating working interest owner.

“LAC” has the meaning set forth in the preamble hereof.

“LINN” has the meaning set forth in the recitals hereof.

“LINN Debtors” has the meaning set forth in the recitals hereof.

“Lender” or “Lenders” means, as applicable or collectively, the Lenders pursuant to the Berry Secured Credit Agreement.

“Milestone” has the meaning set forth in Section 5.03(a) hereof.

“Original RSA” has the meaning set forth in the recitals hereof.

“Outside Date” means March 1, 2017.

“Party” and “Parties” have the meanings set forth in the preamble hereof.

“Permitted Transfer” has the meaning set forth in Section 5.06 hereof.

“Permitted Transferee” has the meaning set forth in Section 5.06 hereof.

“Petition Date” has the meaning set forth in the recitals hereof.

“Plan Solicitation Materials” means the ballots and other related materials drafted in connection with the solicitation of acceptances of the Consensual Plan and to be approved by the Bankruptcy Court in connection with the approval of the Consensual Disclosure Statement.

“Plan Supplement” means the compilation of documents and forms of documents, schedules, and exhibits to the Consensual Plan that will be filed by the Company with the Bankruptcy Court, which supplement shall include any and all material agreements that shall govern any post-Restructuring relationships between the Berry Debtors and the LINN Debtors.

“Qualified Institutional Buyer” has the meaning set forth in Rule 144A of the Securities Act.

“Qualified Marketmaker” means an entity that holds itself out to the public or applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers claims against the Company, in its capacity as a dealer or market maker in claims against the Company.

“Reorganized Berry” has the meaning ascribed to it in the Consensual Plan.

“Reorganized Berry Equity” means the ownership interests in Reorganized Berry.

“Required Consenting Berry Creditors” means, collectively, the Required Consenting Berry Lenders and the Required Consenting Berry Noteholders.

“Required Consenting Berry Lenders” means Consenting Berry Lenders holding, controlling, or having the ability to control more than sixty-six and two-thirds percent (66-2/3%) of outstanding principal amounts of Berry’s obligations under the Berry Secured Credit Agreement directly or indirectly held or controlled by all Consenting Berry Lenders, calculated as of such date the Consenting Berry Lenders make a determination in accordance with this Agreement.

“Required Consenting Berry Noteholders” means Consenting Berry Noteholders holding, controlling, or having the ability to control more than sixty-six and two-thirds percent (66-2/3%) of outstanding principal amounts of Berry Notes Claims directly or indirectly held or controlled by all Consenting Berry Noteholders, calculated as of such date the Consenting Berry Noteholders make a determination in accordance with this Agreement.

“Restructuring” has the meaning set forth in the recitals hereof.

“Securities Act” means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereinafter amended, and the rules and regulations promulgated thereunder.

“Transfer” means any sale, use, pledge, assignment, transfer, or disposal of Claims.

“Transfer Agreement” means a transfer agreement in the form of **Exhibit D** attached hereto.

“Transferee” means a recipient of the Transfer of a Claim as described in Section 5.06 hereof.

“Transition Services Agreement” means the transition services and separation agreement by and between the LINN Debtors and the Berry Debtors that shall be reasonably satisfactory to the Required Consenting Creditors.

Section 2. Conditions to Effectiveness; Agreement Effective Date

2.01. Conditions to Effectiveness. This Agreement shall become effective in accordance with its terms, and thereafter the terms and conditions herein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 10 hereof, upon the first date (such date, the “Agreement Effective Date”) on which (i) the Backstop Commitment Agreement

has been executed and is effective in accordance with its terms, and (ii) this Agreement has been executed and delivered by all of the following:

- (a) Consenting Berry Lenders holding, controlling, or having the ability to control, in the aggregate, more than sixty-six and two-thirds percent (66-2/3%) of outstanding principal amounts of Berry's obligations under the Berry Secured Credit Agreement;
- (b) Consenting Berry Noteholders holding, controlling, or having the ability to control, in the aggregate, more than sixty-six and two-thirds percent (66-2/3%) of outstanding principal amounts of the Berry Notes Claims; and
- (c) each Berry Debtor.

Section 3. Treatment of the Berry Lender Claims.

3.01. The Consensual Plan at all times shall provide that the Berry Lender Claims shall be treated as allowed claims that are fully secured claims under section 506(b) of the Bankruptcy Code, having first lien priority in the amount that is not less than \$891 million on account of unpaid principal, plus unpaid interest, fees, and other expenses, arising under or in connection with the Berry Lender Claims, as set forth in the Berry Secured Credit Agreement and the other Loan Documents (as defined in the Berry Secured Credit Agreement) in each case, not subject either in whole or in part to off-set, avoidance under chapter 5 of the Bankruptcy Code, or attempts to value the Berry Lender Claims at a value less than the full value of the Berry Lender Claims, or otherwise, recharacterization, recoupment, or subordination or any equitable theory (including, without limitation, equitable subordination, equitable disallowance, or unjust enrichment), or otherwise, or any other claims or causes of action that the Berry Debtors and their estates may be entitled to assert against the Berry Lenders or the Berry Lender Claims.

3.02. The Consensual Plan shall provide that in the event that the Berry Rights Offering and the Consensual Plan are consummated in accordance with the terms hereof and the Backstop Commitment Agreement, the Administrative Agent, for the benefit of the Consenting Berry Lenders, shall receive on the Effective Date a cash payment for the amount of the Berry Lender Claims in excess of the \$450 million being rolled over to the Berry Exit Facility on the terms set forth in the Berry Exit Facility Term Sheet and the Consensual Plan.

Section 4. [Reserved.]

Section 5. Commitments Regarding the Restructuring.

5.01. Mutual Commitments. Except as set forth in Section 8 hereof with respect to the Company, subject to the terms and conditions hereof and for so long as this Agreement has not been terminated in accordance with its terms, each of the Parties, as applicable, covenants and agrees to:

- (a) support entry of the Approval Order and consummation of the Restructuring, including the solicitation, confirmation, and consummation of the Consensual Plan, pursuant to the terms set forth in this Agreement;

(b) not to, in its capacity as a Party, or in any other capacity, directly or indirectly, in any material respect, (i) object to, delay, impede, interfere, obstruct, or take any other action inconsistent with this Agreement or that could hinder, delay, or prevent the timely confirmation of the Consensual Plan and consummation of the Restructuring, or (ii) propose, file, support, or vote (or to cause any of the foregoing to occur) for any restructuring, workout, or chapter 11 plan for the Berry Debtors other than the Restructuring and the Consensual Plan;

(c) negotiate in good faith any remaining Definitive Documents, which shall contain terms and conditions consistent in all respects with the terms of this Agreement and otherwise be in form and substance reasonably satisfactory (as evidenced by their written approval, which approval may be conveyed in writing by counsel including by electronic mail) to each of: (i) the Berry Debtors; and (ii) the Required Consenting Berry Creditors; provided, however, that any Consensual Plan exhibits (including those documents included in the Plan Supplement) related to the structure, tax treatment, securities law, allocation or ownership of the Reorganized Berry Equity and/or corporate governance matters shall be reasonably satisfactory to the Berry Debtors and the Required Consenting Berry Creditors;

(d) execute (to the extent such Party is contemplated or required to be a party thereto) and otherwise support (and not oppose or seek to cause any other entity to oppose) the Definitive Documents;

provided, except as expressly provided herein, this Agreement and all communications and negotiations among the Parties with respect hereto or any of the transactions contemplated hereunder are without waiver or prejudice to the Parties' rights and remedies, and the Parties hereby reserve all claims, defenses, and positions that they may have with respect to each other; provided, further, that nothing in this Agreement shall be deemed to limit or restrict any action by any Party to enforce any right, remedy, condition, consent, or approval requirement under this Agreement or the Definitive Documents.

Unless otherwise stated herein, any consent or approval rights of the "Required Consenting Berry Creditors" shall require the independent approval of both (i) the Required Consenting Berry Lenders and (ii) the Required Consenting Berry Noteholders.

5.02. Commitments of Consenting Creditors. Subject to the terms and conditions hereof and for so long as this Agreement has not been terminated in accordance with its terms, and without limiting the mutual commitments set forth in Section 5.01 hereof in any respect, each Consenting Creditor hereby covenants and agrees to (severally, and not jointly):

(a) (i) vote or cause to be voted all of its Claims against a Berry Debtor, including, without limitation, the Claims under the Debt Instruments, that it holds, controls, or has the ability to control, to accept the Consensual Plan, by delivering a duly executed and timely completed ballot or ballots accepting the Consensual Plan following commencement of the solicitation of acceptances of the Consensual Plan in accordance with sections 1125 and 1126 of the Bankruptcy Code, (ii) not withdraw, amend, or revoke such vote (or cause or direct such vote to be withdrawn, amended, or revoked),

and (iii) to the extent such election is available, not elect on its ballot to preserve claims, if any, that such Consenting Creditor may own or control that may be affected by any releases contemplated under the Consensual Plan;

(b) not to object to, vote, or cause to be voted any of its Claims under its control to reject the Consensual Plan, or otherwise encourage, support, or commence any proceeding to oppose or alter any of the terms of the Definitive Documents or any other pleadings or reorganization documents filed by the Company in the Chapter 11 Cases in furtherance of the Consensual Plan, so long as such documents and/or pleadings are consistent with this Agreement and the Consensual Plan;

(c) except as expressly otherwise permitted hereunder, not directly or indirectly (i) seek, solicit, support, encourage, or vote its Claims for, consent to, or encourage any plan of reorganization, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets, or restructuring of the Berry Debtors other than the Consensual Plan, (ii) seek, solicit, support, or encourage any post petition financing or use of Cash Collateral other than as, and to the extent, provided for in this Agreement, or (iii) take any other action that is inconsistent with, or that would, or reasonably be expected to, impede, delay, appeal, or obstruct the proposal, solicitation, confirmation, or consummation of the applicable Consensual Plan or the Restructuring that is materially consistent with this Agreement, or (iv) not to contest or otherwise challenge the claims or liens of any other Consenting Berry Creditor; and

(d) support (and not object to) the motions and documents filed by the Company in furtherance of the Restructuring that are materially consistent with this Agreement;

(e) not instruct the applicable administrative and/or collateral agent or trustee under the Debt Instruments or related credit documents to take any action, or refrain from taking any action, that would be inconsistent with this Agreement;

(f) use commercially reasonable efforts to support and take all actions, including the execution of necessary documents, and to instruct the applicable administrative and/or collateral agents to otherwise support and take all actions, necessary or reasonably requested by the Berry Debtors to facilitate consummation of the Consensual Plan and the Restructuring consistent in all material respects with this Agreement; provided, however, that such Consenting Creditors shall not be required to expend any funds or provide any indemnification with respect to any action except as expressly provided for in any of the Definitive Documents; and

(g) The General Challenge Period and the Lien Challenge Period shall be extended for the Ad Hoc Group of Berry Noteholders through the earlier to occur of ten days after (i) the Outside Date, and (ii) the date on which this Agreement is terminated for any reason; provided, that neither any Consenting Berry Creditor or any Berry Debtor shall contest or otherwise challenge the releases to and claims or liens of any Berry Lender and, solely in the case of a Berry Debtor, shall defend, or support the defense,

against any such contest or challenge so long as the General Challenge Period and the Lien Challenge Period are extended and this RSA is not terminated.

Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Consensual Plan by any Consenting Creditor nor the acceptance of the Consensual Plan by any Consenting Creditor shall (i) be construed to prohibit any Consenting Creditor from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation; (ii) affect the ability of any Consenting Creditor to consult with other Consenting Creditors or the Company; (iii) impair or waive the rights of any Consenting Creditor to assert or raise any objection expressly permitted under this Agreement in connection with any hearing on confirmation of the Consensual Plan or in the Bankruptcy Court or prevent such Consenting Creditor from enforcing this Agreement; or (iv) be construed to prohibit any Consenting Creditor from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, from the Agreement Effective Date until the occurrence of a Termination Date applicable to such Consenting Creditor, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Consensual Plan; provided, however, that any delay or other impact on consummation of the Restructuring contemplated by the Consensual Plan caused by a Consenting Creditor's opposition to (x) any relief that is inconsistent with such Restructuring Transactions; (y) a motion by the Company to enter into a material executory contract, lease, or other arrangement outside of the ordinary course of its business (which materiality threshold shall be defined in accordance with Items 601(b)(2) and 601(b)(10) of Regulation S-K under the Securities Exchange Act of 1934 (as amended)), without obtaining the prior written consent of the Required Consenting Berry Creditors (which may be provided in any written form, including electronic mail with counsel), which consent shall not be unreasonably withheld; or (z) any relief that is adverse to the interests of the Consenting Creditors sought by the Company (or any other party) shall not constitute a violation of this Agreement (for purposes of "(y)" set forth in the preceding clause, if the consent of the Required Consenting Berry Creditors is not obtained or declined within five (5) business days following written request thereof by the Company, such consent shall be deemed to have been granted by the Required Consenting Berry Creditors). In addition, and for the avoidance of doubt, nothing in this Agreement shall be construed or interpreted to mean that a Consenting Berry Lender may not exercise any rights and remedies that it may have under the Cash Collateral Order (as extended per Section 5.02(g) hereof), other order of the Bankruptcy Court, or this Agreement.

5.03. Commitments of the Berry Debtors. Subject to the terms and conditions hereof (including, without limitation, as set forth in Section 8 hereof), and for so long as this Agreement has not been terminated in accordance with its terms, and without limiting the mutual commitments set forth in Section 5.01 hereof in any respect, each of the Berry Debtors hereby covenants and agrees to:

(a) support and cooperate with the Consenting Creditors and take all actions that are necessary or reasonably requested by the Consenting Creditors to consummate the Restructuring in accordance with the Consensual Plan and the terms and conditions of this Agreement, including by implementing the Restructuring in accordance with each of the milestones set forth in this Section 5.03 (the "Milestones"), which may be extended

only with the express prior written consent of the Required Consenting Berry Creditors (which may be communicated through electronic mail through counsel):

- (1) within 14 days after the Agreement Effective Date, file with the Bankruptcy Court (i) the Consensual Plan, the Consensual Disclosure Statement, the Plan Solicitation Materials, and the motion to approve the Consensual Disclosure Statement and (ii) a motion seeking entry of the Approval Order;
 - (2) obtain entry of the Approval Order on or before December 23, 2016;
 - (3) obtain entry of an order approving the adequacy of the Consensual Disclosure Statement, the Plan Solicitation Materials, and the offering procedures contemplated by the Backstop Commitment Agreement (the "Disclosure Statement Order") on or before December 23, 2016;
 - (4) agree to a form of the Transition Services Agreement, reasonably satisfactory to the Required Consenting Berry Creditors, on or before January 16, 2017; provided, that for the avoidance of doubt, the Company shall have no obligation to seek approval of the Transition Services Agreement within such period and instead the Transition Services Agreement will be approved in connection with the Consensual Plan and the Confirmation Order;
 - (5) obtain entry of the Confirmation Order, each with all applicable exhibits, appendices, Plan Supplement documents, and related documents on or before February 3, 2017; and
 - (6) cause the Effective Date to occur on or before the Outside Date.
- (b) support and take all actions as are reasonably necessary and appropriate to obtain any and all required regulatory and/or third-party approvals to consummate the Restructuring, including compliance with the Backstop Commitment Agreement;
- (c) to the extent any legal, financial, or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring, negotiate in good faith appropriate additional or alternative provisions to address any such impediment;
- (d) at all times operate in accordance with, and comply with the requirements set forth in the budgets required by the Cash Collateral Order in accordance with the terms of the Cash Collateral Order;
- (e) support and advocate for entry of the Approval Order and timely pay the Commitment Premium (as defined in the Backstop Commitment Agreement) and all other fees and expenses payable thereunder, including as set forth in Section 13.02 hereof;

(f) subject to this Agreement, diligently pursue claims objections with respect to the Berry Debtors through the Effective Date; and

(g) subject to Section 3 and Section 8 of this Agreement, not seek, solicit, or support any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership sale of assets, financing (debt or equity), or restructuring of the Berry Debtors (including, for the avoidance of doubt, a transaction premised on an asset sale under section 363 of the Bankruptcy Code), other than the Consensual Plan and Restructuring (an “Alternative Transaction”), and to not cause or allow any of their agents or representatives to solicit any agreements relating to an Alternative Transaction.

5.04. Transition Matters. The Berry Debtors, in consultation with Arthur (Trem) Smith and a consultant to be hired by the Ad Hoc Committee for purposes of such negotiations, and the LINN Debtors shall negotiate the Transition Services Agreement, the Form Joint Operating Agreement, and any other issues relating to the separation of the Berry Debtors from the LINN Debtors. Gregory Wagner and other employees located in California whose primary responsibilities involve the operation or oversight of the Berry assets shall be made reasonably available during business hours to assist Mr. Smith and his consultant. In connection with negotiations regarding the Transition Services Agreement and before the Bankruptcy Court hearing on the entry of the Approval Order, the parties shall agree on a protocol, which shall govern negotiations with California-based employees regarding post-emergence employment arrangements; it being understood that the LINN Debtors shall not engage in any such discussions with any of the employees prior to the implementation of such agreed-upon protocol.

5.05. Intercompany Settlement. Any intercompany claim between a LINN Debtor, on the one hand, and a Berry Debtor, on the other, shall be settled pursuant to an inter-company settlement between the LINN Debtors and the Berry Debtors, or otherwise disposed of, in each case on terms acceptable to the Required Consenting Berry Creditors.

5.06. Transfer of Claims. For the period commencing on the Agreement Effective Date through the earlier to occur of (i) termination of this Agreement and (ii) entry of the Confirmation Order, and subject to the terms and conditions hereof, each Consenting Creditor agrees, subject to Section 13.18, solely with respect to itself, that it shall not Transfer any ownership (including any beneficial ownership) in its Claims against the Berry Debtors or any option thereon or any right or interest therein (including by granting any proxies or depositing any interests in the Claims into a voting trust or by entering into a voting agreement (other than this Agreement) with respect to the Claims), unless the intended transferee (A) is a Consenting Creditor or (B) executes and delivers to counsel to the Company (identified in Section 13.11 hereof) on the terms set forth below an executed form of the Transfer Agreement in the form attached hereto as Exhibit D before such Transfer is effective (it being understood that any Transfer shall not be effective until notification of such Transfer and a copy of the executed Transfer Agreement is received by counsel to the Berry Debtors, in each case, on the terms set forth herein) (such transfer, a “Permitted Transfer” and such party to such Permitted Transfer, a “Permitted Transferee”).

(a) Notwithstanding anything to the contrary herein, (i) the foregoing provisions shall not preclude any Consenting Creditor from settling or delivering any Claims to settle any confirmed transaction pending as of the date of such Consenting Creditor's entry into this Agreement (subject to compliance with applicable securities laws and it being understood that such Claims so acquired and held (*i.e.*, not as a part of a short transaction) shall be subject to the terms of this Agreement), (ii) a Qualified Marketmaker that acquires any Claims from a Consenting Creditor with the purpose and intent of acting as a Qualified Marketmaker for such Claims, shall not be required to execute and deliver to counsel a Transfer Agreement or otherwise agree to be bound by the terms and conditions set forth in this Agreement if such Qualified Marketmaker transfers such Claims (by purchase, sale, assignment, participation, or otherwise) within five (5) Business Days of its acquisition to a Consenting Creditor or Permitted Transferee and the transfer otherwise is a Permitted Transfer; and (iii) to the extent any Party is acting solely in its capacity as a Qualified Marketmaker, it may Transfer any ownership interests in the Claims that it acquires from a holder of Claims that is not a Consenting Creditor to a transferee that is not a Consenting Creditor at the time of such Transfer without the requirement that the transferee be or become a signatory to this Agreement or execute a Transfer Agreement.

(b) This Agreement shall in no way be construed to preclude the Consenting Creditors from acquiring additional Claims; provided, however, subject to Section 13.18, that such acquired Claims shall automatically and immediately upon acquisition by a Consenting Creditor be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to the Company as set forth above), other than with respect to any Claims acquired by such Consenting Creditor in its capacity as a Qualified Marketmaker.

(c) This Section 5.06 shall not impose any obligation on the Company to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Creditor to Transfer any Claims. Notwithstanding anything to the contrary herein, to the extent the Company and another Party have entered into a separate agreement with respect to the issuance of a "cleansing letter" or other public disclosure of information (each such executed agreement as may be amended from time to time, a "Confidentiality Agreement"), the terms of such Confidentiality Agreement shall continue to apply and remain in full force and effect according to its terms.

(d) Any Transfer made in violation of this Section 5.06 shall be void ab initio.

(e) For the avoidance of doubt, (i) following a Permitted Transfer by a Consenting Creditor of all of its interests in the Claims, such Consenting Creditor shall have no additional or continuing obligations under this Agreement or any related direction letters to any agent or trustee (except to the extent provided by such letters), and (ii) prior to the effective date of a Permitted Transfer, the Permitted Transferee shall not have obligations or liabilities under this Agreement or any related direction letters to any agent or trustee to any party to the Agreement.

Section 6. Representations and Warranties.

6.01. Mutual Representations and Warranties. Each of the Parties, severally and not jointly, represents, warrants, and covenants to each other Party, as of the date of this Agreement, as follows:

(a) It is existing and in good standing under the laws of the legal jurisdiction of its organization, and this Agreement is a legal and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws or equitable principles;

(b) Except as expressly provided in this Agreement, it has all requisite direct or indirect power and authority to enter into this Agreement and to carry out the Restructuring contemplated by, and perform its respective obligations under, this Agreement;

(c) The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part and no consent, approval of, action of, filing with, or notice to any governmental or regulatory authority is required in connection with the execution, delivery, and performance of this Agreement; and

(d) It has been represented by legal counsel of its choosing in connection with this Agreement and the transactions contemplated by this Agreement, has had the opportunity to review this Agreement with its legal counsel and has not relied on any statements made by any other Party or its legal counsel as to the meaning of any term or condition contained herein or in deciding whether to enter into this Agreement or the transactions contemplated hereof.

6.02. Representations of Consenting Creditors. Each of the Consenting Creditors, severally and not jointly, represents and warrants with respect to such Consenting Creditor that, as of the date such Consenting Creditor executes and delivers this Agreement (or, if such Party is a Transferee, as of the date such Transferee executes and delivers the applicable Joinder):

(a) it (i) is either (A) the sole legal and beneficial owner of the principal amount of the Claims set forth below its signature hereto, or (B) has sole investment or voting discretion with respect to the principal amount of the Claims set forth below its signature hereto and has the power and authority to bind the beneficial owner(s) of such Claims to the terms of this Agreement, (ii) has full power and authority to act on behalf of, vote, and consent to matters concerning such Claims and dispose of, exchange, assign, and transfer such Claims, and (iii) subject to Section 13.18, holds no Claims against the Berry Debtors that are not identified below its signature hereto or otherwise set forth in this Agreement;

(b) other than pursuant to this Agreement, the Claims of such Consenting Creditor that are subject to Section 6.02(a) hereof are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind, that would

materially and adversely affect such Consenting Creditor's performance of its obligations contained in this Agreement at the time such obligations are required to be performed;

(c) it has such knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Berry Debtors that it considers sufficient and reasonable for purposes of entering into this Agreement, except that the Consenting Creditor has relied upon the Company's express representations, warranties, and covenants in this Agreement; and

(d) it is either (i) a Qualified Institutional Buyer, (ii) an Accredited Investor, (iii) a non-U.S. person under Regulation S under the Securities Act, or (iv) the foreign equivalent of the foregoing clauses (i) or (ii).

Section 7. Termination Events.

7.01. Creditor Group Termination Events. Each of (i) the Required Consenting Berry Lenders and (ii) the Required Consenting Berry Noteholders (each, a "Creditor Group") may terminate this Agreement (solely in respect of its respective Debt Instrument), in such capacity (a "Terminating Creditor Group") if, upon the occurrence and continuation of any of the following events (each, a "Creditor Group Termination Event"), upon written notice of such Creditor Group Termination Event delivered in accordance with Section 13.11 hereof to the Berry Debtors and the other Parties hereto, and (x) such Creditor Termination Event remains uncured for a period of five (5) business days following the Required Consenting Berry Creditors' service of such notice, and (y) such Required Consenting Berry Creditors have not waived such Creditor Group Termination Event on or before the expiration of the cure period; provided, however, that if and to the extent the automatic stay of section 362 of the Bankruptcy Code applies, unless and until there is an unstayed order of the Bankruptcy Court providing that the giving of notice under and/or termination of this Agreement in accordance with its terms is not prohibited by such automatic stay, this Agreement shall terminate automatically without any further action or notice by any Party at 5:00 p.m., New York City time on the fifth (5th) Business Day following the occurrence of any of the following Creditor Group Termination Events; provided, further, however, that the Terminating Creditor Group may waive such termination or extend any such applicable dates:

(a) a breach by the Berry Debtors or any other Consenting Creditor Group of any of the Milestones, obligations, representations, warranties, or covenants of the Berry Debtors or such Consenting Creditor Group set forth in this Agreement in any respect that materially and adversely affects the other Consenting Creditor Group's interests in connection with the Restructuring, the Consensual Plan, or this Agreement;

(b) the failure to satisfy any Milestone (as such Milestones may have been extended as set forth in Section 5.03(a) hereof);

(c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the

consummation of the Restructuring in a way that cannot be reasonably remedied by the Company in a manner that is reasonably satisfactory to the Required Consenting Berry Creditors;

(d) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring;

(e) any of the Berry Debtors amends or modifies, or files a pleading seeking authority to approve, amend, or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement;

(f) any of the Definitive Documents (including any amendment or modification thereof) is filed with the Bankruptcy Court, otherwise finalized, or has become effective, containing terms and conditions inconsistent with this Agreement or otherwise not on terms acceptable to the Consenting Creditors to the extent required pursuant to such Consenting Creditors' consent or approval rights hereunder;

(g) any of the Berry Debtors files or announces that it will file or joins in or supports any Alternative Transaction or plan of reorganization for the Berry Debtors other than the Consensual Plan, or files any motion or application seeking authority to sell any material assets of the Berry Debtors without the consent of the Required Consenting Berry Creditors (which consent may be given by counsel to the Required Consenting Berry Creditors by electronic mail);

(h) any of the Berry Debtors or other Consenting Creditor Group files a motion, application, or adversary proceeding (or supports any such motion, application, or adversary proceeding filed or commenced by any third party or fails to contest such motion, application, or adversary proceeding or fails to support the other Consenting Creditors in contesting such motion, application, or adversary proceeding or fails to use commercially reasonable efforts to maintain such contest) (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, the Berry Lender Claims or the liens securing such claims, or (B) asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims, (C) challenging the validity, enforceability, or priority of, or seeking avoidance or subordination of, the Berry Notes Claims, or (D) asserting that the amount of the Berry Notes Claims is materially different than as set forth in the Consensual Plan;

(i) any board, officer, or manager (or party with authority to act) of the Berry Debtors takes any action in furtherance of the rights available to it (or them) that is materially inconsistent with this Agreement;

(j) any Berry Debtor terminates its obligations under and in accordance with Section 8 of this Agreement;

(k) the termination by another Terminating Creditor Group upon the occurrence of a Creditor Group Termination Event;

(l) the Effective Date shall not have occurred on or before the Outside Date;

(m) the Bankruptcy Court enters an order with respect to any Berry Debtor (x) directing the appointment of an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code or a trustee in any of the Chapter 11 Cases to operate the Company's businesses pursuant to section 1104 of the Bankruptcy Code, (y) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (z) dismissing any of the Chapter 11 Cases;

(n) the Backstop Commitment Agreement shall have been terminated in accordance with its terms or modified in any manner that is materially adverse to the interest of any Berry Consenting Lender; or

(o) the LINN Debtors (i) take any affirmative action to materially impede the Restructuring of the Berry Debtors as contemplated by this Agreement and the Consensual Plan, or (ii) following written notice of the LINN Debtors' failure to reasonably support, facilitate, and cooperate with the Parties with respect to the Restructuring of the Berry Debtors as contemplated by this Agreement and the Consensual Plan, the LINN Debtors do not reasonably cure such failure within a period of five (5) business days of receiving notice from Terminating Creditor Group of such group's intent to terminate this Agreement pursuant to this Section 7.01(o).

7.02. Company Termination Events. Except as otherwise set forth in this Section 7.02, the Berry Debtors may terminate this Agreement if, upon the occurrence of any of the following events (each, a "Company Termination Event"), the Berry Debtors provide the Consenting Creditors written notice of such Company Termination Event delivered in accordance with Section 13.09 hereof, and (x) such Company Termination Event remains uncured for a period of five (5) business days following the Company's service of such notice, and (y) the Company has not waived such Company Termination Event on or before the expiration of the cure period:

(a) a breach by any Consenting Creditor of any of the obligations, representations, warranties, or covenants of such Consenting Creditor set forth in this Agreement in any respect that materially and adversely affects the Berry Debtors' interests in connection with the Restructuring, the Consensual Plan, or this Agreement; provided, that such termination by the Berry Debtors shall only be effective as to such breaching Consenting Creditor;

(b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring;

(c) following the Berry Debtors determining that proceeding with the transactions contemplated by this Agreement would be inconsistent with the continued exercise of fiduciary duties as described in Section 8 hereof; provided, that, notwithstanding any provision in this Agreement to the contrary, upon such determination, the Berry Debtors shall be entitled, but not required, to terminate this

Agreement immediately upon written notice to the Consenting Creditors delivered in accordance with Section 13.11 hereof;

(d) any Consenting Creditor or its controlled affiliates files any motion or pleading with the Bankruptcy Court that is not consistent with this Agreement, the Consensual Plan, or the Approval Order; provided, that (i) with respect to any such filing by a Consenting Creditor, such termination by the Berry Debtors shall only be effective as to such breaching Consenting Creditor and (ii) that the filing of a motion or pleading by a Consenting Creditor that is permitted under Section 5.02 hereof shall not give rise to a Company Termination Event;

(e) if any of the Definitive Documents (including any amendment or modification thereof) is filed with the Bankruptcy Court by any Consenting Creditor, otherwise finalized, or has become effective, shall contain terms and conditions inconsistent with this Agreement or otherwise not on terms acceptable to the Berry Debtors to the extent required pursuant to the Berry Debtors' consent or approval rights hereunder; or

(f) the Effective Date shall not have occurred on or before the Outside Date.

Notwithstanding any provision in this Agreement to the contrary, no Party shall terminate this Agreement if such Party is in material breach of any provision hereof; provided, however, that the Berry Debtors may terminate this Agreement under Section 7.02(c) hereof notwithstanding any existing breach by the Berry Debtors.

7.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among the Berry Debtors and the Required Consenting Berry Creditors.

7.04. Effect of Termination. Upon termination of this Agreement under Sections 7.01, 7.02, or 7.03 hereof, with respect to the applicable Party or Parties, this Agreement shall be of no further force and effect and each Party shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement. Any and all consents tendered by the Consenting Creditors prior to such termination shall be deemed, for all purposes, to be null and void *ab initio*, shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring, the Consensual Plan, and this Agreement or otherwise and such consents may be changed or resubmitted; provided, however, that if the approval of the Bankruptcy Court shall be required under applicable law in order for such Consenting Creditor to change or resubmit such consent, then the Consenting Creditor shall be obligated to obtain such consent prior to the termination, change, or resubmission of the consent under this Section 7.04. Notwithstanding any other provision of this Agreement to the contrary, in the event this Agreement is terminated in accordance with its terms by any Party, the provisions of Sections 8, 9, and 13.01–13.18 shall survive the termination of this Agreement and remain binding obligations of the Parties

(provided that Section 13.02 shall apply after termination of this Agreement only as set forth herein).

Section 8. Fiduciary Duties.

Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company, or any directors, officers, or employees of the Company (including but not limited to the authorized representatives of LAC and managing member of Berry) (in such person's capacity as a director, officer, or employee) to take any action, or to refrain from taking any action, to the extent that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; provided, however, that the effect of any such action (and to the extent the Company does not terminate this Agreement in accordance with this Section 8 and Section 7.02(c) hereof), to the extent not consistent in all material respects with this Agreement, shall provide that the Consenting Creditors may take actions in accordance with Section 7.01 to terminate this Agreement. The Company, in its sole discretion, may (but shall not be required to) terminate this Agreement in accordance with Section 7.02(c) hereof, and specific performance shall not be available as a remedy if this Agreement is terminated in accordance with this Section 8 and Section 7.02(c) hereof.

Section 9. Remedies.

The Parties agree that any breach of this Agreement would give rise to irreparable damage for which monetary damages would not be an adequate remedy. Except as set forth in Section 7.02(c), with respect to which there shall be no recourse, each of the Consenting Creditors, on the one hand, and the Company, on the other hand, accordingly agrees that the Consenting Creditors and the Company, as the case may be, will be entitled to enforce the terms of this Agreement by decree of specific performance without the necessity of proving the inadequacy of monetary damages as a remedy and to obtain injunctive relief against any breach of threatened breach. The Parties agree that such relief will be their only remedy against the applicable breaching Party or Parties with respect to any such breach, and that in no event will any Party be liable for monetary damages under or in connection with this Agreement.

Section 10. Amendments. Except as otherwise provided herein, this Agreement (including any exhibits and schedules) may not be modified, amended, or supplemented without a prior written agreement signed by each of the Berry Debtors and the Required Consenting Berry Creditors; provided, however, that the prior written consent of all Parties shall be required to modify, amend or supplement (a) any of Sections 2 or 10 hereof or (b) the definition of "Required Consenting Berry Lenders," "Required Consenting Berry Noteholders," or "Required Consenting Berry Creditors" herein; provided, further, that Section 13.18 may not be amended without the consent of all of the Berry Consenting Creditors.

Section 11. No Solicitation.

Notwithstanding anything to the contrary herein, this Agreement is not and shall not be deemed to be (a) a solicitation of consents to the Consensual Plan or any chapter 11

plan or (b) an offer for the issuance, purchase, sale, exchange, hypothecation, or other transfer of securities or a solicitation of an offer to purchase or otherwise acquire securities for purposes of the Securities Act and the Securities Exchange Act of 1934, as amended. The acceptance of any party will not be solicited until such party has received the Consensual Disclosure Statement and related ballot, as approved by the Bankruptcy Court.

Section 12. Disclosure.

The Company shall use commercially reasonable efforts to submit drafts to counsel for the Consenting Creditors of any press releases and public documents that constitute the disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement prior to such disclosure. The Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties; provided, however, that no Party or its advisors shall disclose to any person or entity (including, for the avoidance of doubt, any other Party), other than advisors to the Berry Debtors, the principal amount or percentage of any loans, notes or claims held by any of the Consenting Creditors, in each case, without such Consenting Creditor's prior written consent.

Section 13. Miscellaneous

13.01. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the Restructuring in a manner materially consistent with the terms set forth in this Agreement.

13.02. Fees and Expenses. In accordance with and subject to the Approval Order, the Berry Debtors will pay the reasonably incurred and documented fees and expenses of (a) the Ad Hoc Group of Berry Noteholders and the Consenting Berry Noteholders, whether incurred directly by the relevant noteholders or on behalf of the noteholders in connection with the Chapter 11 Cases or the preparation therefor, including the transactions contemplated by this Agreement, including the reasonable and documented fees and expenses of Quinn Emanuel Urquhart & Sullivan, LLP, Norton Rose Fullbright US LLP, Arthur (Trem) Smith, and Houlihan Lokey, Inc., and (b) the Administrative Agent in connection with the Chapter 11 Cases or the preparation therefor, including the transactions contemplated by this Agreement, including the reasonable and documented fees and expenses of Baker McKenzie LLP and Opportune LLP (such payment obligations, collectively, the "Expense Reimbursement"). The Expense Reimbursement shall constitute an allowed administrative expense of the Berry Debtors under sections 503(b) and 507 of the Bankruptcy Code. Unless otherwise ordered by the Bankruptcy Court, no recipient of any payment hereunder shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court, and such fees shall not be subject to review under the Bankruptcy Code's provisions relating to professional fees. The Expense Reimbursement incurred prior to the date the Approval Order is entered shall be paid by the Berry Debtors as soon as is reasonably practicable after such date. Thereafter, the Expense Reimbursement shall be payable by the Berry Debtors on a monthly basis. If this Agreement or the Backstop Commitment Agreement is terminated for any reason, the Berry Debtors will no

longer be obligated to pay the Expense Reimbursement in respect of any fees incurred after the date of such termination.

13.03. Complete Agreement. This Agreement and the exhibits hereto represent the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, oral or written, between the Parties with respect thereto. No claim of waiver, modification, consent, or acquiescence with respect to any provision of this Agreement shall be made against any Party, except on the basis of a written instrument executed by or on behalf of the applicable Parties (which Parties, for the avoidance of doubt, must include the Berry Debtors); provided, however, that, for the avoidance of doubt, the terms of any Definitive Document shall control with respect to the subject matter of such Definitive Document.

13.04. Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 5.06 hereof. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy, or claim under this Agreement. For the avoidance of doubt, this Agreement amends and supersedes the Original RSA, only with respect to the Restructuring of the Berry Debtors, and this Agreement shall have no effect with respect to the Restructuring and treatment of the LINN Debtors.

13.05. Headings. The headings of all Sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

13.06. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement in the Bankruptcy Court, and solely in connection with claims arising under this Agreement (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court, (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court, and (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party hereto. Each Party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

13.07. Execution of Agreement. This Agreement may be executed and delivered (by facsimile, electronic mail, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement.

13.08. Interpretation. This Agreement is the product of negotiations between the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having

drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

13.09. Additional Parties. Without in any way limiting the provisions hereof, additional Lenders and Berry Noteholders may elect to become Parties by executing and delivering to the other Parties a counterpart hereof. Such additional Parties shall become a Consenting Creditor under this Agreement in accordance with the terms of this Agreement.

13.10. Successors and Assigns. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators, and representatives, other than a trustee or similar representative appointed in a bankruptcy case; provided, however, that any trustee shall be bound to any Expense Reimbursement or other monetary obligations that are still owing under this Agreement.

13.11. Notices. All notices hereunder shall be deemed given if in writing and delivered, if sent by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

- (a) if to the Berry Debtors, to:

Linn Acquisition Company, LLC
Berry Petroleum Company, LLC
JPMorgan Chase Tower
600 Travis, Suite 5100
Houston, Texas 77002
Attn: Candice Wells
E-mail address: cwells@linenergy.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022,
Attn: Paul Basta, P.C.
Stephen E. Hessler, P.C.
Brian Lennon, Esq.
E-mail address: paul.basta@kirkland.com;
E-mail address: stephen.hessler@kirkland.com;
E-mail address: brian.lennon@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Alexandra Schwarzman, Esq.
E-mail address: Alexandra.schwarzman@kirkland.com

(b) if to a Consenting Berry Lender or a Transferee thereof, to the address set forth below following the Consenting Creditor's signature (or as directed by any Transferee thereof), as the case may be, with copies (which shall not constitute notice) to each of:

Wells Fargo Bank, N.A.
1000 Louisiana Street, 9th Floor
Houston, Texas 77002
Attention: Patrick Fults
E-mail address: patrick.j.fults@wellsfargo.com

- and -

Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
Attn: James Donnell
E-mail address: james.donnell@bakermckenzie.com

- and -

Baker & McKenzie LLP
300 East Randolph Street
Chicago, IL 60601
Attn: Garry Jaunal
E-mail address: garry.jaunal@bakermckenzie.com

(c) if to a Consenting Berry Noteholder or a Transferee thereof, to the address set forth below following the Consenting Creditor's signature (or as directed by any Transferee thereof), as the case may be, with copies (which shall not constitute notice) to each of:

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010
Attn: Benjamin Finestone, Esq., K. John Shaffer, Esq.
Daniel Holzman, Esq.
E-mail address: benjaminfinestone@quinnemanuel.com
E-mail address: johnshaffer@quinnemanuel.com
E-mail address: danielholzman@quinnemanuel.com

Norton Rose Fulbright US LLP
1301 McKinney, Suite 5100
Houston, TX 77010
Attn: William Greendyke, Esq., Jason Boland, Esq.
E-mail address: william.greendyke@nortonrosefulbright.com
E-mail address: jason.boland@nortonrosefulbright.com

13.12. Waiver. If the Restructuring is not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Rule 408 of the Federal Rules of Evidence and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

13.13. Several, Not Joint, Obligations. The agreements, representations, and obligations of the Parties under this Agreement are, in all respects, several and not joint. It is understood and agreed that any Consenting Creditor may trade in the Claims or other debt or equity securities of the Company without the consent of the Company or any other Consenting Creditor, subject to applicable laws, if any, Section 5.06 hereof, and the Debt Instruments (as may be applicable). No Consenting Creditor shall have any responsibility for any such trading by any other entity by virtue of this Agreement.

13.14. Representation by Counsel. Each Party acknowledges that it has had the opportunity to be represented by counsel in connection with this Agreement and the transactions contemplated hereunder. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

13.15. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

13.16. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

13.17. Consideration. The Parties hereby acknowledge that no consideration, other than that specifically described herein, shall be due or paid to any Party for its agreement to vote to accept the Consensual Plan in accordance with the terms and conditions of this Agreement.

13.18. Binding Nature. The Parties hereto acknowledge that the Company has agreed with certain Lenders that certain units, divisions or affiliates of these Lenders engaged in the buying, holding or trading of claims will not be required to vote such trading claims or restrict their trading activities with respect to such claims (except to the extent such units or divisions buy from a party already bound by this Agreement) and that Lenders signing only in the name of a specified unit or division of such Lender will bind only that unit or division and any claims managed by that unit or division as may be noted on the signature page of such Lender.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers or other agents, solely in their respective capacity as officers or other agents of the undersigned and not in any other capacity, as of the date first set forth above.

LINN ACQUISITION COMPANY, LLC

By: _____

Name:

Title:

BERRY PETROLEUM COMPANY, LLC

By: _____

Name:

Title:

[CONSENTING CREDITOR], by and on behalf
of certain of its and its affiliates' managed funds
and/or accounts]

By: _____
Name:
Title:

Holdings of Claims against Berry Debtors (any Claims information disclosed by a Consenting Creditor may be set forth in a separate writing that is delivered with such Consenting Creditor's signature, which separate writing shall be disclosed only in accordance with Section 12 hereof).

Exhibit A

Consensual Plan

**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
Debtors.	)	(Jointly Administered)
	)	David R. Jones

**AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
LINN ACQUISITION COMPANY, LLC AND BERRY PETROLEUM COMPANY, LLC**

Paul M. Basta, P.C. (admitted *pro hac vice*)
Stephen E. Hessler, P.C. (admitted *pro hac vice*)
Brian S. Lennon (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Patricia B. Tomasco (TX Bar No. 01787600)
Matthew D. Cavanaugh (TX Bar No. 24062656)
Jennifer F. Wertz (TX Bar No. 24072822)
JACKSON WALKER L.L.P.
1401 McKinney Street, Suite 1900
Houston, Texas 70010
Telephone: (713) 752-4200

Co-Counsel to the Debtors and Debtors in Possession

–and–

James H.M. Sprayregen, P.C. (admitted *pro hac vice*)
Joseph M. Graham (admitted *pro hac vice*)
Alexandra Schwarzman (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Thomas B. Walper (admitted *pro hac vice*)
Seth Goldman (admitted *pro hac vice*)
MUNGER, TOLLES & OLSON LLP
355 S. Grand Avenue, 35th Floor
Los Angeles, CA 90071
Telephone: (213) 683-9100

Counsel to the Berry Debtors and Berry Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Dated: December 20, 2016

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DRAFT PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.

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.

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INTRODUCTION

Linn Acquisition Company, LLC and Berry Petroleum Company, LLC, as debtors and debtors in possession, propose this amended joint plan of reorganization (the “Plan”) for the resolution of the outstanding claims against, and interests in, the Berry Debtors pursuant to the Bankruptcy Code. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Article I.A of the Plan. Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors’ history, businesses, assets, results of operations, historical financial information, events during the Chapter 11 Cases, and projections of future operations for the Berry Debtors, as well as a summary and description of the Plan and certain related matters. The Berry Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan constitutes a separate plan of reorganization for each of the Berry Debtors, and, for the avoidance of doubt, is separate from the plan of reorganization that governs the restructuring of the LINN Debtors.

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

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms.*

As used in the Plan, capitalized terms have the meanings set forth in the Introduction above or in the definitions below.

1. “*503(b)(9) Claim*” means a Claim or any portion thereof entitled to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code.

2. “*Adequate Protection Claims*” means the Berry Adequate Protection Claims (as defined in the Cash Collateral Order).

3. “*Ad Hoc Group of Berry Unsecured Noteholders*” means that certain ad hoc group of Holders of Berry Unsecured Notes represented by Quinn Emanuel Urquhart & Sullivan, LLP, Norton Rose Fulbright US LLP, and Houlihan Lokey, Inc., or any of its members or their affiliates.

4. “*Administrative Claim*” means a Claim for costs and expenses of administration of the Berry Estates under sections 503(b) (including 503(b)(9) Claims), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date through the Effective Date of preserving the Berry Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims; (c) all fees and charges assessed against the Berry Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–1930; and (d) all Intercompany Claims authorized pursuant to the Cash Management Order (subject to the terms of the Berry-LINN Intercompany Settlement) to the extent provided in the Cash Management Order.

5. “*Administrative Claims Bar Date*” means the deadline for Filing requests for payment of Administrative Claims other than those that accrued in the ordinary course of the Berry Debtors’ business, which such deadline: (a) with respect to General Administrative Claims other than those that were accrued in the ordinary course of business, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 60 days after the Effective Date.

6. “*Affiliate*” has the meaning set forth in section 101(2) of the Bankruptcy Code.

7. “*Allowed*” means with respect to any Claim or Interest, except as otherwise provided herein: (a) a Claim or Interest in a liquidated amount as to which no objection has been Filed prior to the Claims Objection

Deadline and that is evidenced by a Proof of Claim or Interest, as applicable, timely Filed by the applicable Bar Date or that is not required to be evidenced by a Filed Proof of Claim or Interest, as applicable, under the Plan, the Bankruptcy Code, or a Final Order; (b) a Claim or Interest that is scheduled by the Debtors as neither disputed, contingent, nor unliquidated, and as for which no Proof of Claim or Interest, as applicable, has been timely Filed in an unliquidated or a different amount; or (c) a Claim or Interest that is upheld or otherwise allowed (i) pursuant to the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court, (iii) pursuant to any contract, instrument, indenture, or other agreement entered into or assumed in connection herewith, or (iv) by Final Order (including any such Claim to which the Debtors had objected or which the Bankruptcy Court had disallowed prior to such Final Order); *provided*, that with respect to a Claim or Interest described in clauses (a) and (b) above, such Claim or Interest shall be considered Allowed only if and to the extent that with respect to such Claim or Interest no objection to the allowance thereof has been or, in the Debtors' or Reorganized Debtors' reasonable good faith judgment, may be 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 or Interest, 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 or Interest 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 Interest Filed after the Bar Date 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.

8. "*Assumed Executory Contracts and Unexpired Leases*" means those Executory Contracts and Unexpired Leases to be assumed by the applicable Reorganized Berry Debtors, as set forth on the Assumed Executory Contract and Unexpired Lease List.

9. "*Assumed Executory Contract and Unexpired Lease List*" means the list, as determined by the Berry Debtors or the Reorganized Berry Debtors, as applicable, of Executory Contracts and Unexpired Leases (with proposed cure amounts) that will be assumed by the Reorganized Berry Debtors, which list shall be included in the Plan Supplement; *provided*, that such list with respect to material Executory Contracts and/or material Unexpired Leases shall be reasonably acceptable to the Required Consenting Berry Creditors.

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

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

12. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

13. "*Bar Date*" means the applicable dates established by which respective Proofs of Claims and Interests must be Filed pursuant to the *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, and (IV) Approving Notice of Bar Dates*, dated August 4, 2016 [Docket No. 756].

14. "*Berry*" means Berry Petroleum Company, LLC, a Delaware limited liability company.

15. "*Berry 2020 Unsecured Notes*" means those certain 6.75% senior unsecured notes due 2020, issued by Berry pursuant to the Berry Unsecured Notes Indenture.

16. "*Berry 2022 Unsecured Notes*" means those certain 6.375% senior unsecured notes due 2022, issued by Berry pursuant to the Berry Unsecured Notes Indenture.

17. “*Berry Administrative Agent*” means Wells Fargo Bank, National Association, as administrative agent under the Berry Credit Agreement.

18. “*Berry Backstop Agreement*” means that certain Backstop Commitment Agreement, dated as of December 20, 2016, by and among Berry, LAC, and the Berry Backstop Parties.

19. “*Berry Backstop Agreement Order*” means the Order (a) authorizing the Berry Debtors to enter into and perform their obligations under the Berry Backstop Agreement, and (b) providing that each of (i) the Berry Backstop Commitment Premium, (ii) any payments pursuant to the indemnification obligations payable by the Berry Debtors under the Berry Backstop Agreement, and (iii) any expense reimbursement payable by the Berry Debtors under the Berry Backstop Agreement shall constitute allowed administrative expenses of the Berry Debtors’ Estates under sections 503(b) and 507 of the Bankruptcy Code and shall be payable by the Berry Debtors as provided in the Berry Backstop Agreement Order, which Order shall be reasonably satisfactory to the Required Consenting Berry Noteholders.

20. “*Berry Backstop Commitment Premium*” means a nonrefundable aggregate premium equal to \$23,450,000, which represents 7.0 percent of the Berry Rights Offerings Amount if there is a Berry Rights Offerings Increase, payable pursuant to the terms of the Berry Backstop Agreement Order in either (i) 2,345,000 additional shares of Reorganized Berry Preferred Stock, which stock will be convertible into Berry Common Stock, or (ii) if applicable, Cash.

21. “*Berry Backstop Parties*” means each Berry Initial Backstop Party and those certain Holders of Allowed Berry Unsecured Notes Claims that are parties to the Berry Backstop Agreement as of the relevant determination date who have agreed to provide a backstop commitment with regard to the Berry Rights Offerings, and each of their permitted transferees under the Berry Backstop Agreement.

22. “*Berry Credit Agreement*” means that certain Credit Agreement, dated as of November 25, 2010, by and among Berry, as borrower, the Berry Administrative Agent, and the lenders and agents party thereto, as may be amended, restated, or otherwise supplemented from time to time.

23. “*Berry Debtors*” means Berry and LAC.

24. “*Berry Exit Facility*” means the reserve based lending facility with (i) the Berry Exit Facility Initial Borrowing Base, (ii) Berry Lender Commitments equal to the Berry Exit Facility Initial Borrowing Base, and (iii) with initial outstanding borrowings equal to not more than \$450 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes (if any) issued by Reorganized Berry to Non-Electing Berry Lenders, with the remaining commitment available to be drawn, subject to the Berry Exit Facility Initial Borrowing Base and the conditions precedent to each draw, and subject to the terms and conditions set forth in the Berry Exit Facility Documents.

25. “*Berry Exit Facility Documents*” means in connection with the Berry Exit Facility, any new credit agreement, collateral documents, Uniform Commercial Code statements, guarantees, and other instruments, certificates, agreements, and other documents, to be dated as of the Effective Date, governing the Berry Exit Facility, which documents shall be included in the Plan Supplement in form and substance reasonably acceptable to the Berry Debtors and the Required Consenting Berry Creditors and shall be consistent with the Berry Exit Facility Term Sheet.

26. “*Berry Exit Facility Initial Borrowing Base*” means an initial borrowing base with respect to the Berry Exit Facility subject to the terms and conditions set forth in the Berry Exit Facility Documents equal to \$550 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes (if any) issued to Non-Electing Berry Lenders.

27. “*Berry Exit Facility Term Sheet*” means that certain term sheet setting forth the principal terms of the Berry Exit Facility, attached as Exhibit B to the Berry RSA.

28. “*Berry First Tranche Rights*” means the non-certificated rights to be distributed to the Berry Initial Backstop Parties that will enable the Holders thereof to purchase shares of Reorganized Berry Preferred Stock in the Berry First Tranche Rights Offering pursuant to the terms of the Berry Rights Offerings Procedures and the Berry Backstop Agreement.

29. “*Berry First Tranche Rights Offering*” means the offering of Berry Rights to the Berry Initial Backstop Parties, pursuant to which such parties are eligible to receive Reorganized Berry Preferred Stock at the Berry First Tranche Rights Offering Amount.

30. “*Berry First Tranche Rights Offering Amount*” means \$60 million in aggregate amount of Berry First Tranche Rights to receive Reorganized Berry Preferred Stock at a price per share set by the Berry Backstop Agreement.

31. “*Berry General Unsecured Claims*” means any Unsecured Claim against a Berry Debtor that (a) is not otherwise paid in full pursuant to an order of the Bankruptcy Court, and (b) is not a Berry Unsecured Notes Claim.

32. “*Berry GUC Cash Distribution Pool*” means an aggregate amount of \$35,000,000 in Cash, which shall be irrevocably funded on the Effective Date by the Berry Debtors or the Reorganized Berry Debtors, as applicable, and which shall be placed in a segregated bank account not subject to the control of the lenders or the administrative agent under the Berry Exit Facility, and administered by the Reorganized Berry Debtors for the sole benefit of the Holders of Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims that irrevocably elect on each such Holder’s ballot to receive its Pro Rata Share of the \$35,000,000 in Cash, and which account shall not, at any time, be subject to any liens, security interests, mortgages, or other encumbrances; *provided, however*, that (a) in no event shall the Holders of any Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims that irrevocably elect to receive a Pro Rata share in Cash of the Berry GUC Cash Distribution Pool receive a Cash recovery in excess of \$0.35 on each \$1.00 of its Allowed Berry General Unsecured Claim and/or applicable Allowed Berry Unsecured Notes Claims, and (b) a portion of the Berry GUC Cash Distribution Pool may be used in connection with the claims reconciliation process to the extent agreed to in accordance with Article VII.B and as set forth in the Confirmation Order.

33. “*Berry Initial Backstop Parties*” means Oaktree Capital Management, L.P. and/or Benefit Street Partners, L.L.C., or their respective affiliated funds that are parties to the Berry Backstop Agreement.

34. “*Berry Intercompany Claims*” means any Claim held by one Debtor against a Berry Debtor, other than the Berry Intercompany Settled Claims.

35. “*Berry Intercompany Settled Claims*” means those certain Intercompany Claims held by the LINN Debtors against the Berry Debtors that shall be settled pursuant to the Berry-LINN Intercompany Settlement and the Plan.

36. “*Berry Lender*” means any secured party pursuant to the Berry Credit Agreement and Loan Documents (as defined in the Berry Credit Agreement).

37. “*Berry Lender Claims*” means any Claim against the Berry Debtors derived from or based upon the Berry Credit Agreement, including any Adequate Protection Claims of the Berry Lenders. The Berry Lender Claims are Allowed Claims as set forth in the proof of claim filed by the Berry Administrative Agent in the amount determined pursuant to Article III.B.3.

38. “*Berry Lender Paydown*” means Cash payments from (a) the \$300 million from Cash proceeds of the Berry Rights Offerings, (b) the prepetition collateral account defined as the “Borrowing Base Account” in the Berry Credit Agreement, and (c) other amounts from the Berry Debtors’ Cash on hand, all in an amount equal to that necessary to satisfy the anti-hoarding provisions in the Berry Exit Facility, after payment of costs and expenses of the Chapter 11 Cases and payments and reserves expressly provided for in the Plan and consistent therewith. For the avoidance of doubt, the Berry Lender Paydown shall be in an aggregate amount equal to (a) the aggregate

amount of all Allowed Berry Lender Claims minus (b) the sum of (i) the principal amount of the Berry Exit Facility (which amount shall not exceed \$450 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes on the Effective Date), plus (ii) the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes; *provided*, that none of the Non-Electing Berry Lenders shall receive any portion of the Berry Lender Paydown and shall receive only a Reorganized Berry Non-Conforming Note in a principal amount equal to its Allowed Berry Lender Claim; *provided, further*, that each Electing Berry Lender shall receive a Berry Lender Paydown payment in the amount of (a) its Allowed Berry Lender Claim less (b) the amount of such Electing Berry Lender's Allowed Berry Lender Claim that is deemed to be drawn loan pursuant to the Berry Exit Facility, plus (c) a Pro Rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been a Consenting Berry Lender; *provided*, that any amount paid to such Electing Lender pursuant to clause (c) shall reduce the amount deemed to be drawn debt pursuant to clause (b).

39. “*Berry-LINN Intercompany Settlement*” means that certain settlement of the Berry Intercompany Settled Claims and the LINN Intercompany Settled Claims pursuant to the terms of the Plan and the Berry-LINN Intercompany Settlement Term Sheet, which shall be in form and substance reasonably acceptable to the LINN Debtors, the Berry Debtors, the Required Consenting LINN Creditors, and the Required Consenting Berry Creditors.

40. “*Berry-LINN Intercompany Settlement Term Sheet*” means that certain term sheet with respect to the Berry-LINN Intercompany Settlement to be included in the Plan Supplement.

41. “*Berry Restructuring Transactions*” means, collectively, those mergers, amalgamations, consolidations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Berry Debtors, the Required Consenting Berry Creditors, and the Berry Backstop Parties reasonably determine to be necessary or desirable to implement the Plan with respect to the Berry Debtors in a manner consistent with the Berry RSA and the Berry Backstop Agreement, including, without limitation, the Berry Rights Offerings, the Berry Exit Facility, the transactions contemplated by the New Organizational Documents, the transfer of assets to the Reorganized Berry Debtors that is intended to be a taxable transaction for U.S. federal income tax purposes, and the formation of Reorganized Berry, in each case, subject to the reasonable consent and approval rights of the applicable parties as set forth in the Berry RSA and the Berry Backstop Agreement, and the establishment and funding of the Berry GUC Cash Distribution Pool.

42. “*Berry Rights*” means the non-certificated rights that will enable the Holders thereof to purchase Reorganized Berry Preferred Stock in the Berry Rights Offerings at an aggregate purchase price of \$300 million (or, if there is a Berry Rights Offering Increase, \$335 million) at a price per share of \$10.00, which Reorganized Berry Preferred Stock will be convertible into Reorganized Berry Common Stock.

43. “*Berry Rights Offerings*” means, collectively, (a) the Berry First Tranche Rights Offering, and (b) the Berry Second Tranche Rights Offering, both of which shall be conducted in connection with the Berry Restructuring Transactions pursuant to the Berry Backstop Agreement and Berry Backstop Agreement Order, and in accordance with the Berry Rights Offerings Procedures.

44. “*Berry Rights Offerings Amount*” means \$300 million (or, if there is a Berry Rights Offerings Increase, \$335 million) in aggregate amount of Berry Rights (as divided between (a) the Berry First Tranche Rights Offering Amount and (b) the Berry Second Tranche Rights Offering Amount).

45. “*Berry Rights Offerings Increase*” means, as set forth in the Berry Backstop Agreement, the increase of the Berry Second Tranche Rights Offering by \$35 million that shall occur upon either (a) the mutual agreement between the Berry Debtors and the Berry Backstop Parties that additional Cash is required to fund the Plan, or (b) the Bankruptcy Court determines that the Plan is not feasible without additional funds in order to fund the Berry GUC Cash Distribution Pool.

46. “*Berry Rights Offerings Participants*” means, collectively, (a) the Holders of Allowed Berry Unsecured Notes Claims as of the Berry Rights Offerings Record Date, and (b) the Berry Backstop Parties.

47. “*Berry Rights Offerings Procedures*” means those certain rights offering procedures with respect to the Berry Rights Offerings, attached to the motion seeking approval of the Berry Backstop Agreement Order.

48. “*Berry Rights Offerings Record Date*” means the record date set by the Berry Rights Offerings Procedures, as of which date an Entity must be a record Holder of Allowed Berry Unsecured Notes Claims in order to be eligible to be a Berry Rights Offerings Participant.

49. “*Berry RSA*” means that certain Amended and Restated Restructuring Support Agreement, dated as of December 20, 2016, by and between the Berry Debtors and the Consenting Berry Creditors, as may be amended, restated, or supplemented from time to time.

50. “*Berry Second Tranche Rights*” means the non-certificated rights to be distributed to the Berry Rights Offerings Participants that will enable the Holders thereof to purchase shares of Reorganized Berry Preferred Stock in the Berry Second Tranche Rights Offering pursuant to the terms of the Berry Rights Offerings Procedures and the Berry Backstop Agreement.

51. “*Berry Second Tranche Rights Offering*” means the offering of Berry Rights to the Berry Rights Offerings Participants, pursuant to which such parties are eligible to receive Reorganized Berry Preferred Stock at the Berry Second Tranche Rights Offering Amount.

52. “*Berry Second Tranche Rights Offering Amount*” means \$240 million (or, if there is a Berry Rights Offerings Increase, \$275 million) in aggregate amount of Berry Second Tranche Rights to receive Reorganized Berry Preferred Stock at a price per share set by the Berry Backstop Agreement.

53. “*Berry Unsecured Notes*” means, collectively, (a) the Berry 2020 Unsecured Notes, and (b) the Berry 2022 Unsecured Notes.

54. “*Berry Unsecured Notes Claims*” means any Claim derived from or based upon the Berry Unsecured Notes.

55. “*Berry Unsecured Notes Indenture*” means that certain Indenture, dated as of June 15, 2006, by and between Berry, as issuer, and Wells Fargo Bank, National Association, as indenture trustee, as may be amended, restated, or supplemented from time to time.

56. “*Berry Unsecured Notes Trustee*” means the Bank of New York Mellon Trust Company, N.A., in its capacity as indenture trustee under the Berry Unsecured Notes, and any successor thereto.

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

58. “*Cash*” means the legal tender of the U.S. and equivalents thereof, including bank deposits, checks, and other similar items.

59. “*Cash Collateral Order*” means the *Final Order under 11 U.S.C. §§ 105, 361, 362, 363, 507 and 552, and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Debtors to Use Cash Collateral and (II) Granting Adequate Protection to Prepetition Lenders* [Docket No. 743], as may be amended.

60. “*Cash Management Order*” means the *Final Order (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. 731], as may be amended.

61. “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or

unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, cross claim, reduction, subordination, or recoupment and claims under contracts or for breaches of duties imposed by law or regulation; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

62. “*Chapter 11 Cases*” means, collectively: (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court; and (b) when used with reference to all the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

63. “*Claim*” means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

64. “*Claims and Noticing Agent*” means Prime Clerk LLC, retained as the Debtors’ notice and claims agent pursuant to the *Order Authorizing Retention and Appointment of Prime Clerk LLC as the Claims, Noticing, and Solicitation Agent* [Docket No. 79].

65. “*Claims Objection Deadline*” means the later of: (a) the date that is 180 days after the Effective Date; and (b) such other date as may be fixed by the Bankruptcy Court, after notice and hearing, upon a motion Filed before the expiration of the deadline to object to Claims or Interests.

66. “*Claims Register*” means the official register of Claims maintained by the Claims and Noticing Agent.

67. “*Class*” means a category of Claims or Interests as set forth in Article III of the Plan.

68. “*CM/ECF*” means the Bankruptcy Court’s Case Management and Electronic Case Filing system.

69. “*Committee*” means the statutory committee of unsecured creditors of the Debtors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee on May 23, 2016, the membership of which may be reconstituted from time to time.

70. “*Confirmation*” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

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

72. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code.

73. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

74. “*Consenting Berry Creditors*” means, collectively, (a) the Consenting Berry Lenders, and (b) the Consenting Berry Noteholders.

75. “*Consenting Berry Lenders*” means, collectively, those certain Holders of Berry Lender Claims that are or become parties to the Berry RSA from time to time.

76. “*Consenting Berry Noteholders*” means, collectively, those certain Holders of Berry Unsecured Notes Claims that are or become parties to the Berry RSA from time to time (including any party having the ability to direct or control such notes).

77. “*Consummation*” means the occurrence of the Effective Date.
78. “*Cure Claim*” means a Claim (unless waived or modified by the applicable counterparty) based upon the Debtors’ defaults on an Executory Contract or Unexpired Lease at the time such Executory Contract or Unexpired Lease is assumed by the Berry Debtors pursuant to section 365 of the Bankruptcy Code, other than with respect to a default that is not required to be cured under section 365(b)(2) of the Bankruptcy Code.
79. “*Debtors*” means, collectively: (a) Linn Energy, LLC; (b) Berry Petroleum Company, LLC; (c) LinnCo, LLC; (d) Linn Acquisition Company, LLC; (e) Linn Energy Finance Corp.; (f) Linn Energy Holdings, LLC; (g) Linn Exploration & Production Michigan LLC; (h) Linn Exploration Midcontinent, LLC; (i) Linn Midstream, LLC; (j) Linn Midwest Energy LLC; (k) Linn Operating, Inc.; (l) Mid-Continent I, LLC; (m) Mid-Continent II, LLC; (n) Mid-Continent Holdings I, LLC; and (o) Mid-Continent Holdings II, LLC.
80. “*D&O Liability Insurance Policies*” means all insurance policies (including any “tail policy”) of any of the Berry Debtors (or the LINN Debtors or the Reorganized LINN Debtors, as applicable, to the extent such coverage applies to the Berry Debtors) for current or former directors’, managers’, and officers’ liability.
81. “*Disclosure Statement*” means the *Disclosure Statement for the Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC*, dated December [___], 2016 [Docket No. ___], as may be amended, including all exhibits and schedules thereto, as approved pursuant to the Disclosure Statement Order.
82. “*Disclosure Statement Order*” means the *Order (I) Approving the Adequacy of the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures with Respect to Confirmation of the Amended Joint Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC, (III) Approving the Forms of Ballots and Notices in Connection Therewith, and (IV) Granting Related Relief* [Docket No. ___].
83. “*Disputed*” means with regard to any Claim or Interest, a Claim or Interest that is not yet Allowed.
84. “*Distribution Record Date*” means, other than with respect to any publicly-held securities, the record date for purposes of making distributions under the Plan on account of Allowed Claims and Allowed Interests, which date shall be the date that is five (5) Business Days after the Confirmation Date or such other date as designated in a Final Order of the Bankruptcy Court; *provided, however*, that solely with respect to Berry General Unsecured Claims, the Distribution Record Date shall be the first date that is a Business Day at least fifteen (15) days after the Confirmation Date or such other date as designated in a Final Order of the Bankruptcy Court.
85. “*DTC*” means the Depository Trust Company.
86. “*Effective Date*” means, with respect to the Plan and any such applicable Berry Debtor(s), the date that is the first Business Day upon which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article IX.A and Article IX.B have been satisfied or waived (in accordance with Article IX.C); and (c) the Plan is declared effective with respect to such applicable Berry Debtor(s).
87. “*Effective Date Notice*” has the meaning set forth in Article II.A.2(c) herein.
88. “*Electing Berry Lender*” has the meaning set forth in Article III.B.3 herein.
89. “*Entity*” has the meaning set forth in section 101(15) of the Bankruptcy Code.
90. “*Estate*” means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.
91. “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

92. “*Exculpated Parties*” means, collectively, and in each case in its capacity as such: (a) each of the Debtors, the Reorganized LINN Debtors, and the Reorganized Berry Debtors; (b) the Consenting Berry Creditors; (c) the Committee and each of its members; (d) the Berry Backstop Parties; (e) the Berry Administrative Agent; (f) the Berry Unsecured Notes Trustee; (g) the Ad Hoc Group of Berry Unsecured Noteholders; (h) each of the Berry Lenders; and (i) with respect to each of the foregoing, such Entity and its current and former Affiliates, and such Entity’s and its current and former Affiliates’ current and former members, equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, predecessors, successors, assigns, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, restructuring advisors, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; *provided, however*, that neither Quantum Energy Partners, Sentinel Peak Resources, nor any of their officers, managers, or employees shall be “Exculpated Parties.”

93. “*Executory Contract*” means a contract to which one or more of the Berry Debtors is a party and that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

94. “*Federal Judgment Rate*” means the federal judgment rate in effect as of the Petition Date, compounded annually.

95. “*File*,” “*Filed*,” or “*Filing*” means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, including with respect to a Proof of Claim or Proof of Interest, the Claims and Noticing Agent.

96. “*Final Order*” means (i) an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction, or (ii) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Bankruptcy Court (or any other court of competent jurisdiction, including in an appeal taken) in the Chapter 11 Case (or in any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules of the Bankruptcy Court, may be filed relating to such order shall not prevent such order from being a Final Order.

97. “*Form Joint Operating Agreement*” means one or more joint operating agreements reasonably satisfactory in form and substance to the Required Consenting Berry Creditors that shall replace the existing agency agreements for the LINN Debtors and Berry and shall contain standard provisions governing the rights and obligations afforded an operator and non-operating working interest owner.

98. “*General Administrative Claim*” means any Administrative Claim, other than a Professional Fee Claim or an Adequate Protection Claim.

99. “*Governmental Unit*” has the meaning set forth in section 101(27) of the Bankruptcy Code.

100. “*Holder*” means an Entity holding a Claim or an Interest, as applicable.

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

102. “*Indemnification Obligations*” means each of the Berry 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 or other contracts, for their current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals and agents of the Berry Debtors, as applicable.

103. “*Insurance Policies*” means any insurance policies, insurance settlement agreements, coverage-in-place agreements, or other agreements relating to the provision of insurance entered into by or issued to or for the benefit of any of the Berry Debtors or their predecessors.

104. “*Intercompany Claim*” means any Claim between one Debtor and another Debtor.

105. “*Interest*” means any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Berry Debtor and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Entity.

106. “*Interim Compensation Order*” means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 721].

107. “*Interior*” means the United States Department of the Interior.

108. “*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended.

109. “*Investment Company Act*” means the Investment Company Act of 1940, as amended.

110. “*IRS*” means the Internal Revenue Service.

111. “*Judicial Code*” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

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

113. “*LAC*” means Linn Acquisition Company, LLC, a Delaware limited liability company.

114. “*LINN*” means Linn Energy, LLC, a Delaware limited liability company.

115. “*LINN Debtors*” means, collectively, the Debtors other than the Berry Debtors.

116. “*LINN Intercompany Settled Claims*” means those certain Intercompany Claims held by the Berry Debtors against the LINN Debtors that shall be settled pursuant to the Berry-LINN Intercompany Settlement.

117. “*New Organizational Documents*” means such certificates or articles of incorporation, by-laws, limited liability company operating agreements, shareholders agreements, or other applicable formation and governance documents of each of the Reorganized Berry Debtors (including Reorganized Berry HoldCo and Reorganized Berry OpCo), as applicable, the form of which shall be included in the Plan Supplement, and which shall be reasonably satisfactory to the Berry Debtors and the Required Consenting Berry Creditors.

118. “*Non-Accredited Investor*” means any Person or Entity that does not meet the requirements of an “accredited investor” as set forth in Regulation D promulgated under section 4(a)(2) of the Securities Act.

119. “*Non-Electing Berry Lender*” has the meaning set forth in Article III.B.3 herein.

120. “*NYSE*” means the New York Stock Exchange.

121. “*Ordinary Course Professional Order*” means the *Order Authorizing the Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business* [Docket No. 397].

122. “*Original Berry RSA*” means that certain Restructuring Support Agreement, dated as of May 10, 2016, by and among the Berry Lenders party thereto, the holders of certain Claims against LINN party thereto, and the Debtors.

123. “*Other Berry Priority Claims*” means any Claim against a Berry Debtor, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

124. “*Other Berry Secured Claims*” means any Secured Claim against a Berry Debtor other than the Berry Lender Claims.

125. “*Petition Date*” means May 11, 2016, the date on which the Debtors commenced the Chapter 11 Cases.

126. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be Filed by the Berry Debtors no later than 14 days before the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents Filed with the Bankruptcy Court before the Effective Date as amendments to the Plan Supplement comprised of, among other documents, the following: (a) the New Organizational Documents; (b) the Assumed Executory Contract and Unexpired Lease List; (c) the Rejected Executory Contract and Unexpired Lease List; (d) the Retained Causes of Action List; (e) the Reorganized Berry Employee Incentive Plan Agreements; (f) the Reorganized Berry Registration Rights Agreement; (g) the identity of the members of the Reorganized Berry Board and management for the Reorganized Berry Debtors; (h) the Berry Exit Facility Documents; (i) the Reorganized Berry Non-Conforming Term Notes Documents; (j) the Transition Services Agreement; (k) the Form Joint Operating Agreement; and (l) the Berry-LINN Intercompany Settlement Term Sheet. Any reference to the Plan Supplement in the Plan shall include each of the documents identified above as (a) through (l), as applicable. Any Plan Supplement documents shall be subject to the reasonable consent of the applicable Consenting Berry Creditors as set forth in the Berry RSA.

127. “*Priority Tax Claim*” means the Claims of Governmental Units of the type specified in section 507(a)(8) of the Bankruptcy Code.

128. “*Pro Rata*” means the proportion that the amount of an Allowed Claim or Allowed Interest in a particular Class bears to the aggregate amount of the Allowed Claims or Allowed Interests in that Class, or the proportion of the Allowed Claims or Allowed Interests in a particular Class and other Classes entitled to share in the same recovery as such Claim or Interest under the Plan.

129. “*Professional*” means an Entity, excluding those Entities entitled to compensation pursuant to the Ordinary Course Professional Order: (a) retained pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code; *provided, however*, that professionals employed by the Berry Administrative Agent, the Berry Unsecured Notes Trustee, or the Ad Hoc Group of Berry Unsecured Noteholders shall not be “Professionals” for the purposes of the Plan.

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

131. “*Professional Fee Escrow Account*” means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount and funded by the Debtors on the Effective Date, pursuant to Article II.A.2(b) of the Plan.

132. “*Professional Fee Reserve Amount*” means the total amount of Professional Fee Claims estimated in accordance with Article II.A.2(c) of the Plan.

133. “*Proof of Claim*” means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

134. “*Proof of Interest*” means a proof of Interest Filed against any of the Debtors in the Chapter 11 Cases.

135. “*Reinstate,*” “*Reinstated,*” or “*Reinstatement*” means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired for purposes of section 1124 of the Bankruptcy Code.

136. “*Rejected Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors or the Reorganized Berry Debtors, as applicable, of Executory Contracts and Unexpired Leases that will be rejected by the Reorganized Berry Debtors pursuant to the Plan, which list shall be included in the Plan Supplement; *provided*, that such list with respect to material Executory Contracts and/or material Unexpired Leases shall be reasonably acceptable to the Required Consenting Berry Creditors.

137. “*Released Parties*” means, collectively, and in each case only in its capacity as such: (a) each of the Debtors, the Reorganized LINN Debtors, and the Reorganized Berry Debtors; (b) the Consenting Berry Creditors; (c) the Berry Backstop Parties; (d) the Berry Administrative Agent; (e) the Berry Unsecured Notes Trustee; (f) the Committee and each of its members; (g) each of the Berry Lenders; (h) the Ad Hoc Group of Berry Unsecured Noteholders; and (i) with respect to each of the foregoing identified in subsections (a) through (h) herein, each of such entities’ respective shareholders, affiliates, subsidiaries, members, 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 (x) any Holder of a Claim or Interest that opts out of the releases contained in the Plan shall not be a “Released Party,” and (y) neither Quantum Energy Partners, Sentinel Peak Resources, nor any of their officers, managers, or employees shall be “Released Parties.”

138. “*Releasing Parties*” means, collectively, and in each case only in its capacity as such: (a) each of the Debtors, the Reorganized LINN Debtors, and the Reorganized Berry Debtors; (b) the Committee and each of its members; (c) the Consenting Berry Creditors; (d) the Berry Backstop Parties; (e) the Berry Unsecured Notes Trustee; (f) the Berry Administrative Agent; (g) the Ad Hoc Group of Berry Unsecured Noteholders; (h) each of the Berry Lenders; (i) without limiting the foregoing, each holder of a Claim against or an interest in the Company, 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 by the Plan; and (j) with respect to each of the foregoing parties under (a) through (i), such Entity and its current and former Affiliates, and such Entities’ and their current and former Affiliates’ current and former members, directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former members, equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

139. “*Reorganized*” means, as to any Debtor or Debtors, such Debtor(s) as reorganized pursuant to and under the Plan or any successor thereto, by merger, consolidation, taxable disposition, or otherwise, on or after the Effective Date.

140. “*Reorganized Berry*” means Reorganized Berry HoldCo and Reorganized Berry OpCo.

141. “*Reorganized Berry Board*” means the boards of directors or managers of Reorganized Berry on and after the Effective Date.

142. “*Reorganized Berry Common Stock*” means the new common stock or limited liability company units in Reorganized Berry HoldCo to be issued and distributed under and in accordance with the Plan.

143. “*Reorganized Berry Common Stock/General Distribution*” means 17.7 percent of the Reorganized Berry Common Stock, after allocation and reservation for the Reorganized Berry EIP Equity.

144. “*Reorganized Berry Common Stock/Noteholder Distribution*” means 82.3 percent of the Reorganized Berry Common Stock, after allocation and reservation for the Reorganized Berry EIP Equity.

145. “*Reorganized Berry Debtors*” means the Berry Debtors, as reorganized pursuant to and under the Plan, or any successor thereto, by merger, consolidation, or otherwise. For the avoidance of doubt, the Reorganized Berry Debtors shall include Reorganized Berry and shall also specifically refer to Reorganized Berry HoldCo and Reorganized Berry OpCo, as applicable.

146. “*Reorganized Berry EIP Equity*” means the stock and options in Reorganized Berry HoldCo to be issued in connection with the Reorganized Berry Employee Incentive Plan and subject to the terms of the Reorganized Berry Employee Incentive Plan Agreements.

147. “*Reorganized Berry Employee Incentive Plan*” means the employee incentive plan to be implemented with respect to Reorganized Berry on the Effective Date, the material terms of which shall be agreed upon prior to the Effective Date and as set forth in the Reorganized Berry Employee Incentive Plan Agreements.

148. “*Reorganized Berry Employee Incentive Plan Agreements*” means the agreements that will govern the terms of the Reorganized Berry Employee Incentive Plan.

149. “*Reorganized Berry Employment Agreements*” means the employment agreements by and between certain employees of the LINN Debtors, to be agreed to by the Berry Debtors, the LINN Debtors or the Reorganized LINN Debtors (as applicable), and the Required Consenting Berry Noteholders, each of which shall be assumed and assigned to Reorganized Berry on the Effective Date.

150. “*Reorganized Berry HoldCo*” means New Berry Petroleum Holdings, a limited liability company or corporation, as formed on or before the Effective Date, which shall own 100 percent of the equity of Reorganized Berry OpCo, as set forth in the Plan and the New Organizational Documents.

151. “*Reorganized Berry Non-Conforming Term Notes*” means the non-conforming term notes on the terms set forth in the Reorganized Berry Non-Conforming Term Notes Documents, which shall not be part of the Berry Exit Facility.

152. “*Reorganized Berry Non-Conforming Term Notes Documents*” means the credit agreement in respect of the Reorganized Berry Non-Conforming Term Notes, collateral documents, Uniform Commercial Code statements, and other loan documents, to be dated as of the Effective Date, governing the Reorganized Berry Non-Conforming Term Notes (if any).

153. “*Reorganized Berry OpCo*” means New Berry Petroleum Company, a limited liability company or corporation, as formed on or before the Effective Date, which shall be the successor in interest to Berry, as set forth in the Plan and the New Organizational Documents.

154. “*Reorganized Berry Preferred Stock*” means the preferred stock or preferred limited liability company units in Reorganized Berry HoldCo to be purchased by the participants in the Berry Rights Offerings upon the exercise of the Berry Rights, including any shares or units of Berry Backstop Commitment Premium issued to the Berry Backstop Parties, pursuant to the terms of the New Organizational Documents, the Berry Backstop Agreement, the Berry Backstop Agreement Order, and the Berry Rights Offerings Procedures.

155. “*Reorganized Berry Registration Rights Agreement*” means the registration rights agreement by and between Reorganized Berry HoldCo, the Berry Backstop Parties (including their affiliates), and certain other parties that receive Reorganized Berry Preferred Stock or 10 percent or more of the shares of Reorganized Berry Common Stock issued under the Plan and/or the Berry Rights Offerings or cannot sell their shares under Rule 144 of the Securities Act without volume or manner of sale restrictions, as of the Effective Date, pursuant to which such parties shall be entitled to customary registration rights with respect to such Reorganized Berry Preferred Stock and Reorganized Berry Common Stock, which shall be in substantially the form to be filed with the Plan Supplement and reasonably acceptable to Berry and the Required Consenting Berry Noteholders.

156. “*Reorganized Debtors*” means, collectively, and each in its capacity as such, the Debtors, as reorganized pursuant to and under the Plan or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date, and from and after the Effective Date, shall include (without limitation) Reorganized Berry.

157. “*Reorganized LINN Debtors*” means the LINN Debtors, as reorganized pursuant to and under their respective chapter 11 plan of reorganization, or any successor thereto, by merger, consolidation, or otherwise, except for those LINN Debtors that are dissolved or wound down pursuant to the terms of the Plan.

158. “*Required Consenting Berry Creditors*” means, collectively, (a) the Required Consenting Berry Lenders, and (b) the Required Consenting Berry Noteholders.

159. “*Required Consenting Berry Lenders*” means the Consenting Berry Lenders holding, controlling, or having the ability to control more than sixty-six and two-thirds (66-2/3) percent of the outstanding principal amount of Berry Lender Claims directly or indirectly held or controlled by the Consenting Berry Lenders, calculated as of such date the Consenting Berry Lenders make a determination in accordance with the Berry RSA.

160. “*Required Consenting Berry Noteholders*” means the Consenting Berry Noteholders holding, controlling, or having the ability to control more than sixty-six and two-thirds (66-2/3) percent of the outstanding principal amount of Berry Unsecured Notes Claims directly or indirectly held or controlled by the Consenting Berry Noteholders, calculated as of such date the Consenting Berry Noteholders make a determination in accordance with the Berry RSA.

161. “*Royalty and Working Interests*” means the working interests granting the right to exploit oil and gas, and certain other royalty or mineral interests, including but not limited to, landowner’s royalty interests, overriding royalty interests, net profit interests, non-participating royalty interests, and production payments.

162. “*Schedules*” means the schedules of assets and liabilities, schedules of Executory Contracts or Unexpired Leases, and statement of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, the official bankruptcy forms, and the Bankruptcy Rules.

163. “*SEC*” means the Securities and Exchange Commission.

164. “*Secured*” means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed pursuant to the Plan or separate order of the Bankruptcy Court as a secured claim.

165. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, together with the rules and regulations promulgated thereunder.

166. “*Security*” or “*Securities*” has the meaning set forth in section 2(a)(1) of the Securities Act.

167. “*Transition Services Agreement*” means the transition services and separation agreement by and between the LINN Debtors or the Reorganized LINN Debtors (as applicable) and the Berry Debtors, as provided for

in the Berry RSA, which shall be reasonably satisfactory in form and substance to the Required Consenting Berry Creditors.

168. “*Unexpired Lease*” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

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

170. “*U.S.*” means the United States of America.

171. “*U.S. Trustee*” means the Office of the U.S. Trustee Region 7 for the Southern District of Texas.

172. “*Unsecured Claim*” means any Claim that is not an Administrative Claim, Priority Tax Claim, Other Berry Priority Claim, Berry Lender Claim, or Other Berry Secured Claim.

B. Rules of Interpretation.

For the purposes of the Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity’s successors and assigns; (5) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, or similar formation document or agreement, by-law, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (14) any immaterial effectuating provisions may be interpreted by the Reorganized Berry Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; and (15) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Berry Debtors or to the Reorganized Berry Debtors shall mean the Berry Debtors and the Reorganized Berry Debtors, as applicable, to the extent the context requires.

C. Computation of Time.

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

D. Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Berry Debtors or the Reorganized Berry Debtors, as applicable, shall be governed by the laws of the state of incorporation or formation of the relevant Berry Debtor or Reorganized Berry Debtor, as applicable.

E. Reference to Monetary Figures.

All references in the Plan to monetary figures shall refer to currency of the U.S., unless otherwise expressly provided.

F. Conflicts.

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

**ARTICLE II.
ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS**

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.

A. Administrative Claims.

1. *General Administrative Claims.*

Except as specified in this Article II, unless the Holder of an Allowed General Administrative Claim and the Berry Debtors or the Reorganized Berry Debtors, as applicable, 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, 120 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 Berry 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. Notwithstanding the foregoing, no request for payment of a General Administrative Claim need be Filed with respect to a General Administrative Claim previously Allowed by Final Order.

Except for Claims of Professionals, requests for payment of General Administrative Claims that were not accrued in the ordinary course of business must be Filed and served on the Berry Debtors or the Reorganized Berry Debtors, as applicable, no later than the Administrative Claims Bar Date applicable to the Debtor against whom the General Administrative Claim is asserted pursuant to the procedures specified in the Confirmation Order and the notice of the Effective Date. Holders of General Administrative Claims that are required to File and serve a request for payment of such General Administrative Claims by the Administrative Claims Bar Date that do not File and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such General Administrative Claims against the Berry Debtors, the Reorganized Berry Debtors, or their respective property and such General Administrative Claims shall be deemed forever discharged and released as of

the Effective Date. Any requests for payment of General Administrative Claims that are not properly Filed and served by the Administrative Claims Bar Date shall not appear on the Claims Register and shall be disallowed automatically without the need for further action by the Debtors or the Reorganized Berry Debtors or further order of the Bankruptcy Court. To the extent this Article II.A.1 conflicts with Article XII.C of the Plan with respect to fees and expenses payable under section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, Article XII.C of the Plan shall govern.

The Reorganized Berry Debtors, in their sole and absolute discretion, may settle General Administrative Claims in the ordinary course of business without further Bankruptcy Court approval. The Berry Debtors may also choose to object to any Administrative Claim no later than 120 days from the Administrative Claims Bar Date, subject to extensions by the Bankruptcy Court, agreement in writing of the parties, or on motion of a party in interest approved by the Bankruptcy Court. Unless the Berry Debtors or the Reorganized Berry Debtors (or other party with standing) object to a timely filed and properly served Administrative Claim, such Administrative Claim will be deemed Allowed in the amount requested. In the event that the Berry Debtors or the Reorganized Berry Debtors object to an Administrative Claim, the parties may confer to try to reach a settlement and, failing that, the Bankruptcy Court will determine whether such Administrative Claim should be allowed and, if so, in what amount.

2. Professional Compensation.

(a) Final Fee Applications.

All final requests for payment of Professional Fee Claims, including the Professional Fee Claims incurred during the period from the Petition Date through the Effective Date, must be Filed and served on the Reorganized Berry Debtors no later than 60 days after the Effective Date. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, including the Interim Compensation Order, and once approved by the Bankruptcy Court, promptly paid from the Professional Fee Escrow Account up to its full Allowed amount. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims will be allocated among and paid directly by the Reorganized Berry Debtors in the manner prescribed by Article II.A.2(d) of the Plan.

(b) Professional Fee Escrow Account.

On the Effective Date, the Reorganized Berry Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount, the funding of which shall be allocated among the Debtors in the manner prescribed by Article II.A.2(d) of the Plan. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates of the Berry Debtors or the Reorganized Berry Debtors. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized Berry Debtors from the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by a Final Order. When all such Allowed amounts owing to Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Berry Debtors in the manner prescribed by the allocation set forth in Article II.A.2(d) of the Plan, without any further action or order of the Bankruptcy Court. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims will be paid by the Berry Debtors or the Reorganized Berry Debtors, as applicable.

(c) Professional Fee Reserve Amount.

The Berry Debtors shall provide Professionals with not less than seven (7) Business Days advance written notice (which may be communicated by electronic mail) of the expected timing of the Effective Date (the "Effective Date Notice"). Thereafter, Professionals shall estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred and expected to be incurred in rendering services to the Berry Debtors before and as of the Effective Date and shall deliver such estimate to the Berry Debtors no later than the later of (i) six (6) Business Days from delivery of the Effective Date Notice and (ii) one (1) Business Day before the Effective Date; *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of

the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Berry Debtors or Reorganized Berry Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total amount estimated pursuant to this section shall comprise the Professional Fee Reserve Amount. The Professional Fee Reserve Amount, as well as the return of any excess funds in the Professional Fee Escrow Account after all Allowed Professional Fee Claims have been paid in full, shall be allocated as among the Debtors in the manner prescribed by Article II.A.2(d) of the Plan.

(d) Allocation of Professional Fee Claims.

Allowed Professional Fee Claims shall be allocated to, and paid by, the applicable Berry Debtor for whose benefit such Professional Fees Claims were incurred in a manner consistent with the terms of the Cash Collateral Order and/or Cash Management Order. For the avoidance of doubt, the Berry Debtors shall not be responsible for payment of any legal, professional, or other fees and expenses incurred by the LINN Debtors in connection with the Chapter 11 Cases and after the Effective Date, and the LINN Debtors shall not be responsible for payment of any legal, professional, or other fees and expenses incurred by the Berry Debtors in connection with the Chapter 11 Cases and after the Effective Date.

(e) Post-Confirmation Date Fees and Expenses.

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Berry Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses incurred by the Berry Debtors. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Berry Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Adequate Protection Claims.

Adequate Protection Claims of the Berry Lenders will receive the treatment provided for in Article III.B.3 for Holders of Allowed Berry Lender Claims. For the avoidance of doubt, the treatment set forth in Article III.B.3 shall be in full and final satisfaction of any Adequate Protection Claims of the Berry Lenders.

B. Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code 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.

C. Statutory Fees.

All fees due and payable pursuant to section 1930 of Title 28 of the United States Code before the Effective Date with respect to the Berry Debtors shall be paid by the Berry Debtors. On and after the Effective Date, the Reorganized Berry Debtors shall pay any and all such fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Berry Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

**ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

A. Classification of Claims and Interests.

Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied before the Effective Date. The Berry Debtors reserve the right to assert that the treatment provided to Holders of Claims and Interests pursuant to Article III.B of the Plan renders such Holders Unimpaired.

1. Class Identification for the Berry Debtors.

The Plan constitutes a separate chapter 11 plan of reorganization for each Berry Debtor, which shall include the classifications set forth below. Subject to Article III.D of the Plan, to the extent that a Class contains Claims or Interests only with respect to one or more particular Berry Debtors, such Class applies solely to such Berry Debtor.

The following chart represents the classification of Claims and Interests for the Berry Debtors pursuant to the Plan.

Class	Claims and Interests	Status	Voting Rights
Class B1	Other Berry Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B2	Other Berry Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B3	Berry Lender Claims	Impaired	Entitled to Vote
Class B4	Berry Unsecured Notes Claims	Impaired	Entitled to Vote
Class B5	Berry General Unsecured Claims	Impaired	Entitled to Vote
Class B6	Berry Intercompany Claims	Impaired	Not Entitled to Vote (Presumed to Accept/ Deemed to Reject)
Class B7	Berry Section 510(b) Claims	Impaired	Note Entitled to Vote (Deemed to Reject)
Class B8	Interests in Berry Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Claims and Interests.

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Berry Debtor, the classification of Allowed Claims and Allowed Interests is specified below.

1. Class B1 - Other Berry Secured Claims.

- (a) *Classification:* Class B1 consists of Other Berry Secured Claims.
- (b) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Berry Secured Claims 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 Berry Secured Claim, each such Holder shall receive, at the option of Berry and with the

consent of the Required Consenting Berry Noteholders (which consent shall not be unreasonably withheld), 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.
- (c) *Voting:* Class B1 is Unimpaired under the Plan. Holders of Claims in Class B1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. Class B2 - Other Berry Priority Claims.

- (a) *Classification:* Class B2 consists of Other Berry Priority Claims.
- (b) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Berry 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 Berry Priority Claim, each such Holder shall receive, at the option of Berry, either:
 - (i) payment in full in Cash; or
 - (ii) other treatment rendering such Claim Unimpaired.
- (c) *Voting:* Class B2 is Unimpaired under the Plan. Holders of Other Berry Priority Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

3. Class B3 - Berry Lender Claims.

- (a) *Classification:* Class B3 consists of Berry Lender Claims.
- (b) *Allowance:* Notwithstanding any other provision of this Plan to the contrary, the Berry Lender Claims are Allowed as fully Secured Claims under section 506(b) of the Bankruptcy Code, having first lien priority in the amount of approximately \$898 million on account of unpaid principal, plus unpaid interest, fees, expenses, and other obligations arising under or in connection with the Berry Lender Claims, as set forth in the Berry Credit Agreement or the other Loan Documents (as defined in the Berry Credit Agreement) in each case, not subject either in whole or in part to off-set, disallowance or avoidance under chapter 5 of the Bankruptcy Code or otherwise, recharacterization, recoupment, or subordination or any equitable theory (including, without limitation, subordination, disallowance, or unjust enrichment), or otherwise, and any other claims or Causes of Action that any Person including but not limited to the Berry Debtors and their estates may be entitled to assert against the Berry Lenders or the Berry Lender Claims.

- (c) *Treatment:* Notwithstanding any other provision of this Plan to the contrary, on the Effective Date, except to the extent that a Holder of an Allowed Berry Lender 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 Berry Lender Claim, each such Holder shall receive:
- (i) if such Holder votes (or is deemed to have voted in accordance with the ballot for Holders of Berry Lender Claims) to accept the Plan and elects to participate in the Berry Exit Facility, or voted against the Plan and subsequently changes its vote to accept (with the approval of the Berry Debtors and the Required Consenting Berry Creditors (which approval shall not be unreasonably withheld)) and opts into the Berry Exit Facility (each, an “Electing Berry Lender”), a Pro Rata share (calculated with respect to the other Electing Berry Lenders only) of: (A) the Berry Exit Facility; and (B) the Berry Lender Paydown, which shall be distributed upon such Holder’s execution and delivery of the Berry Exit Facility Documents; or
 - (ii) if such Holder votes to reject the Berry Plan and does not subsequently opt into the Berry Exit Facility (each, a “Non-Electing Berry Lender”), a Reorganized Berry Non-Conforming Term Note in an aggregate amount equal to such Non-Electing Berry Lender’s Allowed Berry Lender Claim, in lieu of any share of (A) the Berry Exit Facility and (B) the Berry Lender Paydown, upon the execution and delivery of the Reorganized Berry Non-Conforming Notes Documents, distributed no earlier than the Effective Date (and after or substantially concurrently with the execution and delivery of such definitive documentation).

For the avoidance of doubt, the amount of the Berry Exit Facility Initial Borrowing Base and the commitments of the Electing Berry Lenders shall be reduced in an amount equal to the aggregate amount of the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders. For the further avoidance of doubt, none of the Non-Electing Berry Lenders shall receive any portion of the Berry Lender Paydown and shall receive only a Reorganized Berry Non-Conforming Note in a principal amount equal to its Allowed Berry Lender Claim and each Electing Berry Lender shall receive a Berry Lender Paydown payment in the amount of (a) its Allowed Berry Lender Claim less (b) the amount of such Electing Berry Lender’s Allowed Lender Claim that is deemed to be a drawn loan pursuant to the Berry Exit Facility, plus (c) a pro rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been an Electing Berry Lender; *provided*, that any amount paid to such Electing Berry Lender pursuant to clause (c) shall reduce the amount deemed to be drawn debt pursuant to clause (b).

- (d) *Voting:* Class B3 is Impaired under the Plan. Holders of Claims in Class B3 are entitled to vote to accept or reject the Plan.

4. Class B4 - Berry Unsecured Notes Claims.

- (a) *Classification:* Class B4 consists of Berry Unsecured Notes Claims.
- (b) *Allowance:* The Berry Unsecured Notes Claims are Allowed in the amount of \$849,037,688 in unpaid principal and interest, plus fees, and other expenses, arising under or in connection with the Berry Unsecured Notes through the Petition Date.
- (c) *Treatment:* On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Berry Unsecured Notes Claim agrees

to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of the Berry Debtors and their Estates and in exchange for each Berry Unsecured Notes Claim, each such Holder shall receive:

- (i) its Pro Rata share of the Reorganized Berry Common Stock/Noteholder Distribution; and
- (ii) to the extent that the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, its Pro Rata share of the Reorganized Berry Common Stock/General Distribution, such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claim per dollar amount of such Allowed Claim shall equal the aggregate amount of Reorganized Berry Common Stock received by a Holder of an Allowed Berry General Unsecured Claim that does not elect to receive its share of the Berry GUC Cash Distribution Pool, per dollar amount of such Allowed Claim.

Notwithstanding the foregoing, each Holder of an Allowed Berry Unsecured Notes Claim that is a Non-Accredited Investor may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; *provided, however*, that if such Non-Accredited Investor Holder (who shall certify such status on the ballot and include reasonably acceptable proof of such status, which may be contested by the Berry Debtors, the Reorganized Berry Debtors, or the Committee) irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry Unsecured Notes Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry Unsecured Notes Claim; *provided, further, however*, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry Unsecured Notes Claim. To the extent that a Holder of a Berry Unsecured Notes Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.

- (d) *Voting:* Class B4 is Impaired under the Plan. Holders of Claims in Class B4 are entitled to vote to accept or reject the Plan.

5. Class B5 - Berry General Unsecured Claims.

- (a) *Classification:* Class B5 consists of Berry General Unsecured Claims.
- (b) *Treatment:* On the later of (i) the Effective Date, (ii) ten (10) Business Days after the Distribution Record Date, or (iii) as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Berry General Unsecured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of vis-à-vis the Debtors and their Estates and in exchange for each Berry General Unsecured Claim, each such Holder shall receive, up to the Allowed amount of its Berry General Unsecured Claim, its Pro Rata share of the Reorganized Berry Common Stock/General Distribution.

Notwithstanding the foregoing, each Holder of an Allowed Berry General Unsecured Claim may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; *provided, however*, that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry General Unsecured Claim, such electing Holder shall not

receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry General Unsecured Claim); *provided, further, however*, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim. To the extent that a Holder of a Berry General Unsecured Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.

- (c) *Voting:* Class B5 is Impaired under the Plan. Holders of Claims in Class B5 are entitled to vote to accept or reject the Plan.

6. Class B6 - Berry Intercompany Claims.

- (a) *Classification:* Class B7 consists of Berry Intercompany Claims.
- (b) *Treatment:* Each Allowed Berry Intercompany Claim shall be canceled and released without any distribution on account of such Claims; *provided, however*, that any Berry Intercompany Claim relating to any postpetition payments from any LINN Debtor to Berry under any postpetition Intercompany Transaction (as defined in the Cash Management Order, and including any postpetition payments from LINN to Berry) shall be, unless the applicable 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 herein. For the avoidance of doubt, the Berry LINN Intercompany Settlement releases any Claims of the LINN Debtors against the Berry Debtors and pursuant to such settlement, there shall be no Allowed Berry Intercompany Claims, except for the true-up of postpetition Intercompany Transactions described in the preceding sentence, and thus there will be no other Allowed Claims in this Class. Any such true-up Claim shall be reasonably acceptable to the Berry Debtors and the Required Consenting Berry Creditors.
- (c) *Voting:* To the extent Allowed, Class B7 is treated as a General Administrative Claim, and such Holders of Berry Intercompany Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, or Impaired, and such Holders of Allowed Class B7 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Allowed Berry Intercompany Claims are not entitled to vote to accept or reject the Plan.

7. Class B7 - Berry Section 510(b) Claims.

- (a) *Classification:* Class B7 consists of Berry Section 510(b) Claims.
- (b) *Treatment:* Each Berry Section 510(b) Claim shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Berry Section 510(b) Claims on account of such Claims.
- (c) *Voting:* Class B7 is Impaired under the Plan. Holders of Allowed Berry Section 510(b) Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

8. Class B8 - Interests in the Berry Debtors.

- (a) *Classification:* Class B8 consists of any Interests in the Berry Debtors.

- (b) *Treatment:* On the Effective Date, existing Interests in the Berry Debtors shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Interests in the Berry Debtors on account of such Interests.
- (c) *Voting:* Class B8 is Impaired under the Plan. Holders of Claims in Class B8 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Berry Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

D. Elimination of Vacant Classes.

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes pursuant to the Disclosure Statement Order shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

E. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.B of the Plan. The Berry Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Berry Debtors reserve the right to modify the Plan in accordance with Article X hereof to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Berry Debtor.

F. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class contains Holders of Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims or Interests in such Class.

G. Presumed Acceptance and Rejection of the Plan

To the extent that Claims of any class are canceled, each Holder of a Claim in such class is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan. To the extent that Claims or Interests of any Class are Reinstated, each Holder of a Claim or Interest in such Class is presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

H. Intercompany Interests

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests, but rather for the purposes of administrative convenience, for the ultimate benefit of the Holders of Reorganized Berry Common Stock, the Reorganized Berry EIP Equity, and the Reorganized Berry Preferred Stock, and in exchange for the Berry Debtors' and Reorganized Berry Debtors' agreement under the Plan to make certain distributions to the Holders of

Allowed Claims. For the avoidance of doubt, any Interest in Non-Debtor Subsidiaries owned by a Berry Debtor shall continue to be owned by the applicable Reorganized Berry Debtor.

I. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

J. Subordinated Claims and Interests.

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Berry Debtors or Reorganized Berry Debtors reserve the right to re-classify any Allowed Claim in accordance with any contractual, legal, or equitable subordination relating thereto. Notwithstanding anything in this Plan to the contrary, the Berry Lender Claims shall not be subordinated in any manner or for any reason.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. General Settlement of Claims and Interests.

The Plan shall be deemed a motion to approve the good-faith compromise and settlement pursuant to which the Berry Debtors, the Holders of Claims against and/or Interests in the Berry Debtors, and the Consenting Berry Creditors settle all Claims, Interests, and Causes of Action pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, including the Berry-LINN Intercompany Settlement, 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. The Confirmation Order shall constitute the Court's approval of the compromise, settlement, and release of all such Claims, Interests, and Causes of Action, as well as a finding by the Bankruptcy Court that all such compromises, settlements, and releases are in the best interests of the Berry Debtors, their Estates, and the Holders of Claims, Interests, and Causes of Action, and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Berry Debtors may compromise and settle all Claims and Causes of Action against, and Interests in, the Berry Debtors and their Estates. The compromises, settlements, and releases described herein shall be deemed nonseverable from each other and from all other terms of 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.

B. Berry Restructuring Transactions.

On the Effective Date, the Berry Debtors or the Reorganized Berry Debtors will effectuate the Berry Restructuring Transactions, and will take any actions as may be necessary or advisable to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Berry Debtors, to the extent provided therein. The actions to implement the Berry Restructuring Transactions may include: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree, including the formation of the entity or entities that will comprise the Reorganized Berry Debtors; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or

obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, dissolution, or other organizational documents pursuant to applicable state law; (d) the execution and delivery of the New Organizational Documents; (e) the execution and delivery of the Berry Exit Facility Documents (including all actions to be taken, undertakings to be made, obligations to be incurred and fees, expenses, and the Berry Lender Paydown to be paid by the Berry Debtors and Reorganized Berry Debtors, as applicable) and the Reorganized Berry Non-Conforming Term Notes Documents (including all actions to be taken, undertakings to be made, obligations to be incurred and fees and expenses to be paid by the Berry Debtors and the Reorganized Berry Debtors, as applicable), subject to any post-closing execution and delivery periods provided for in the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents; (f) the execution and delivery of the Transition Services Agreement (including all actions to be taken, undertakings to be made, and obligations to be incurred and fees to be paid by the Berry Debtors or the Reorganized Berry Debtors, as applicable, in connection therewith); (g) the execution and delivery of the Form Joint Operating Agreement (including all actions to be taken, undertakings to be made, and obligations and fees to be paid by the Berry Debtors and the Reorganized Berry Debtors, as applicable); (h) the execution and delivery of the Reorganized Berry Registration Rights Agreement; (i) the issuance of the Reorganized Berry Common Stock to Holders of Allowed Unsecured Claims as set forth in the Plan; (j) pursuant to the Berry Rights Offerings Procedures and the Berry Backstop Agreement, the implementation of the Berry Rights Offerings, the distribution of the Berry Rights to the Berry Rights Offerings Participants as of the Berry Rights Offerings Record Date, and the issuance of the Reorganized Berry Preferred Stock in connection therewith; (k) execution and delivery of the Reorganized Berry Employee Incentive Plan Agreements and issuance of the Reorganized Berry EIP Equity in accordance with the terms of the Reorganized Berry Employee Incentive Plan Agreements; (l) the establishment and funding of the Berry GUC Cash Distribution Pool; and (m) after cancellation of the Interests in LAC and Berry, all other actions that the applicable Entities determine to be necessary or advisable, including making filings or recordings that may be required by law in connection with the Plan.

The Confirmation Order shall and shall be deemed to, pursuant to sections 1123 and 363 of the Bankruptcy Code and Bankruptcy Rule 9019, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Berry Restructuring Transactions.

On or before the business day before the Effective Date, a third party designated by mutual agreement of the Berry Debtors and the Required Consenting Berry Creditors shall form Reorganized Berry. Through the Effective Date, the Berry Debtors shall cooperate in good faith with the Berry Backstop Parties to prepare a prospectus to be included in a registration statement on Form S-1 to be filed by Reorganized Berry HoldCo as soon as practicable.

C. Sources of Consideration for Plan Distributions.

The Berry Debtors shall fund distributions under the Plan with respect to the Berry Debtors, as applicable, with one or more of the following, subject to appropriate definitive agreements and documentation: (1) the Berry Exit Facility; (2) the Reorganized Berry Non-Conforming Term Notes (if any); (3) encumbered and unencumbered Cash on hand, including Cash from operations of the Berry Debtors; (4) Cash proceeds of the sale of the Reorganized Berry Preferred Stock pursuant to the Berry Rights Offerings; and (5) the Reorganized Berry Common Stock. Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth herein applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain securities in connection with the Plan, including the Reorganized Berry Common Stock, the Berry Rights, and the Reorganized Berry Preferred Stock will be exempt from SEC registration to the fullest extent permitted by law, as described more fully in Article VI.D below.

1. Berry Exit Facility.

On the Effective Date, the Reorganized Berry Debtors shall enter into the Berry Exit Facility, with Reorganized Berry OpCo as a borrower and Reorganized Berry HoldCo as a guarantor. Reorganized Berry HoldCo

shall be a holding company directly holding all of the equity interests of Reorganized Berry OpCo and directly or indirectly holding the equity interests of any subsidiary of Berry OpCo. Each Electing Berry Lender shall receive its Pro Rata share (calculated with respect to the other Electing Berry Lenders only) of (i) the Berry Exit Facility, and (ii) the Berry Lender Paydown plus (iii) a Pro Rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been an Electing Berry Lender, in each case, pursuant to Article III.B.3 (and, any amount paid to such Electing Berry Lender pursuant to clause (iii) shall reduce the amount deemed to be such Berry Electing Lender's Pro Rata portion of drawn debt pursuant to clause (i)). The Berry Exit Facility shall be on terms set forth in the Berry Exit Facility Documents and substantially consistent with the terms set forth in the Berry Exit Facility Term Sheet; *provided*, that the Berry Exit Facility lender commitments shall be reduced dollar for dollar in the amount of the Reorganized Berry Non-Conforming Term Notes that are issued to Non-Electing Berry Lenders, such that the sum of the Berry Exit Facility lender commitments plus the original principal amount of the Reorganized Berry Non-Conforming Term Notes shall be equal to \$550 million. In addition, the Berry Exit Facility Documents shall provide the administrative agent under the Berry Exit Facility the ability to assign lender commitments under the Berry Exit Facility to any hedging counterparty to the Debtors that is not also a Berry Lender.

Confirmation shall be deemed approval of the Berry Exit Facility (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees and expenses to be paid by the Berry Debtors or the Reorganized Berry Debtors in connection therewith), to the extent not previously approved by the Bankruptcy Court, and the Reorganized Berry Debtors shall be authorized to execute and deliver those documents necessary or appropriate to obtain the Berry Exit Facility, including any and all documents required to enter into the Berry Exit Facility and all collateral documents related thereto, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Reorganized Berry Debtors may deem to be necessary to consummate entry into the Berry Exit Facility and that are in form and substance reasonably acceptable to the Reorganized Berry Debtors and the Required Consenting Berry Creditors.

On the Effective Date, the Berry Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Berry Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Berry Exit Facility Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Berry Exit Facility Documents (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Berry Exit Facility Documents, (b) shall be deemed automatically attached and perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Berry Exit Facility Documents, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Berry Debtors and the lenders and agents under the Berry Exit Facility granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish, attach, and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary or desirable by the administrative agent under the Berry Exit Facility under applicable law to give notice of such Liens and security interests to third parties. In the event that any hedging counterparty to the Debtors is not party to the Berry Exit Facility or does not otherwise receive any assignments of loan commitments on account of such Berry Exit Facility, such hedging counterparty shall receive Liens and security interests that are *pari passu* with those Liens and security interests received by hedging counterparties that are also lenders under the Berry Exit Facility. The Berry Administrative Agent and the administrative agent under the Berry Exit Facility shall use its reasonable good-faith efforts to work with such hedging counterparties to the Debtors that are not also lenders to the Berry Exit Facility, as applicable, to assign loan

commitments under the Berry Exit Facility to any such hedging counterparty to the Debtors that is not also a Berry Lender.

2. Reorganized Berry Non-Conforming Term Notes.

On the Effective Date, the Reorganized Berry Debtors shall issue the Reorganized Berry Non-Conforming Term Notes to any Non-Electing Berry Lenders on the terms set forth in the Reorganized Berry Non-Conforming Term Notes Documents.

On the Effective Date, the Reorganized Berry Non-Conforming Term Notes shall constitute legal, valid, binding, and authorized obligations of the Reorganized Berry Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Reorganized Berry Non-Conforming Term Notes are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Reorganized Berry Non-Conforming Term Notes (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Reorganized Berry Non-Conforming Term Notes Documents, (b) shall be deemed automatically attached and perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Reorganized Berry Non-Conforming Term Notes, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Berry Debtors and the Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish, attach, and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary or desirable by the administrative agent under the Reorganized Berry Non-Conforming Term Notes Documents under applicable law to give notice of such Liens and security interests to third parties.

3. Berry Rights Offerings; Reorganized Berry Preferred Stock; Use of Proceeds.

The Berry Debtors shall distribute the Berry Rights to the Berry Rights Offerings Participants on behalf of Reorganized Berry as set forth in the Plan and the Berry Rights Offerings Procedures. Pursuant to the Berry Backstop Agreement and the Berry Rights Offerings Procedures, the Berry Rights Offerings shall be open to the applicable Berry Rights Offerings Participants, and (a) the Berry Initial Backstop Parties shall be obligated to participate in the Berry First Tranche Rights Offering up to a maximum amount of each Holder's Pro Rata share of the Berry First Tranche Rights Offering Amount, and (b) the Berry Rights Offerings Participants that are Holders of Allowed Berry Unsecured Notes Claims shall be entitled to participate in the Berry Second Tranche Rights Offering up to a maximum amount of each Holder's Pro Rata share of the Berry Second Tranche Rights Offering Amount. Within the applicable Berry Rights Offering, the applicable Berry Rights Offerings Participants shall have the right (or in the case of the Berry Initial Backstop Parties with respect to the Berry First Tranche Rights Offering, the obligation) to purchase their allocated shares of the Reorganized Berry Preferred Stock at the purchase price set forth in the Berry Backstop Agreement and the Berry Rights Offerings Procedures.

Upon exercise of the Berry Rights by the Berry Rights Offerings Participants pursuant to the terms of the Berry Backstop Agreement and the Berry Rights Offerings Procedures, Reorganized Berry HoldCo shall be authorized to issue the Reorganized Berry Preferred Stock.

Each Berry Initial Backstop Party shall exercise all Berry First Tranche Rights issued to such party, and the Berry Backstop Parties shall provide an aggregate backstop commitment equal to the total of the Berry Second Tranche Rights Offering Amount. Pursuant to the Berry Backstop Agreement, (a) in the event that one of the Berry

Initial Backstop Party fails to exercise its allocated Berry First Tranche Rights, the non-defaulting Berry Initial Backstop Party shall make arrangements to purchase all of the available Reorganized Berry Preferred Stock allocated for purchase in the Berry First Tranche Rights Offering at the purchase price per share set forth in the Berry Backstop Agreement, and (b) the Berry Backstop Parties shall purchase any Reorganized Berry Preferred Stock not subscribed to for purchase by the Holders of Allowed Berry Unsecured Notes Claims who are not Berry Backstop Parties as part of the Berry Second Tranche Rights Offering, up to the Berry Second Tranche Rights Offering Amount, at the purchase price per share set forth in the Berry Backstop Agreement, and in each case, together with any additional shares, at the purchase price set forth in the Berry Backstop Agreement.

The Berry Backstop Parties' obligation to backstop the Berry Rights Offerings shall be contingent on the entry of the Berry Backstop Agreement Order, which shall, among other things, approve the payment of the Berry Backstop Commitment Premium and related expense reimbursements set forth in the Berry Backstop Agreement to the Berry Backstop Parties. Entry of the Confirmation Order shall constitute Bankruptcy Court approval of the Berry Rights Offerings (including the transactions contemplated thereby, and all actions to be undertaken, undertakings to be made, and obligations to be incurred by the Reorganized Berry Debtors in connection therewith). On the Effective Date, the rights and obligations of the Berry Debtors under the Berry Backstop Agreement shall vest in the Reorganized Berry Debtors, as applicable.

As set forth in the Berry Backstop Agreement and the Berry Backstop Order, if the Berry Debtors and the Berry Backstop Parties mutually agree after the date of entry of the Berry Backstop Agreement that additional Cash is required to fund the Berry Restructuring Transactions, or if the Bankruptcy Court determines that the Plan is not feasible without such additional funds, the Berry Rights Offerings Amount shall be increased from \$300 million to \$335 million through the increase of the Berry Second Tranche Rights Offering by an amount equal to \$35 million.

The Cash Proceeds raised by Reorganized Berry in connection with the Berry Rights Offerings will be transferred to Berry by the Reorganized Berry Debtors on the Effective Date in exchange for a portion of the Berry Debtors' assets that are transferred to Reorganized Berry OpCo in a taxable disposition.

4. Reorganized Berry Common Stock.

Reorganized Berry HoldCo shall be authorized to issue the Reorganized Berry Common Stock to certain Holders of Claims pursuant to Article III.B and for the Reorganized Berry EIP Equity. Such Reorganized Berry Common Stock shall be issued to Berry in exchange for a portion of the Berry Debtors' assets in a taxable disposition and subsequently distributed by Berry to creditors. Reorganized Berry shall issue all securities, instruments, certificates, and other documents required to be issued by it with respect to all such shares of Reorganized Berry Common Stock. All of the shares of Reorganized Berry Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

D. Berry-LINN Intercompany Settlement.

The LINN Intercompany Settled Claims and the Berry Intercompany Settled Claims shall be resolved pursuant to the terms of the Berry-LINN Intercompany Settlement Term Sheet.

E. Corporate Existence.

Except as otherwise provided in the Plan, each Berry Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Berry Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and by-laws (or other formation documents) are amended under 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 or federal law).

On the Effective Date, and pursuant to any mergers, amalgamations, consolidations, arrangements, agreements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Berry Debtors reasonably determine are necessary to consummate the Plan, all assets of Berry will be conveyed to Reorganized Berry (or a subsidiary thereof) in a taxable disposition and will be directly or indirectly held by Reorganized Berry or another entity affiliated with Reorganized Berry; *provided, however*, that the allocation of assets shall be structured such that neither Reorganized Berry nor any of the Berry Debtors shall be an “investment company” under the Investment Company Act and this conclusion is based on one or more bases or exclusions other than Sections 3(c)(1) and 3(c)(7) of the Investment Company Act, including that neither the Berry Debtors nor any of its subsidiaries comes within the basic definition of “investment company” under section 3(a)(1) of the Investment Company Act. For the avoidance of doubt, the Berry Debtors shall be wound down and liquidated as part of the Berry Restructuring Transactions, and Reorganized Berry is not intended to be a successor to the Berry Debtors for U.S. federal income tax purposes.

Upon the Effective Date, Reorganized Berry shall become the representative of the Berry Debtors and their Estates and shall be authorized to take any and all actions authorized by or consistent with the terms of this Plan on behalf of the Reorganized Berry Debtors, including providing for the wind-down and corporate dissolution of the Berry Debtors.

F. Vesting of Assets in the Reorganized Berry Debtors.

Except as otherwise provided in the Plan, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Berry Debtors pursuant to the Plan shall vest in each applicable Reorganized Berry Debtor, free and clear of all Liens, Claims, charges, Interests, or other encumbrances. Except as otherwise provided in the Plan, on and after the Effective Date, each of the Reorganized Berry Debtors may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. For the avoidance of doubt, on the Effective Date, all rights and obligations of the Berry Debtors with respect to the Berry Backstop Agreement shall vest in Reorganized Berry HoldCo, and Reorganized Berry HoldCo will be deemed to assume all such obligations.

G. Cancellation of Existing Securities and Agreements.

Except as otherwise provided in the Plan, on and after the Effective Date, all notes, instruments, certificates, agreements, indentures, mortgages, security documents, and other documents evidencing Claims or Interests, including Other Berry Secured Claim, Interests in Berry and LAC, Berry Lender Claims, and Berry Unsecured Notes Claims, shall be deemed canceled, surrendered, and discharged without any need for further action or approval of the Bankruptcy Court or any Holder or other person and the obligations of the Debtors or Reorganized Berry Debtors, as applicable, thereunder or in any way related thereto shall be deemed satisfied in full and discharged, and the Berry Unsecured Notes Trustees and the Berry Administrative Agent shall be released from all duties thereunder; *provided, however*, that notwithstanding Confirmation or Consummation, any such indenture or agreement that governs the rights of the Holder of a Claim shall continue in effect solely for purposes of: (1) allowing Holders to receive distributions under the Plan; (2) allowing the Berry Unsecured Notes Trustee and the Berry Administrative Agent to enforce their rights, claims, and interests vis-à-vis any parties other than the Berry Debtors; (3) allowing the Berry Unsecured Notes Trustee and the Berry Administrative Agent to make the distributions in accordance with the Plan (if any), as applicable; (4) preserving any rights of the Berry Administrative Agent or the Berry Unsecured Notes Trustee to payment of fees, expenses, and indemnification obligations as against any money or property distributable to the Holders under the Berry Unsecured Notes Indenture or the Berry Credit Agreement, including any rights to priority of payment and/or to exercise charging liens; (5) allowing the Berry Unsecured Notes Trustee and the Berry Administrative Agent to enforce any obligations owed to each of them under the Plan; (6) allowing the Berry Unsecured Notes Trustee and Berry Administrative Agent to exercise rights and obligations relating to the interests of the Holders under the relevant indentures and credit agreements; (7) allowing the Berry Unsecured Notes Trustee and the Berry Administrative Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court to the Holders of Allowed Unsecured Claims as set forth in Article III.B of the Plan; and (8) permitting the Berry Unsecured Notes Trustee and the Berry Administrative Agent to perform any functions that are necessary to effectuate the foregoing; *provided, further, however*, that except as provided below, the preceding proviso shall not

affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan, as applicable, or result in any expense or liability to the Berry Debtors or Reorganized Berry Debtors, as applicable. Except for the foregoing, the Berry Unsecured Notes Trustee and its respective agents shall be relieved of all further duties and responsibilities related to the Berry Unsecured Notes Indenture and the Plan, except with respect to such other rights of the Berry Unsecured Notes Trustee that, pursuant to the Berry Unsecured Notes Indenture, survive the termination of such indentures. Subsequent to the performance by the Berry Unsecured Notes Trustee of its obligations pursuant to the Plan, the Berry Unsecured Notes Trustee and its agents shall be relieved of all further duties and responsibilities related to the applicable indenture.

H. Corporate Action.

On the Effective Date, all actions contemplated under the Plan with respect to the applicable Berry Debtor or Reorganized Berry Debtor, as applicable, shall be deemed authorized and approved in all respects, including: (1) implementation of the Berry Restructuring Transactions; (2) formation by the Berry Debtors or such other party as contemplated in the Plan, Plan Supplement document, or Confirmation Order, of Reorganized Berry (including Reorganized Berry HoldCo and Reorganized Berry OpCo) and the wind-down of the Berry Debtors; (3) selection of, and the election or appointment (as applicable) of, the directors and officers for Reorganized Berry; (4) as applicable, adoption of, entry into, and assumption and/or assignment of the Reorganized Berry Employment Agreements; (5) adoption of the Reorganized Berry Employee Incentive Plans, and the issuance and distribution of the Reorganized Berry Common Stock in connection therewith; (6) approval and adoption of (and, as applicable, the execution, delivery, and filing of) the New Organizational Documents; (7) the execution and delivery of the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents; (8) the issuance and delivery of the Reorganized Berry Common Stock; (9) the issuance and distribution of Reorganized Berry Rights and the subsequent issuance and distribution of the Reorganized Berry Preferred Stock issuable upon the exercise of such; (10) the execution and delivery of the Reorganized Berry Registration Rights Agreement; (11) the establishment and funding of the Berry GUC Cash Distribution Pool; and (12) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for herein involving the corporate structure of the Berry Debtors or the Reorganized Berry Debtors, as applicable, and any corporate action, authorization, or approval that would otherwise be required by the Berry Debtors or the Reorganized Berry Debtors in connection with the Plan shall be deemed to have occurred or to have been obtained and shall be in effect as of the Effective Date, without any requirement of further action, authorization, or approval by the Bankruptcy Court, security holders, directors, managers, or officers of the Berry Debtors or the Reorganized Berry Debtors or any other person.

On or before the Effective Date, the appropriate officers of the Berry Debtors and the Reorganized Berry Debtors shall be authorized and, as applicable, directed to issue, execute, and deliver the agreements, documents, securities, and instruments, and take such actions, contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Berry Debtors, as applicable, including the Berry Exit Facility Documents, the Reorganized Berry Non-Conforming Term Notes Documents, the New Organizational Documents, the Reorganized Berry Registration Rights Agreement, the Reorganized Berry Employee Incentive Plan Agreements, the Reorganized Berry EIP Equity, the Reorganized Berry Common Stock, Reorganized Berry Preferred Stock, the Berry Rights Offerings, the Berry GUC Cash Distribution, and any and all other agreements, documents, securities, and instruments relating to the foregoing, and all such documents shall be deemed ratified. The authorizations and approvals contemplated by this Article IV.H shall be effective notwithstanding any requirements under non-bankruptcy law.

On the Effective Date, and subject to the Confirmation Order and the Berry Backstop Order, Reorganized Berry shall issue (a) 40,000,000 shares of Reorganized Berry Common Stock and (b) 32,100,000 shares of Reorganized Berry Preferred Stock (or, if there is a Berry Rights Offerings Increase, 35,845,000 shares of Reorganized Berry Preferred Stock) pursuant to the terms of the Plan, the Berry Backstop Agreement, and the New Organizational Documents.

I. New Organizational Documents.

The New Organizational Documents shall be in form and substance reasonably acceptable to the Required Consenting Berry Noteholders and the Berry Debtors. On the Effective Date, each of the Reorganized Berry

Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state of incorporation or formation in accordance with the applicable laws of the respective state of incorporation or formation, to the extent required for such New Organizational Documents to become effective. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents will prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Berry Debtors may amend and restate their respective New Organizational Documents and other constituent documents as permitted by the laws of their respective state of incorporation and its respective New Organizational Documents and other constituent documents of the Reorganized Berry Debtors.

J. Directors and Officers of the Reorganized Debtors.

As of the Effective Date, the Reorganized Berry Board for Reorganized Berry HoldCo shall be constituted to meet applicable NYSE independence requirements and shall consist of to-be-determined number of directors or managers.

As of the Effective Date, the terms of the current members of the boards of directors or managers, as applicable, of each of the Berry Debtors shall expire, and the initial Reorganized Berry Board, and the boards of directors or managers of each of the other Reorganized Berry Debtors and Reorganized Berry, as applicable, will include those directors and officers set forth in the lists of directors and officers of the Reorganized Berry Debtors included in the Plan Supplement.

After the Effective Date, the officers of each of the Reorganized Berry Debtors shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Berry Debtors will disclose in the Plan Supplement the identity and affiliations of each person proposed to be an officer or to serve on the initial board of directors of any of the Reorganized Berry Debtors. To the extent any such director or officer of the Reorganized Berry Debtors is an “insider” under the Bankruptcy Code, the Berry 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.

K. Section 1146 Exemption.

Pursuant to, and to the fullest extent permitted by, section 1146 of the Bankruptcy Code, any transfers of property pursuant to, in contemplation of, or in connection with, the Plan, including (1) the Berry Restructuring Transactions; (2) the Berry Exit Facility; (3) the Reorganized Berry Non-Conforming Term Notes; (4) the transfer of the Berry Debtors’ assets to Reorganized Berry OpCo that is intended to be a taxable transaction for U.S. federal income tax purposes; (5) the issuance and delivery of the Reorganized Berry Common Stock; (6) the distribution and subsequent exercise of the Berry Rights; (7) the issuance and delivery of the Reorganized Berry Preferred Stock pursuant to the Berry Rights Offerings; (8) the assignment or surrender of any lease or sublease; and (9) the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer, mortgage recording tax, or other similar tax, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers or property without the payment of any such tax, recordation fee, or governmental assessment.

L. SEC Reporting Requirements.

The Berry Debtors shall cooperate in good faith with the Berry Backstop Parties to prepare a prospectus to be included in a registration statement on Form S-1 to be filed by Reorganized Berry as soon as practicable pursuant to the Berry Backstop Agreement; *provided*, that in any case, from and after the Effective Date, Reorganized Berry shall be required to provide to its shareholders such annual, quarterly, and current reportings as would be required if it were a reporting company under the Exchange Act, which obligation may be satisfied by posting such reports on

Reorganized Berry's website, and Reorganized Berry will include such obligation to provide to its shareholders such reports in its New Organizational Documents.

M. Director, Officer, Manager, and Employee Liability Insurance.

On or before the Effective Date, the Berry Debtors or the LINN Debtors or the Reorganized LINN Debtors, as applicable and on behalf of the Reorganized Berry Debtors, will obtain directors' and officers' liability insurance policy coverage for the six-year period following the Effective Date for the benefit of the Debtors' current and former directors, managers, officers, and employees on terms no less favorable to such persons than their existing coverage under the D&O Liability Insurance Policies with available aggregate limits of liability upon the Effective Date of no less than the aggregate limit of liability under the existing D&O Liability Insurance Policies. In furtherance of such obligation, the Reorganized Berry Debtors shall be authorized to purchase tail coverage under a directors' and officers' liability insurance policy with a term of six years for current and former directors, managers, officers, and employees. After the Effective Date, none of the Debtors or the Reorganized Berry Debtors shall terminate or otherwise reduce the coverage under any such policies (including, if applicable, any "tail policy") with respect to conduct occurring on or prior to the Effective Date, and all officers, directors, managers, and employees of the Berry Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full six-year term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

N. Reorganized Berry Employee Incentive Plan.

The Reorganized Berry Debtor Employee Incentive Plan shall be authorized and implemented on the Effective Date by the applicable Reorganized Debtors without any further action by the Reorganized Berry Board or the Bankruptcy Court.

The Reorganized Berry Employee Incentive Plan will be implemented with respect to Reorganized Berry on the Effective Date. The material terms of the Reorganized Berry Employee Incentive Plan shall be agreed upon prior to the Effective Date and set forth in the Reorganized Berry Employee Incentive Plan Agreement.

O. Employee Obligations.

Except as otherwise provided in the Plan or the Plan Supplement, the Reorganized Berry Debtors shall honor the Berry Debtors' written contracts, agreements, policies, programs and plans for, among other things, compensation, reimbursement, indemnity, health care benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave benefits, savings, severance benefits, including in the event of a change of control, retirement benefits, welfare benefits, relocation programs, life insurance and accidental death and dismemberment insurance, including written contracts, agreements, policies, programs and plans for bonuses and other incentives or compensation for the directors, officers and employees of any of the Berry Debtors who served in such capacity at any time (including any compensation programs approved by the Bankruptcy Court); *provided*, that the consummation of the transactions contemplated herein shall not constitute a "change in control" with respect to any of the foregoing arrangements. To the extent that the above-listed contracts, agreements, policies, programs and plans are executory contracts, pursuant to sections 365 and 1123 of the Bankruptcy Code, each of them will be deemed assumed as of the Effective Date and assigned to the Reorganized Berry Debtors. Notwithstanding anything in this paragraph to the contrary, the Berry Debtors and the Reorganized Berry Debtors shall not assume or honor any obligations for any officer, manager, or employee of Quantum Energy Partners or Sentinel Peak Resources.

P. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Berry Debtors, and their respective officers and the Reorganized Berry Board, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the Securities authorized and/or issued, as applicable, pursuant to the Plan, including the Berry Rights, the Reorganized Berry

Preferred Stock, and the Reorganized Berry Common Stock, in the name of and on behalf of the Reorganized Berry without the need for any approvals, authorization, or consents.

Q. Preservation of Causes of Action.

Except as otherwise provided herein, in accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII of the Plan, the Reorganized Berry Debtors shall retain (or shall receive from the Berry 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 the Retained Causes of Action List (which shall include, for the avoidance of doubt, any Causes of Action held by the Berry Debtors or Reorganized Berry Debtors against either Quantum Energy Partners, Sentinel Peak Resources, and any of their respective officers, managers, or employees), and the Reorganized Berry Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Berry Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII and the Causes of Action subject to the Berry-LINN Intercompany Claims Settlement, which shall be deemed released and waived by the Berry Debtors and Reorganized Berry Debtors as of the Effective Date; *provided, however*, that in no event shall any Cause of Action against the Berry Lenders be preserved.

The Reorganized Berry Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Berry Debtors. **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 Berry Debtors or the Reorganized Berry Debtors, 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 herein or in a Bankruptcy Court order, the Reorganized Berry Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or Consummation; *provided, however*, that in no event shall any Cause of Action against the Berry Lenders be preserved.

The Reorganized Berry Debtors reserve 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 Berry Debtor may hold against any Entity shall vest in the Reorganized Berry Debtors. The Reorganized Berry Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action 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.

R. Preservation of Royalty and Working Interests

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 Berry General Unsecured Claim under this Plan and shall be subject to any discharge and/or release provided hereunder.

S. Payment of Certain Fees.

Without any further notice to or action, order, or approval of the Bankruptcy Court, the Reorganized Berry Debtors, as applicable, shall pay on the Effective Date any reasonable and documented unpaid fees and expenses incurred on or before the Effective Date by all of the attorneys, accountants, and other professionals, advisors, and consultants payable under (a) the Berry Exit Facility, (b) the Reorganized Berry Non-Conforming Term Notes, (c) the Berry Backstop Agreement, (d) the Cash Collateral Order (which fees and expenses shall be paid by

Reorganized LINN Debtors or the Reorganized Berry Debtors, to the extent applicable, pursuant to the terms of the Cash Collateral Order), and (e) the Berry RSA, including any applicable transaction, success, or similar fees for which the applicable Berry Debtors have agreed to be obligated.

Without any further notice to or action, order, or approval of the Bankruptcy Court, the Reorganized Berry Debtors, as applicable, shall pay on the Effective Date any reasonable and documented unpaid fees and expenses incurred on or before the Effective Date by the Berry Unsecured Notes Trustee (including the reasonable and documented fees and expenses of their counsel and agents) pursuant to the Berry Unsecured Notes Indenture.

**ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases of the 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 Berry 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; *provided*, that the Berry Debtors or the Reorganized Berry Debtors, as applicable, may not assume or reject any material Executory Contract or Unexpired Lease without the prior written consent of the Required Consenting Berry Creditors (which consent shall not be unreasonably withheld); *provided, further*, that following the request for consent by the Berry Debtors or Reorganized Berry, if the consent of the Required Consenting Berry Creditors is not obtained or declined within five (5) Business Days following written request thereof by the Berry Debtors or Reorganized Berry, such consent shall be deemed to have been granted by the Required Consenting Berry Creditors.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute a court order approving the assumptions, assumptions and assignments, or rejections of the Executory Contracts or Unexpired Leases as set forth in the Plan, the Rejected Executory Contract and Unexpired Lease List, or the Assumed Executory Contract and Unexpired Lease List pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A or by any order of the Bankruptcy Court, which has not been assigned to a third party before the Confirmation Date, shall revert in and be fully enforceable by the Reorganized Berry Debtors in accordance with its terms, except as such terms are modified by the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Notwithstanding anything to the contrary, the Reorganized Berry Employment Agreements shall be deemed to be entered into or assumed and/or assigned to Reorganized Berry on the Effective Date, and Reorganized Berry shall be responsible for any cure costs arising from or related to the assumption of such Reorganized Berry Employment Agreements. Notwithstanding anything to the contrary in the Plan, the Berry Debtors or the Reorganized Berry Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contract and Unexpired Lease List and the Assumed Executory Contract and Unexpired Lease List at any time through and including 30 days after the Effective Date, subject to any consent right of the Required Consenting Berry Creditors, as applicable, as set forth in the Plan.

B. Claims Based on Rejection of Executory Contracts or 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. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable**

against the Berry Debtors, Reorganized Berry Debtors, Reorganized Berry, the Estates, or their property without the need for any objection by Reorganized Berry or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims against the applicable Debtor 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.

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.

Any monetary defaults under each Assumed Executory Contract or Unexpired Lease shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Berry Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

At least fourteen (14) days before the Confirmation Hearing, the Berry 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 related cure amount must be Filed, served, and actually received by the Debtors at least seven (7) days before the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have consented to such assumption or proposed cure amount.

If the Bankruptcy Court determines that the Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the applicable Cure Notice, the Berry Debtors or Reorganized Berry Debtors, as applicable, may 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 the Effective Date.

Assumption of any Executory Contract or Unexpired Lease shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Executory Contract or Unexpired Lease at any time before the effective date of assumption. **Any Proofs of Claim Filed with respect to an Assumed Executory Contract or Unexpired Lease shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. Preexisting Obligations to the Berry Debtors under Executory Contracts and Unexpired Leases.

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed by the Executory Contract or Unexpired Lease counterparty or counterparties to the Berry Debtors or the Reorganized Berry Debtors, as applicable, under such Executory Contracts or Unexpired Leases.

E. Indemnification Obligations.

The Berry Debtors and Reorganized Berry Debtors shall assume the Indemnification Obligations for the current and former directors, officers, managers, employees, and other professionals of the Berry Debtors, to the extent consistent with applicable law, and such Indemnification Obligations shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of

when such obligation arose. Notwithstanding the foregoing, nothing shall impair the ability of Reorganized Berry Debtors to modify indemnification obligations (whether in the bylaws, certificates or incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) arising after the Effective Date; *provided*, that none of the Reorganized Debtors shall amend or restate any of the New Organizational Documents before the Effective Date to terminate or adversely affect any of the Reorganized Berry Debtors' Indemnification Obligations. For the avoidance of doubt, nothing in this paragraph shall affect the assumption of any Indemnification Obligations arising under the D&O Liability Insurance Policies. Notwithstanding anything in this paragraph to the contrary, the Berry Debtors and the Reorganized Berry Debtors shall not assume any Indemnification Obligations for any officer, manager, or employee of Quantum Energy Partners or Sentinel Peak Resources.

F. Insurance Policies.

Each of the Berry Debtors' Insurance Policies is treated as an Executory Contract under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Berry Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims, and such Insurance Policies shall not be impaired in any way by the Plan or Confirmation Order, but rather will remain valid and enforceable in accordance with their terms.

G. Modifications, Amendments, Supplements, Restatements, or Other Agreements.

Unless otherwise provided in the Plan or the Confirmation Order, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or is rejected or repudiated under the Plan.

Unless otherwise provided herein or in the applicable Executory Contract or Unexpired Lease (as may have been amended, modified, supplemented, or restated), modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Berry Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

H. Reservation of Rights.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Rejected Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the Berry Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Berry Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Berry Debtors or the Reorganized Berry Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease.

I. Nonoccurrence of Effective Date.

In the event that the Effective Date does not occur with respect to a Berry Debtor, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases with respect to such Berry Debtor pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline(s) have expired.

J. Contracts and Leases Entered Into After the Petition Date.

Contracts and leases entered into after the Petition Date by any Berry Debtor, including any Assumed Executory Contracts or Unexpired Leases, will be performed by the applicable Berry Debtor or the applicable

Reorganized Berry Debtor liable thereunder in the ordinary course of their business. Accordingly, any such contracts and leases (including any Assumed Executory Contracts or Unexpired Leases) that have not been rejected as of the date of the Confirmation Date shall survive and remain unaffected by entry of the Confirmation Order.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Timing and Calculation of Amounts to Be Distributed.

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim or Interest is not an Allowed Claim or Allowed Interest on the Effective Date, on the date that such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Allowed Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Allowed Interest in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII of the Plan.

B. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions in General.

Except as otherwise provided herein, the Reorganized Berry Debtors shall make distributions to Holders of Allowed Claims and Allowed Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Berry Debtors' records as of the date of any such distribution; *provided, however*, that the Distribution Record Date shall not apply to publicly-traded Securities. The manner of such distributions shall be determined at the discretion of the Reorganized Berry Debtors, and the address for each Holder of an Allowed Claim or Allowed Interest shall be deemed to be the address set forth in any Proof of Claim or Interest Filed by that Holder.

3. Delivery of Distributions on Berry Lender Claims.

Except as otherwise provided in the Plan, all distributions on account of Allowed Berry Lender Claims shall be governed by the Berry Credit Agreement and shall be deemed completed when made to the Berry Administrative Agent, which shall be deemed the Holder of such Allowed Berry Lender Claims for purposes of distributions to be made hereunder. The Berry Administrative Agent shall hold or direct such distributions for the benefit of the Holders of Allowed Berry Lender Claims for the benefit of the Holders of Allowed Berry Lender Claims, as applicable. As soon as practicable following compliance with the requirements set forth in this Article VI, the Berry Administrative Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of Allowed Berry Lender Claims.

4. Delivery of Distributions on Berry Unsecured Notes Claims.

Except as otherwise provided in the Plan or reasonably requested by the Berry Unsecured Notes Trustee, all distributions to Holders of Allowed Berry Unsecured Notes Claims shall be deemed completed when made to the Berry Unsecured Notes Trustee, which shall be deemed to be the Holder of all Allowed Berry Unsecured Notes Claims for purposes of distributions to be made hereunder. The Berry Unsecured Notes Trustee shall hold or direct

such distributions for the benefit of the Holders of Allowed Berry Unsecured Notes Claims. As soon as practicable in accordance with the requirements set forth in this Article VI, the Berry Unsecured Notes Trustee shall arrange to deliver such distributions to or on behalf of such Holders.

5. Delivery of Distributions to Holders of Berry General Unsecured Claims.

Pursuant to the Plan and the Confirmation Order, the Berry Debtors and Reorganized Berry Debtors, as applicable, will, with the consent of the Required Consenting Berry Noteholders, and in consultation with (and subject to the reasonable consent of) the Committee prior to the Effective Date, and as set forth in the Confirmation Order, determine the method for a timely distribution (including, for the avoidance of doubt, the method for determining whether each Holder of an Allowed Berry Unsecured Notes Claim who irrevocably elects to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of Reorganized Berry Common Stock is a Non-Accredited Investor) of all distributions of the Reorganized Berry Common Stock to applicable Holders of Allowed Berry General Unsecured Claims and/or Allowed Berry Unsecured Notes Claims and Cash from the Berry GUC Cash Distribution Pool to applicable Holders of Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims who have irrevocably elected to receive their Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of Reorganized Berry Common Stock.

6. No Fractional Distributions.

No fractional shares of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an applicable Allowed Claim would otherwise result in the issuance of a number of shares of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock that is not a whole number, the actual distribution of shares of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock shall be rounded as follows: (a) fractions of one-half ($\frac{1}{2}$) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half ($\frac{1}{2}$) shall be rounded to the next lower whole number with no further payment therefor; *provided, however*, that to the extent this provision conflicts with the Berry Backstop Agreement with respect to the Reorganized Berry Preferred Stock, the Berry Backstop Agreement shall govern with respect to the treatment of fractional amounts of shares of Reorganized Berry Preferred Stock. The total number of authorized shares of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock to be distributed to Holders of Allowed Claims shall be adjusted as necessary to account for the foregoing rounding.

7. Minimum Distribution.

No Cash payment of less than \$50.00 shall be made to a Holder of an Allowed Claim on account of such Allowed Claim.

8. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Reorganized Berry Debtors have determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six (6) months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the applicable Reorganized Berry Debtor(s) automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and any claim of any Holder to such property shall be fully discharged, released, and forever barred.

C. *Manner of Payment.*

Unless as otherwise set forth herein, all distributions of Cash, the Reorganized Berry Common Stock, the Berry Rights, and the Reorganized Berry Preferred Stock, as applicable, to the Holders of Allowed Claims under the Plan shall be made by the Reorganized Berry Debtors. At the option of the Reorganized Berry Debtors, any Cash

payment to be made under the Plan may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

D. SEC Exemption.

Each of the Reorganized Berry Common Stock, the Berry Rights, and the Reorganized Berry Preferred Stock are or may be “securities,” as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

All shares of the Reorganized Berry Common Stock issued under the Plan (except with respect to an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code) will be issued in reliance upon section 1145 of the Bankruptcy Code. The Berry Rights (and any shares issuable upon the exercise thereof), shares issuable as part of the Berry Backstop Commitment Premium, the Reorganized Berry Preferred Stock and all unsubscribed shares of Reorganized Berry Preferred Stock issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement will be issued in reliance upon either (a) section 1145 of the Bankruptcy Code or (b) section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. All shares of the Reorganized Berry Common Stock and the Reorganized Berry Preferred Stock issued pursuant to the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be considered “restricted securities” and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom.

Pursuant to section 1145 of the Bankruptcy Code, the issuance of the Reorganized Berry Common Stock issued in reliance on section 1145 of the Bankruptcy Code, is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration before the offering, issuance, distribution, or sale of such securities. The Reorganized Berry Common Stock issued in reliance on section 1145 (a) is not a “restricted security” as defined in Rule 144(a)(3) under the Securities Act, and (b) is freely tradable and transferable by any initial recipient thereof that (i) at the time of transfer, is not an “affiliate” of the Reorganized Berry as defined in Rule 144(a)(1) under the Securities Act and has not been such an “affiliate” within 90 days of such transfer, and (ii) is not an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code.

The Berry Rights (and any shares issuable upon the exercise thereof), shares issuable as part of the Berry Backstop Commitment Premium, the Reorganized Berry Preferred Stock, and all unsubscribed Reorganized Berry Preferred Stock purchased by the Berry Backstop Parties pursuant to the Berry Backstop Agreement will be issued without registration under the Securities Act in reliance upon either (a) Section 1145 of the Bankruptcy Code or (b) Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. To the extent issued in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, 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.

Should the Reorganized Berry Debtors or Reorganized Berry, as applicable, elect on or after the Effective Date to reflect any ownership of the Reorganized Berry Common Stock or Reorganized Berry Preferred Stock through the facilities of DTC, the Reorganized Berry Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the Reorganized Berry Common Stock or Reorganized Berry Preferred Stock under applicable securities laws.

DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether any of the Reorganized Berry Common Stock or Reorganized Berry Preferred Stock (including any shares issuable upon exercise of the Berry Rights), are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Reorganized Berry Common Stock or the Reorganized Berry Preferred Stock issuable upon exercise of the Berry Rights are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

E. Compliance with Tax Requirements.

In connection with the Plan, as applicable, the Berry Debtors and the Reorganized Berry Debtor(s) shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit with respect to distributions pursuant to the Plan. Notwithstanding any provision herein to the contrary, the Berry Debtors and the Reorganized Berry Debtors shall be authorized to take all actions necessary to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, and establishing any other mechanisms they believe are reasonable and appropriate to comply with such requirements. The Berry Debtors and the Reorganized Berry Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

F. No Postpetition or Default Interest on Claims.

Unless otherwise specifically provided for in the Plan or the Confirmation Order, and notwithstanding any documents that govern the Berry Debtors' prepetition funded indebtedness to the contrary, (a) postpetition and/or default interest shall not accrue or be paid on any Claims and (b) no Holder of a Claim shall be entitled to: (i) interest accruing on or after the Petition Date on any such Claim; or (ii) interest at the contract default rate, as applicable; *provided, however*, that nothing herein shall affect the payment of postpetition interest and/or adequate protection payments made to the Berry Lenders pursuant to the Cash Collateral Order.

G. Setoffs and Recoupment.

Unless otherwise provided for in the Plan or the Confirmation Order, the Berry Debtors and Reorganized Berry Debtors, as applicable, may, but shall not be required to, setoff against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Berry Debtors or the Reorganized Berry Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Berry Debtors or the Reorganized Berry Debtors of any such claim it may have against the Holder of such Claim.

H. No Double Payment of Claims.

To the extent that a Claim is Allowed against more than one Berry Debtor's Estate, there shall be only a single recovery on account of that Allowed Claim, but the Holder of an Allowed Claim against more than one Berry Debtor may recover distributions from all co-obligor Berry Debtors' Estates until the Holder has received payment in full on the Allowed Claims. No Holder of an Allowed Claim shall be entitled to receive more than payment in full of its Allowed Claim, and each Claim shall be administered and treated in the manner provided by the Plan only until payment in full on that Allowed Claim.

I. Claims Paid or Payable by Third Parties.

1. *Claims Paid by Third Parties.*

The Berry Debtors or the Reorganized Berry Debtors, as applicable, shall reduce a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment on account of such Claim from a party that is not a Berry Debtor or a Reorganized Berry Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Berry Debtor or a Reorganized Berry Debtor on account of such Claim, such Holder shall, within fourteen (14) days of receipt thereof, repay or return the distribution to the applicable Reorganized Berry Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable

Reorganized Berry Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day period specified above until the amount is repaid.

2. Claims Payable by Third Parties.

Except as otherwise provided under the Plan, (i) no distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Berry Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy, and (ii) to the extent that one or more of the Berry Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies.

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Berry Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein (a) constitute or be deemed a waiver by such insurers of any rights or defenses, including coverage defenses, held by such insurers, or (b) establish, determine, or otherwise imply any liability or obligation, including any coverage obligation, of any insurer.

J. *Allocation of Distributions Between Principal and Interest.*

For distributions in respect of Allowed Berry Lender Claims, Allowed Berry Unsecured Notes Claims, and Allowed Berry General Unsecured Claims to the extent that any such Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated to the principal amount (as determined for U.S. federal income tax purposes) of the Claim first, and then to accrued but unpaid interest; *provided*, that for distributions in respect of Allowed Berry Lender Claims, to the extent that any such Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated to the accrued but unpaid interest first, and then to the principal amount.

**ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED, AND DISPUTED CLAIMS**

A. *Allowance of Claims.*

Except as otherwise set forth in the Plan, after the Effective Date, each of the Reorganized Berry Debtors shall have and retain any and all rights and defenses such Berry Debtor had with respect to any Claim immediately before the Effective Date. Except as specifically provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such claim.

B. *Claims Administration Responsibilities.*

Except as otherwise specifically provided in the Plan, after the Effective Date, the applicable Reorganized Berry 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.

Prior to the Confirmation Hearing, the Berry Debtors, the Consenting Berry Noteholders, and the Committee shall work together in good faith to determine (1) the funding of the costs incurred (including legal fees and expenses) in connection with the claims reconciliation process with respect to Disputed Berry General Unsecured Claims, (2) other claims administration responsibilities with respect to Disputed Berry General Unsecured Claims, and (3) the eligibility (or Non-Accredited Investor status) of Holders of Berry Unsecured Notes Claims that elect to receive a Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of Reorganized Berry Common Stock, the resolution of each of which shall be documented in the Confirmation Order.

C. *Berry GUC Cash Distribution Pool.*

On the Effective Date, the Berry Debtors shall irrevocably fund the Berry GUC Cash Distribution Pool into a separate, segregated bank account not subject to the control of the lenders or the administrative agent under the Berry Exit Facility, which accounts shall not be, at any time, subject to any liens, security interests, or other encumbrances. Except as provided herein, Cash held on account of the Berry GUC Cash Distribution Pool shall not constitute property of the Berry Debtors or the Reorganized Berry Debtors and distributions from such accounts shall be made in accordance with Article III, Article IV, and Article VII hereof. In the event there is any remaining Cash balance in the Berry GUC Cash Distribution Pool after payment to all Holders of Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims that elect to receive such Cash distributions in lieu of any recovery in the form of shares of Reorganized Berry Common Stock, such remaining amount, if any, shall be returned to the Reorganized Berry Debtors for general corporate purposes.

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including receipt by the Reorganized Berry Debtors (and/or any other party responsible for administration of the Berry GUC Cash Distribution Pool (if any)) of a private letter ruling if so requested, or the receipt of an adverse determination by the IRS upon audit if not contested by the Reorganized Berry Debtors), the Reorganized Berry Debtors (and/or any other party responsible for administration of the Berry GUC Cash Distribution Pool (if any)) shall (i) treat the Berry GUC Cash Distribution Pool as a “disputed ownership fund” governed by Treasury Regulation section 1.468B-9 (and make any appropriate elections) and (ii) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All parties (including the Reorganized Berry Debtors and the Holders of Claims and Interests, and/or any other party responsible for administration of the Berry GUC Cash Distribution Pool (if any)) shall report for United States federal, state, and local income tax purposes consistently with the foregoing. The Reorganized Berry Debtors (and/or any other party responsible for administration of the Berry GUC Cash Distribution Pool (if any)) shall be responsible for payment, out of the Cash assets of the Berry GUC Cash Distribution Pool of any taxes imposed on such pools or their assets.

The Reorganized Berry Debtors (and/or any other party responsible for administration of the Berry GUC Cash Distribution Pool (if any)) may request an expedited determination of taxes of the Berry GUC Cash Distribution Pool under section 505(b) of the Bankruptcy Code for all tax returns for all taxable periods through the closing of such accounts.

D. *Estimation of Claims.*

Before or after the Effective Date, the Berry Debtors or the Reorganized Berry Debtors, 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 Berry Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim.

Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before seven (7) days after the date on which such Claim is estimated. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

E. Claims Reserve.

On or before the Effective Date, the Berry Debtors or the Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) shall be authorized, but not directed, to establish, in consultation with the Committee prior to the Effective Date, one or more Disputed Claims Reserves, which Disputed Claims Reserve shall be administered by the Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)), to the extent applicable.

The Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) may, in their sole discretion, hold Cash, in the same proportions and amounts provided for in the Plan in the Berry GUC Cash Distribution Pool for applicable Holders of Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims, and Reorganized Berry Common Stock, in the same proportions and amounts as provided for in the Plan, in the Disputed Claims Reserves in trust for the benefit of the Holders of the total estimated amount of Claims ultimately determined to be Allowed after the Effective Date; *provided, however*, that the Reorganized Berry Debtors may, rather than issuing Reorganized Berry Common Stock into a trust, elect to issue such stock directly to Holders of Claims ultimately determined to be Allowed as and when such Claims are Allowed. The Reorganized Berry Debtors shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein, as such Claims are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Claims as such amounts would have been distributable had such Claims been Allowed Claims as of the Effective Date under the Plan solely to the extent of the amounts available in the applicable Disputed Claims Reserves. Any portions of the Berry GUC Cash Distribution Pool remaining after resolution of the Disputed Berry General Unsecured Claims shall be released from the applicable Disputed Claims reserves for Pro Rata distributions to each Holder of Allowed Berry General Unsecured Claims who have irrevocably elected to receive its Pro Rata share of the Berry GUC Cash Distribution Pool; *provided*, that in no event shall any such Holder of an Allowed Berry General Unsecured Claim receive a Cash recovery in excess of \$0.35 on each \$1.00 of its Allowed Berry General Unsecured Claim; *provided, further*, that to the extent that there are any amounts of the Berry GUC Cash Distribution Pool remaining after each applicable Holder of Allowed Berry General Unsecured Claims has received its maximum Cash recovery, such excess funds shall be returned to the Reorganized Berry Debtors for general corporate uses.

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including receipt by the Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) of a private letter ruling if so requested, or the receipt of an adverse determination by the IRS upon audit if not contested by the Reorganized Berry Debtors), the Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) shall (i) treat any Disputed Claims Reserve as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9 (and make any appropriate elections) and (ii) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All parties (including the Reorganized Berry Debtors and the Holders of Claims and Interests) shall report for United States federal, state, and local income tax purposes consistently with the foregoing. The Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) shall be responsible for payment, out of the Cash assets of the Berry GUC Cash Distribution Pool of any taxes imposed on such pools or their assets.

The Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) may request an expedited determination of taxes of the Berry GUC Cash Distribution Pool under section 505(b) of the Bankruptcy Code for all tax returns for all taxable periods through the closing of such accounts.

F. Adjustment to Claims without Objection.

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Berry Debtors without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

G. Time to File Objections to Claims or Interests.

Any objections to Claims or Interests shall be Filed on or before the Claims Objection Deadline.

H. Disallowance of Claims.

Any Claims held by Entities from which the Bankruptcy Court has determined that property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer that the Bankruptcy Court has determined is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and the full amount of such obligation to the Berry Debtors has been paid or turned over in full. All Proofs of Claim Filed on account of an Indemnification Obligation shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such Indemnification Obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court. All Proofs of Claim Filed on account of an employee benefit shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent the Reorganized Entities elect to honor such employee benefit, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing such late Claim has been deemed timely Filed by a Final Order.

I. Amendments to Proofs of Claim.

On or after the Effective Date, a Proof of Claim or Interest may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Berry Debtors, and any such new or amended Proof of Claim or Interest Filed that is not so authorized before it is Filed shall be deemed disallowed in full and expunged without any further action.

J. Reimbursement or Contribution.

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless before the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered before the Confirmation Date determining such Claim as no longer contingent.

K. No Distributions Pending Allowance.

Except as otherwise set forth herein, if an objection to a Claim or portion thereof is Filed as set forth in Article VII.A and Article 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.

L. Distributions After Allowance.

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date a Disputed Claim becomes Allowed, the Reorganized Debtors shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan, as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim unless required under such order or judgment of the Bankruptcy Court.

**ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS**

A. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Berry Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Berry Debtors may compromise and settle Claims against, and Interests in, the Berry Debtors and their Estates and Causes of Action against other Entities.

B. Discharge of Claims and Termination of Interests.

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Berry Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Berry Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Berry Debtors or the LINN Debtors and the Reorganized LINN Debtors attributable to the Berry Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or Affiliates with respect to any Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

C. 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 Berry Secured Claims that the Berry Debtors elect to Reinstate in accordance with Article III.B.1 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 Berry Debtors and their successors and assigns (including Reorganized Berry), 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 Berry Debtors or Reorganized Berry Debtors; *provided*, that this Article VIII.C shall not apply to the Berry Lender Claims to the extent specifically provided for in the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents.

D. 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 Berry Debtors, the Reorganized Berry 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 Berry Debtors, that the Berry Debtors, the Reorganized Berry 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 Berry Debtors (including the management, ownership or operation thereof), the Berry Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends and management fees paid), the Berry Credit Agreement, the Berry Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, 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 Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry Backstop Agreement, the Berry Rights Offerings, or any Berry 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 Berry RSA, the Original Berry RSA, the Disclosure Statement, the Plan, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry 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 Berry Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

E. Releases by Holders of Claims and Interests.

As of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Reorganized Berry Debtor, and each 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 Berry 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 Berry (including the formation thereof), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends paid), transactions pursuant and/or related to the Berry Backstop Agreement, the Berry Credit Agreement, the Berry Rights Offerings, the New Organizational Documents, the Reorganized Berry Registration Rights Agreement, the Berry Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, the Berry Unsecured Notes, the formulation, preparation, dissemination, negotiation, or Filing of the Berry RSA, the Original Berry RSA, the

Berry Rights Offerings, the Berry Backstop Agreement, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, or any Berry 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 Berry RSA, the Original Berry RSA, the Disclosure Statement, the Plan, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry 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 Berry Debtors, 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.

F. 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 Berry RSA, the Original Berry RSA, and related prepetition transactions, the Disclosure Statement, the Plan, 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 Berry RSA, the Original Berry RSA, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry Rights Offerings, the Berry Backstop Agreement, the formation of Reorganized Berry, 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 Berry 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.

G. 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 Berry Debtors, the Reorganized Berry 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.

H. Protections Against Discriminatory Treatment.

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Berry Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Berry Debtors, or another Entity with whom the Reorganized Berry Debtors have been associated (including Reorganized Berry), solely because each Berry Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Berry Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Regulatory Activities.

Notwithstanding anything to the contrary herein, nothing in the Plan or Confirmation Order is intended to affect the police or regulatory activities of Governmental Units or other governmental agencies, except to the extent permitted by the Bankruptcy Code and other applicable law.

J. Recoupment.

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim against any claim, right, or Cause of Action of the Berry Debtors or the Reorganized Berry Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Berry Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Proof of Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

K. Document Retention.

On and after the Effective Date, the Reorganized Berry Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Berry Debtors.

**ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

A. Conditions Precedent to Confirmation.

It shall be a condition to Confirmation with respect to the Berry Debtors that the following shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

1. the Bankruptcy Court shall have entered the Disclosure Statement Order, the Berry Backstop Agreement Order, and the Confirmation Order in a manner consistent in all material respects with the Plan, the Berry RSA, and the Berry Backstop Agreement, each in form and substance reasonably satisfactory to the Berry Debtors and the Required Consenting Berry Creditors; and

2. the Confirmation Order shall, among other things:
- (a) authorize the Berry Debtors and the Reorganized Berry Debtors to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with the Plan;
 - (b) decree that the provisions of the Confirmation Order and the Plan are nonseverable and mutually dependent;
 - (c) authorize the Berry Debtors and the Reorganized Berry Debtors, as applicable/necessary, to:
 - (i) implement the Berry Restructuring Transactions; (ii) authorize, issue, incur, and/or distribute the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Reorganized Berry Common Stock, and the Berry Rights (and any shares of Reorganized Berry Preferred Stock issuable upon the exercise thereof); (iii) make all distributions and issuances as required under the Plan, including Cash, the Reorganized Berry Common Stock, the Berry Rights (and any shares of Reorganized Berry Preferred Stock issuable upon the exercise thereof and the unsubscribed shares issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement), the Reorganized Berry Preferred Stock, shares of Reorganized Berry Preferred Stock issuable as part of the Berry Backstop Commitment Premium, the Berry Exit Facility, and the Reorganized Berry Non-Conforming Term Notes, pursuant to applicable exemptions from registration as set forth in Article VI.D; (iv) establish and fund the Berry GUC Cash Distribution Pool; and (v) enter into any agreements, transactions, and sales of property as set forth in the Plan Supplement with respect to the Berry Debtors and the Reorganized Berry Debtors, as applicable, including the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents;
 - (d) provide that on the Effective Date, all of the Liens and security interests to be granted in accordance with the Berry Exit Facility Documents (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Berry Exit Facility Documentation, (b) shall be deemed automatically attached and perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Berry Exit Facility Documents, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law; and the Reorganized Berry Debtors and the Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish, attach, and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties;
 - (e) provide that on the Effective Date, all of the mortgages granted to the prepetition Berry Lenders shall be deemed to be amended and assigned by the Berry Administrative Agent and the Berry Lenders and assumed by the Reorganized Berry Debtors and (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Berry Exit Facility Documents, and (b) shall be deemed automatically attached and perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Berry Exit Facility Documents;
 - (f) provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order in

furtherance of, or in connection with, any transfers of property pursuant to the Plan, including any deeds, deeds of trust, mortgages, security interest filings, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan shall not be subject to transfer or recording taxes or fees to the extent permissible under section 1146 of the Bankruptcy Code, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax, recording fee, or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment; and

(g) contain the release, injunction, and exculpation provisions contained in Article VIII herein.

B. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

1. the Confirmation Order shall have been duly entered and shall be in form and substance reasonably acceptable to the Berry Debtors and the Required Consenting Berry Creditors;

2. the Plan and the applicable documents included in the Plan Supplement, including any exhibits, schedules, documents, amendments, modifications, or supplements thereto, and inclusive of any amendments, modifications, or supplements made after the Confirmation Date but before the Effective Date, shall have been filed and shall be in form and substance reasonably acceptable to the Berry Debtors and the Required Consenting Berry Creditors;

3. the New Organizational Documents, the Berry Backstop Agreement, the Reorganized Berry Registration Rights Agreement, the Berry Exit Facility Documents, the Reorganized Berry Non-Conforming Term Notes Documents, the Berry Registration Rights Agreement, and the Transition Services Agreement shall be in full force and effect (with all conditions precedent thereto having been satisfied or waived) and subject to any post-closing execution and delivery requirements provided for in the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents, as applicable;

4. the Berry Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

5. all Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such Allowed Professional Fee Claims after the Effective Date have been placed in the Professional Fee Escrow Account pending approval of the Professional Fee Claims by the Bankruptcy Court;

6. the conditions precedent to the Berry Exit Facility Documents shall have been satisfied or waived in writing by the Required Consenting Berry Lenders;

7. the Berry RSA shall not have been terminated by the Berry Debtors or the Required Consenting Berry Creditors;

8. the Berry Debtors shall have structured the Berry Restructuring Transactions in a manner consistent in all material respects with the Plan and the Berry RSA;

9. the closings under the Berry Backstop Agreement shall have occurred or will be deemed to occur contemporaneously on the Effective Date;

10. the Berry GUC Cash Distribution Pool shall have been established and funded in accordance with the terms of the Plan; and

11. all requisite governmental authorities and third parties shall have approved or consented to the Berry Restructuring Transactions to the extent required.

C. Waiver of Conditions.

The conditions to Confirmation and Consummation set forth in this Article IX may be waived with the reasonable consent of the Required Consenting Berry Creditors and the Berry Debtors, without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

D. Substantial Consummation

“Substantial Consummation” of the Plan, as defined in 11 U.S.C. § 1101(2), with respect to any of the Berry Debtors, shall be deemed to occur on the Effective Date with respect to such Berry Debtor.

E. Effect of Failure of Conditions.

If the Effective Date does not occur with respect to any of the Berry Debtors, the Plan shall be null and void in all respects with respect to such Berry Debtor, and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by or Claims against or Interests in such Berry Debtors; (2) prejudice in any manner the rights of such Berry Debtors, any Holders of a Claim or Interest, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by such Berry Debtors, any Holders, or any other Entity in any respect.

**ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

A. Modification and Amendments.

Subject to the limitations contained in the Plan, the Berry Backstop Agreement, and the Berry RSA, the Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Berry Backstop Agreement, and the Berry RSA, the Berry Debtors expressly reserve their rights to alter, amend, or modify materially the Plan, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications.

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan.

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date, consistent with the Berry Backstop Agreement and the Berry RSA. If the Berry Debtors revoke or withdraw the Plan, or if Confirmation and Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of the Berry Debtors or any other Entity, including the Holders of Claims; or

(c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Berry Debtors or any other Entity.

**ARTICLE XI.
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code to the extent provided under applicable law, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Berry Debtor is party or with respect to which a Berry Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Berry Debtors' amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of the Plan, any Executory Contracts or Unexpired Leases to the Rejected Executory Contracts and Unexpired Lease List, or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Berry Debtor that may be pending on the Effective Date;

5. adjudicate, decide, or resolve any and all matters related to Causes of Action;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary to execute, implement, or consummate the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement, including injunctions or other actions as may be necessary to restrain interference by an Entity with Consummation or enforcement of the Plan;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. adjudicate, decide, or resolve any and all matters related to the Berry Restructuring Transactions;

10. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

11. resolve any cases, controversies, suits, disputes, Causes of Action, or any other matters that may arise in connection with the Consummation, interpretation, or enforcement of the Plan, the Disclosure Statement, the Confirmation Order, or the Berry Restructuring Transactions, or any Entity's obligations incurred in connection with the foregoing, including disputes arising under agreements, documents, or instruments executed in connection with the Plan, the Disclosure Statement, the Confirmation Order, or the Berry Restructuring Transactions;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan and enter such orders as may be necessary to implement such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action relating to the distribution or the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid pursuant to Article VII.1 of the Plan;

14. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by or assess damages against any Entity with Consummation or enforcement of the Plan or the Berry Restructuring Transactions;

15. enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

16. enter an order or decree concluding or closing the Chapter 11 Cases;

17. adjudicate any and all disputes arising from or relating to distributions under the Plan or any of the transactions contemplated therein;

18. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any request made under section 505 of the Bankruptcy Code for the expedited determination of any unpaid liability of a Berry Debtor for any tax incurred during the administration of the Chapter 11 Cases, including any tax liability arising from or relating to the Berry Restructuring Transactions, for tax periods ending after the Petition Date and through the closing of the Chapter 11 Cases;

21. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

22. hear and determine all disputes involving the obligations or terms of the Berry Exit Facility and the Reorganized Berry Non-Conforming Term Notes;

23. hear and determine all disputes involving the obligations or terms of the Berry Rights Offerings and the Berry Backstop Agreement;

24. hear and determine all disputes involving the election by Holders of applicable Allowed Berry Unsecured Notes Claims and Allowed Berry General Unsecured Claims to receive distributions from the Berry GUC Cash Distribution Pool instead of distributions of Reorganized Berry Common Stock;

25. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

26. except as otherwise limited herein, recover all assets of the Berry Debtors and property of the Estates, wherever located;

27. enforce all orders previously entered by the Bankruptcy Court; and
28. hear any other matter not inconsistent with the Bankruptcy Code.

**ARTICLE XII.
MISCELLANEOUS PROVISIONS**

A. Immediate Binding Effect.

Subject to Article IX.B of the Plan, as applicable, and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Berry Debtors, the Reorganized Berry Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, exculpations, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Berry Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

B. Additional Documents.

On or before the Effective Date, the Berry Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or advisable to effectuate and further evidence the terms and conditions of the Plan, consistent with the terms of the Berry RSA. The Berry Debtors or the Reorganized Berry Debtors, as applicable, and all Holders of Claims and Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Dissolution of the Committee.

On the Effective Date, the Committee, as it relates to the Berry Debtors, 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; *provided*, that such official committee shall be deemed to remain in existence solely with respect to, and shall not be heard on any issue except, applications filed by the Professionals pursuant to sections 330 and 331 of the Bankruptcy Code. The Reorganized Berry Debtors shall not be responsible for paying any fees or expenses incurred by the members of or advisors to the Committee after the Effective Date.

D. Payment of Statutory Fees.

All fees payable pursuant to section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, will be paid by each of the applicable Reorganized Berry Debtors for each quarter (including any fraction thereof) until the applicable Chapter 11 Case of such Reorganized Berry Debtors is converted, dismissed, or closed, whichever occurs first. All such fees due and payable prior to the Effective Date shall be paid by the Debtors on the Effective Date. After the Effective Date, the applicable Reorganized Berry Debtor shall pay any and all such fees when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee, until the earliest of the date on which the applicable Chapter 11 Case of the Reorganized Berry Debtors is converted, dismissed, or closed.

E. Reservation of Rights.

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Berry Debtor with respect to the Plan, the Disclosure Statement, or the Plan

Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Berry Debtor or any other Entity with respect to the Holders of Claims or Interests prior to the Effective Date.

F. *Successors and Assigns.*

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. *Notices.*

All notices, requests, and demands to or upon the Berry Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

1. if to the Berry Debtors, to:

Linn Acquisition Company, LLC
Berry Petroleum Company, LLC
JPMorgan Chase Tower
600 Travis Street
Houston, Texas 77002
Attention: Candice Wells
Email address: cwells@linenergy.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Facsimile: (212) 446-4900
Attention: Paul M. Basta, P.C., Stephen E. Hessler, P.C. and Brian Lennon, Esq.
E-mail addresses: paul.basta@kirkland.com, stephen.hessler@kirkland.com,
brian.lennon@kirkland.com

–and–

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Facsimile: (312) 862-2200
Attention: James H.M. Sprayregen, P.C., Joseph M. Graham, Esq., and Alexandra Schwarzman,
Esq.
E-mail addresses: james.sprayregen@kirkland.com, joe.graham@kirkland.com,
alexandra.schwarzman@kirkland.com

–and–

Munger, Tolles & Olson LLP
Thomas B. Walper (admitted *pro hac vice*)
Seth Goldman (admitted *pro hac vice*)
355 South Grand Avenue
Los Angeles, CA 90071
E-mail addresses: thomas.walper@mto.com, seth.goldman@mto.com

2. if to the Berry Administrative Agent, to:

Wells Fargo Bank, N.A.
1000 Louisiana Street, 9th Floor
Houston, Texas 77002
Attention: Patrick Fults
E-mail address: patrick.j.fults@wellsfargo.com

with copies (which shall not constitute notice) to:

Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
Attention: James Donnell, Esq.
E-mail address: james.donnell@bakermckenzie.com

—and—

Baker & McKenzie LLP
300 East Randolph Street
Chicago, IL 60601
Attention: Garry Jaunal, Esq.
E-mail address: garry.jaunal@bakermckenzie.com

3. if to the Reorganized Berry Debtors, the Ad Hoc Group of Berry Unsecured Noteholders, the Berry Backstop Parties, or the Required Consenting Berry Noteholders, to:

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010
Attn: Benjamin Finestone, Esq., K. John Shaffer, Esq., Daniel Holzman, Esq.
E-mail addresses: benjaminfinestone@quinnemanuel.com, johnshaffer@quinnemanuel.com, danielholzman@quinnemanuel.com

Norton Rose Fulbright US LLP
1301 McKinney, Suite 5100
Houston, TX 77010
Attn: William Greendyke, Esq., Glen Hettinger, Esq.
E-mail addresses: william.greendyke@nortonrosefulbright.com, glen.hettinger@nortonrosefulbright.com

4. if to the Berry Unsecured Notes Trustee, to:

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10128
Attention: Glenn E. Siegel, Rachel Jaffe Maurceri
E-mail addresses: glenn.siegel@morganlewis.com, rachel.mauceri@morganlewis.com

5. if to the Committee, to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Keith Wofford, Mark Bane, James Wright, Brian Rooder

E-mail addresses: Keith.Wofford@ropesgray.com, mark.bane@ropesgray.com,
James.Wright@ropesgray.com, Brian.Rooder@ropesgray.com

After the Effective Date, the Reorganized Berry Debtors shall have the authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Berry Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Term of Injunctions or Stays.

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

I. Entire Agreement.

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

J. Exhibits.

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Berry Debtors' counsel at the address above or by downloading such exhibits and documents from the Berry Debtors' restructuring website at <https://cases.primeclerk.com/linn/Home-Index> or the Bankruptcy Court's website at <http://www.txs.uscourts.gov/bankruptcy>.

K. Nonseverability of Plan Provisions.

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Berry Debtors' or Reorganized Berry Debtors' consent; *provided*, that any such deletion or modification must be consistent with the Berry RSA, Berry Exit Facility Documents, and Berry Backstop Agreement, as applicable; and (3) nonseverable and mutually dependent.

L. Votes Solicited in Good Faith.

Upon entry of the Confirmation Order, the Berry Debtors and Reorganized Berry will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Berry Debtors, the Reorganized Berry Debtors, and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Reorganized Berry Debtors or the

Reorganized Berry Debtors will have any liability for the violation of any applicable law (including the Securities Act), rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

M. Waiver or Estoppel.

Each Holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Berry Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed before the Confirmation Date.

N. Closing of Chapter 11 Cases

The Reorganized Berry Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases; *provided* that the Reorganized Berry Debtors may, in their discretion, close certain of the Chapter 11 Cases while allowing other Chapter 11 Cases to continue for the purposes of making distributions on account of Claims or administering to Claims as set forth in this Plan, or for any other provision set forth in this Plan.

[Remainder of page intentionally left blank.]

Dated: December 20, 2016

Respectfully submitted,

By: /s/ David B. Rottino

Name: David B. Rottino
Title: Executive Vice President, Chief Financial Officer, and
Manager of Linn Acquisition Company, LLC and Berry
Petroleum Company, LLC

Prepared by:
KIRKLAND & ELLIS LLP
Paul M. Basta, P.C. (admitted *pro hac vice*)
Stephen E. Hessler, P.C. (admitted *pro hac vice*)
Brian S. Lennon (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
(212) 446-4800 (telephone)

–and–

James H.M. Sprayregen, P.C. (admitted *pro hac vice*)
Joseph M. Graham (admitted *pro hac vice*)
Alexandra Schwarzman (admitted *pro hac vice*)
300 North LaSalle
Chicago, Illinois 60654
(312) 862-2000 (telephone)

–and–

JACKSON WALKER L.L.P.
Patricia B. Tomasco (TX Bar No. 01797600)
Matthew D. Cavanaugh (TX Bar No. 24062656)
Jennifer F. Wertz (TX Bar No. 24072822)
1401 McKinney Street, Suite 1900
Houston, Texas 77010
(713) 752-4200 (telephone)

Co-Counsel to the Debtors and Debtors in Possession

MUNGER, TOLLES & OLSON LLP
Thomas B. Walper (admitted *pro hac vice*)
Seth Goldman (admitted *pro hac vice*)
355 South Grand Avenue
Los Angeles, CA 90071
(213) 683-9100 (telephone)

Counsel to the Berry Debtors and Berry Debtors in Possession

Exhibit B

Berry Exit Facility Term Sheet

Baker & McKenzie LLP
Draft Dated 12/20/16

Berry Petroleum Company, LLC

Berry Exit Facility Term Sheet (the "Term Sheet")

Capitalized terms used herein, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Second Amended and Restated Credit Agreement dated as of November 15, 2010 among Berry Petroleum Company, LLC, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, the Lenders named therein, and the other Agents party thereto, as amended by that certain (i) First Amendment dated April 13, 2011, (ii) Second Amendment dated June 17, 2011, (iii) Third Amendment dated October 26, 2011, (iv) Fourth Amendment dated April 13, 2012, (v) Fifth Amendment dated May 21, 2012, (vi) Sixth Amendment dated October 22, 2013, (vii) Seventh Amendment dated December 16, 2013, (viii) Eighth Amendment dated February 21, 2014, (ix) Ninth Amendment Dated April 30, 2014, (x) Tenth Amendment dated May 12, 2015, (xi) Eleventh Amendment and Borrowing Base Agreement dated as of October 21, 2015, and (xii) Twelfth Amendment dated April 12, 2016 (the "Prepetition Credit Agreement", and the credit facility extended thereunder, the "Prepetition Credit Facility") and the other related Loan Documents (the "Prepetition Loan Documents").

Restructuring	
<u>Restructuring</u>	<p>Linn Energy, LLC and its subsidiaries filed the (Proposed) Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and its Debtor Affiliates, filed as Document 1092 (the "<u>Proposed Plan</u>") in Case Number 16-60040 (the "<u>Bankruptcy Proceedings</u>") in the United States Bankruptcy Court for the Southern District of Texas (the "<u>Bankruptcy Court</u>"). Linn Acquisition Company, LLC ("<u>Linn Acquisition</u>") and Berry Petroleum Company, LLC ("<u>Berry</u>" and together with Linn Acquisition, the "<u>Berry Debtors</u>") are included in the Proposed Plan as Debtor Affiliates of Linn Energy, LLC and at the time of the filing of the Proposed Plan were party to that certain Restructuring Support Agreement, dated May 10, 2016 (the "<u>Berry RSA</u>"). Subsequent to the filing of the Proposed Plan, the Berry Debtors and the Lenders under the Prepetition Credit Agreement (the "<u>Berry Lenders</u>"), and an ad hoc committee of holders of unsecured notes issued by Berry agreed to enter into a financial restructuring in a Chapter 11 proceeding pursuant to the United States Bankruptcy Code (the "<u>Restructuring</u>") pursuant to an Amended and Restated Restructuring Support Agreement (the "<u>Revised Berry RSA</u>"). Pursuant to the Revised Berry RSA, the Debtors will file a revised version of the Proposed Plan substantially in the form annexed to the Revised Berry RSA as Exhibit A (the "<u>Berry Plan</u>"), which shall stipulate that each Berry Lender under the Prepetition Credit Facility shall receive on the effective date of the Plan (the "<u>Plan Effective Date</u>"), in partial consideration of its claim set forth in the Omnibus Claim filed by the prepetition Administrative Agent (the "<u>Berry Lender Claim</u>"), its pro rata share (based on the prepetition Loans), (i) if a Berry Lender consenting to the Revised Berry RSA, the new exit revolving credit facility on the terms and conditions set forth in this term sheet (the "<u>Berry Exit Facility</u>") and a cash payment on the Effective Date to repay in full all remaining claims of the consenting Berry Lenders, or (ii) if a Berry Lender not consenting to the Revised Berry RSA, a term loan on terms and conditions set forth in the Berry Plan. The date on which all of the conditions precedent set forth below have been satisfied and the initial funding under the Berry Exit Facility occurs shall be the "<u>Closing Date</u>".</p> <p>The claims of the Berry Lenders arising under the Prepetition Credit Agreement and other Prepetition Loan Documents shall be treated as set forth in the Revised Berry RSA.</p>

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<u>Borrower</u> ¹	A to-be-formed entity that will acquire substantially all of the assets of Berry Petroleum Company, LLC (the " <u>Borrower</u> ").
<u>Guarantors</u>	A to-be-formed entity that will hold one hundred percent (100%) of the equity interests of the Borrower will be the direct parent of the Borrower (" <u>Holdings</u> ") and indirect parent of all direct and indirect restricted subsidiaries of the Borrower (other than Co-Borrowers) that have been organized under the laws of the United States of America or one of its fifty states or the District of Columbia and that will exist as of the Closing Date or that are formed or acquired during the term of the Berry Exit Facility (each a " <u>Guarantor</u> " and collectively, the " <u>Guarantors</u> " and together with the Borrower, the " <u>Credit Parties</u> " and each a " <u>Credit Party</u> ").
<u>Administrative Agent</u>	Wells Fargo Bank, National Association (" <u>Wells Fargo Bank</u> " and, in such capacity, the " <u>Exit Administrative Agent</u> ").
<u>Lenders</u>	Each Lender under the Prepetition Credit Facility (the " <u>Exit Lenders</u> ").
<u>Documentation Principles</u>	<p>The Exit Administrative Agent's counsel will have drafting responsibility.</p> <p>The Berry Exit Facility will be documented in financing documents that are substantially consistent with other reserve based loans in the industry, except as mutually agreed by the parties and as otherwise set forth in this Term Sheet. The Berry Exit Facility documentation will include a reserve based loan agreement, guarantees, promissory notes, borrowing base certificates, compliance and other certificates, engagement letter, fee letter, intercreditor agreement, and collateral documents required to grant and perfect the Exit Lenders' first priority security interest in the Collateral (as defined below), including without limitation, security agreements, pledge agreements, financing statements, mortgages, deposit account control agreements, security account control agreements, and intellectual property security agreements (collectively, the "<u>Berry Exit Financing Documents</u>").</p>
<u>Revolving Loan</u>	<p>A senior secured reserve based revolving credit facility with an initial aggregate Commitment amount of \$550.0 million (such amount in the aggregate, the "<u>Maximum Credit Amounts</u>" of the Exit Lenders)</p> <p>The total amount outstanding under the Prepetition Credit Agreement as of the Closing Date shall not exceed \$450.0 million in the aggregate consisting of rollover debt attributable to the Berry Lender Claim, after giving effect to the cash payments to the Consenting Lenders on the Closing Date.</p> <p>The total amount available under the Berry Exit Facility will be subject to the Borrowing Base (as defined below), as described below; provided, however, the Borrowing Base shall initially be \$550 million.</p> <p>Amounts prepaid on the Berry Exit Facility may be reborrowed from time to time</p>

¹ The final Borrower, Guarantor and collateral structure remains subject to diligence and final structure under the Plan and ownership of collateral assets must be reasonably acceptable to Exit Administrative Agent and the Required Lenders. Any subsidiaries contributing assets to the Borrowing Base would become co-borrowers with joint and several liability and all other subsidiaries would become Guarantors on a joint and several basis. A parent holding company is required in the structure and would be expected to become a guarantor and pledge the equity of the Borrower. Financing terms are proposed based on the restructuring proposal from the Sponsors (as defined below), which contemplates a \$300 million convertible preferred equity rights offering, the proceeds of which shall be used to partially pay down the claims of the Berry Lenders under the Prepetition Credit Facility. Financing to be provided on these terms only through a chapter 11 plan that includes such restructuring, equity investment, and pay down.

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	<p>except as set forth herein and as mutually agreed in the Berry Exit Financing Documents.</p> <p>As used herein, “<u>Commitment</u>” means, with respect to each Exit Lender, the commitment of such Exit Lender to make loans and to acquire participations in letters of credit under the Berry Exit Facility, expressed as an amount which shall be the lesser of (i) such Exit Lender’s applicable percentage of the Maximum Credit Amount and (ii) such Exit Lender’s applicable percentage of the then effective Borrowing Base.</p> <p>A sub facility for the issuance of letters of credit up to a mutually agreed aggregate limit will be available. Borrower will pay (a) letter of credit participation fees to the Exit Lenders equal to the Applicable Margin for Eurodollar Loans and (b) a fronting fee to the Issuing Bank of 12.5 basis points, in each case on the undrawn amount of all outstanding letters of credit.</p>																																				
<u>Interest Rates</u>	<p>Interest rates on loans under the Berry Exit Facility will accrue, as applicable, at the Eurodollar Rate or Base Rate <u>plus</u> the applicable margin as set forth below (“<u>Applicable Margin</u>”).</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6" style="text-align: center;"><i>Pricing Grid</i></th> </tr> <tr> <th style="text-align: left;">Category</th> <th style="text-align: center;">1</th> <th style="text-align: center;">2</th> <th style="text-align: center;">3</th> <th style="text-align: center;">4</th> <th style="text-align: center;">5</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Borrowing Base Utilization</td> <td style="text-align: center;"><25%</td> <td style="text-align: center;">≥25% <50%</td> <td style="text-align: center;">≥50% <75%</td> <td style="text-align: center;">≥75% <90%</td> <td style="text-align: center;">≥90%</td> </tr> <tr> <td style="text-align: left;">Eurodollar Loans</td> <td style="text-align: center;">3.250%</td> <td style="text-align: center;">3.500%</td> <td style="text-align: center;">3.750%</td> <td style="text-align: center;">4.000%</td> <td style="text-align: center;">4.250%</td> </tr> <tr> <td style="text-align: left;">Base Rate Loan</td> <td style="text-align: center;">2.250%</td> <td style="text-align: center;">2.500%</td> <td style="text-align: center;">2.750%</td> <td style="text-align: center;">3.000%</td> <td style="text-align: center;">3.250%</td> </tr> <tr> <td style="text-align: left;">Commitment Fee Rate</td> <td style="text-align: center;">0.500%</td> </tr> </tbody> </table> <p>Interest shall be due and payable in cash quarterly in arrears.</p> <p>The highest applicable rate shall be effective at all times during the continuation of a default or event of default.</p>	<i>Pricing Grid</i>						Category	1	2	3	4	5	Borrowing Base Utilization	<25%	≥25% <50%	≥50% <75%	≥75% <90%	≥90%	Eurodollar Loans	3.250%	3.500%	3.750%	4.000%	4.250%	Base Rate Loan	2.250%	2.500%	2.750%	3.000%	3.250%	Commitment Fee Rate	0.500%	0.500%	0.500%	0.500%	0.500%
<i>Pricing Grid</i>																																					
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<u>Commitment Fee</u>	<p>Payable in cash quarterly in arrears and calculated as an amount equal to 0.500% per annum times an amount equal to the average daily difference between (a) the Borrowing Base and (b) the aggregate outstanding balance of the revolving loans under the Berry Exit Facility plus the undrawn amount of issued letters of credit.</p>																																				
<u>Default Interest</u>	<p>At all times during the continuation of a default or an event of default, Eurodollar Loans will not be available and interest will accrue at the then effective rate, plus an additional two percent (2.0%).</p>																																				
<u>Borrowing Base</u>	<p>Availability under the Berry Exit Facility will be equal to the lesser of (x) the aggregate Maximum Credit Amounts and (y) the value of a borrowing base determined in the Exit Lenders’ sole discretion consistent with the normal and customary oil and gas lending practices of the Exit Lenders (the “<u>Borrowing Base</u>”), including their review of the Borrower’s leasehold interests, mineral interests, royalties and other oil and gas properties to which proved reserves of oil and gas are attributed and which are evaluated in the most recent Reserve Report delivered to the Exit Administrative Agent and the Exit Lenders pursuant to the Berry Exit Financing Documents (the “<u>Borrowing Base Properties</u>”). The initial Borrowing Base on the Closing Date will be \$550.0 million. The Borrowing Base will be redetermined on or about April 1st and October 1st of each year (each a “<u>Scheduled</u></p>																																				

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	<p><u>Borrowing Base Redetermination</u>"), commencing on or about October 1, 2018 and based on the Reserve Report for June 30, 2018, or such earlier date as set forth below under Junior Indebtedness (the "<u>First Scheduled Borrowing Base Redetermination</u>"). The Borrower and Required Exit Lenders shall each have the option to request one unscheduled Borrowing Base redetermination between each scheduled Borrowing Base redetermination; <u>provided</u>, however, that Lenders shall not be permitted to call for an unscheduled redetermination prior to the First Scheduled Borrowing Base Redetermination. Increases to the Borrowing Base shall require a one hundred percent (100%) vote and reaffirmations of the then existing Borrowing Base or a decrease of the Borrowing Base shall require a two-thirds (66 2/3%) vote, in each case, based on Exit Lenders' applicable percentage of Commitments.</p> <p>In addition to Scheduled Borrowing Base Redeterminations and interim redeterminations, the Borrowing Base will be reduced on account of (a) asset sales or dispositions (it being agreed and understood that the Borrowing Base reduction in connection with such asset sale or disposition made at Fair Market Value (as defined below) shall not exceed the lesser of (i) the net cash proceeds received from the sale or disposition of such assets or (ii) the Borrowing Base value attributable to the assets sold or disposed), and (b) hedge unwinds or terminations, in each case, to the extent included in the Borrowing Base and as set forth below.</p>										
<u>Amortization</u>	No amortization.										
<u>Maturity Date</u>	Five years from the Closing Date (the " <u>Maturity Date</u> ").										
<u>Ranking</u>	Senior Secured First Priority Liens.										
<u>Financial Covenants</u>	<p>Tested for the Borrower and its Consolidated Subsidiaries on a consolidated basis as of the last day of each fiscal quarter:</p> <p>(a) <u>Maximum Net Leverage Ratio</u> (Total Net Debt to EBITDAX (in each case, as defined below)) as follows:</p> <table border="1" data-bbox="495 1234 1430 1465"> <thead> <tr> <th>Period</th> <th>Maximum Net Leverage Ratio</th> </tr> </thead> <tbody> <tr> <td>1Q 2017 –4Q 2017</td> <td>None</td> </tr> <tr> <td>1Q 2018 –4Q 2018</td> <td>5.5x</td> </tr> <tr> <td>1Q 2019 –4Q 2019</td> <td>4.5x</td> </tr> <tr> <td>1Q 2020 and thereafter</td> <td>4.0x</td> </tr> </tbody> </table> <p>For purposes of calculating the Maximum Net Leverage Ratio, EBITDAX on the last day of each fiscal quarter shall be EBITDAX for the four-quarter period ending on such date, except as set forth in the last sentence of the below definition of EBITDAX.</p> <p>(b) <u>Minimum Asset Coverage Ratio</u> (Total Reserve Value to Total Debt) of 1.25x for the period from the Closing Date to September 30, 2018. For purposes of the Minimum Asset Coverage Ratio, Total Reserve Value shall be calculated as the value of proved reserves based on PV-10 strip pricing, with no more than 40% of Total Reserve Value attributed to properties categorized as other than proved developed producing or proved developed non-producing. The Minimum Asset Coverage Ratio shall be tested (i) at Closing, and (ii) in connection with the delivery of each engineering report (as outlined below) beginning on May 1, 2017.</p>	Period	Maximum Net Leverage Ratio	1Q 2017 –4Q 2017	None	1Q 2018 –4Q 2018	5.5x	1Q 2019 –4Q 2019	4.5x	1Q 2020 and thereafter	4.0x
Period	Maximum Net Leverage Ratio										
1Q 2017 –4Q 2017	None										
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1Q 2020 and thereafter	4.0x										

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In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method or result of calculation of financial covenants, standards or terms, then the Exit Lenders and the Borrower shall enter into negotiations in order to amend such provisions of the Berry Exit Financing Documents so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Exit Administrative Agent and the Required Lenders, all financial covenants, standards and terms in the Berry Exit Financing Documents shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission (or successors thereto or agencies with similar functions).

“EBITDAX” means, for any period, the sum of (a) Consolidated Net Income for such period, plus (b) the sum of the following expenses or charges to the extent deducted from Consolidated Net Income in such period: (A) interest expense, (B) income tax expense, (C) depreciation, depletion, amortization, amortization of deferred financing fees, exploration expenses, other similar noncash charges and expenses (including, without limitation, write-downs and impairment of property, plant, equipment, and goodwill and intangibles and other long-lived assets), and the non-cash impact of purchase accounting on the Borrower and the Guarantors, (D) the negative effects of non-cash adjustments from the adoption of fresh start accounting in connection with the consummation of the Plan of Reorganization, (E) any non-cash accretion of asset retirement obligations in accordance with SFAS No. 143, Accounting for Asset Retirement Obligations, and any similar accounting in prior period, (H) any non-cash compensation expense associated with employee stock options, minus (c) to the extent included in the statement of Consolidated Net Income for such period, the sum of (i) interest income and (ii) all non-cash income and gains added to Consolidated Net Income (excluding any such non cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period). For the purposes of calculating EBITDAX for any period of four consecutive fiscal quarters (each, a “Reference Period”), (i) if during such Reference Period the Borrower or any Subsidiary shall have made a disposition, EBITDAX for such Reference Period shall be calculated on a pro forma basis as if such disposition occurred on the first day of such Reference Period and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made an acquisition, EBITDAX for such Reference Period shall be calculated on a pro forma basis as if such acquisition occurred on the first day of such Reference Period. Notwithstanding anything to the contrary contained herein, for purposes of determining “EBITDAX” under this Agreement, For purposes of the Maximum Net Leverage Ratio, (a) EBITDAX on the last day of the fiscal quarters ending on March 31, 2017, June 30, 2017 and September 30, 2017 to be calculated by annualizing EBITDAX for the period commencing on January 1, 2017 and ending on such date, and (b) EBITDAX on the last day of each fiscal quarter thereafter shall be EBITDAX for the four-quarter period ending on such date.

“Consolidated Net Income” means with respect to Holdings and the Consolidated Subsidiaries, for any period, the aggregate of the net income (or loss) of Holdings

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and the Consolidated Subsidiaries after allowances for taxes for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded from such net income (to the extent otherwise included therein) the following: (a) the net income of any Person in which Holdings or any Consolidated Subsidiary has an interest (which interest does not cause the net income of such other Person to be consolidated with the net income of Holdings and the Consolidated Subsidiaries in accordance with GAAP), except to the extent of the amount of dividends or distributions actually paid in cash during such period by such other Person to Holdings or to a Consolidated Subsidiary, as the case may be; (b) the net income (but not losses) during such period of any Consolidated Subsidiary to the extent that the declaration or payment of dividends or similar distributions or transfers or loans by that Consolidated Subsidiary is not at the time permitted by operation of the terms of its charter or any agreement, instrument or Governmental Requirement applicable to such Consolidated Subsidiary, in each case determined in accordance with GAAP; (c) the net income (or deficit) of any Person accrued prior to the date it becomes a Consolidated Subsidiary or is merged into or consolidated with the Parent or any of its Consolidated Subsidiaries; (d) any extraordinary gains or losses during such period; (e) any gains or losses attributable to writeups or writedowns of assets, including ceiling test writedowns; (f) any non-cash gains or losses; and (g) positive or negative adjustments under FASB ASC 815 as a result of changes in the Fair Market Value of derivatives.

“Consolidated Subsidiaries” means each Subsidiary of Holdings (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of Holdings in accordance with GAAP.

“Fair Market Value” means, with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale or disposition of such asset at such date of determination assuming a sale or disposition by a willing seller to a willing purchaser dealing at arm’s length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined by the Borrower in good faith.

“Debt” means, for any Person, the sum of the following (without duplication): (a) all obligations of such Person for borrowed money or evidenced by bonds, bankers’ acceptances, debentures, notes or other similar instruments; (b) all obligations of such Person (whether contingent or otherwise) in respect of letters of credit, surety or other bonds and similar instruments; (c) all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of property or services that are more than 90 days past the due date thereof other than those which are being contested in good faith; (d) all obligations under capital leases; (e) all obligations under synthetic leases; (f) all Debt (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any property of such Person, whether or not such Debt is assumed by such Person to the extent of the lesser of (i) the aggregate unpaid amount of such Debt and (ii) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith; (g) all Debt (as defined in the other clauses of this definition) of others guaranteed by such Person or in which such Person otherwise assures a creditor against loss of the Debt (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Debt and the maximum stated amount of such guarantee or assurance against loss; (h) all obligations or undertakings of such

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	<p>Person to maintain or cause to be maintained the financial position or covenants of others or to purchase the Debt or property of others; (i) obligations to deliver commodities, goods or services, including, without limitation, hydrocarbons, in consideration of one or more advance payments, other than gas balancing arrangements in the ordinary course of business; (j) obligations to pay for goods or services, other than in the ordinary course of business, even if such goods or services are not actually received or utilized by such Person; (k) any Debt of a partnership for which such Person is liable either by agreement, by operation of law or by a governmental requirement but only to the extent of such liability; (l) disqualified capital stock; and (m) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment. The Debt of any Person shall include all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such Person under GAAP.</p> <p>“<u>Total Debt</u>” means, at any date, all Debt of the Parent and the Consolidated Subsidiaries on a consolidated basis, arising under in respect of (a) obligations of such Person for borrowed money or evidenced by bonds, bankers’ acceptances, debentures, notes or other similar instruments; (b) obligations of such Person (whether contingent or otherwise) in respect of letters of credit, and (c) all obligations in respect of capital leases and purchase money indebtedness.</p> <p>“<u>Total Net Debt</u>” means, at any determination date, Total Debt <i>minus</i> the sum of (a) unrestricted cash and cash equivalents of the Credit Parties maintained in deposit accounts subject to first priority liens in favor of the Administrative Agent for the benefit of the Exit Lenders, <i>minus</i> (b) all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of property or services that are more than 90 days past the due date thereof other than those which are being contested in good faith, minus (c) advance payments received to deliver commodities, goods or services, including, without limitation, hydrocarbons, other than gas balancing arrangements in the ordinary course of business, to the extent such obligation is continuing and such advance remains unearned, (d) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment.</p>
<p><u>Voluntary Prepayments</u></p>	<p>Voluntary prepayments in minimum amounts to be agreed in the Berry Exit Financing Documents, shall be allowed at any time without premium or penalty, but subject to reimbursement of Eurodollar breakage costs.</p>
<p><u>Mandatory Prepayments</u></p>	<p>There will be no required principal payments except:</p> <ul style="list-style-type: none"> (a) payment in full and termination of the aggregate Maximum Credit Amounts on the Maturity Date; (b) payment in full and termination of the aggregate Maximum Credit Amounts upon the occurrence of a Change of Control (as defined below). (c) payment in the amount of any excess when the outstanding principal balance of the Berry Exit Facility exceeds the lesser of (x) the aggregate Maximum Credit Amounts and (y) the most recent Borrowing Base (a “<u>Borrowing Base Deficiency</u>”); (d) payments from time to time as required under the Anti-Hoarding Provisions

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as set forth below;

- (e) payment in the amount of net cash proceeds of any asset sale or other disposition (to the extent of any Borrowing Base deficiency created as a result of such sale or disposition), including without limitation, volumetric production payments, and casualty and condemnation losses, in excess of \$5 million with a corresponding decrease in the Borrowing Base as set forth below;
- (f) payment of the proceeds of any hedge agreement termination (to the extent of any Borrowing Base deficiency created as a result of such termination) with a corresponding decrease in the Borrowing Base as set forth below;
- (g) payment of the net proceeds of an issuance of any junior indebtedness immediately upon the issuance of said junior indebtedness to the extent of any Borrowing Base Deficiency, with a decrease in the aggregate Maximum Credit Amounts and the Borrowing Base as set forth below; and
- (h) payment of the net proceeds of any Issuance of debt that is not permitted by the Berry Exit Financing Documentation.

Any Borrowing Base Deficiency must be cured, at Borrower's option, by (i) providing additional proved oil and gas properties not included the Borrower's most recently delivered Reserve Report as Collateral acceptable to the Exit Lenders, (ii) lump sum payments that eliminate the Borrowing Base Deficiency, (iii) equal monthly payments that amortize and eliminate the Borrowing Base Deficiency in full within six months, or (iv) any combination of the foregoing; provided, however, that any Borrowing Base Deficiency arising as a result of an asset disposition or a termination of a hedge position or the issuance of junior indebtedness must be cured, by a single lump sum payment that eliminates such Borrowing Base Deficiency within one business day of the date on which, as applicable, such transaction relating to an asset disposition or debt issuance closes and such Borrowing Base Deficiency occurs, or the proceeds of such hedge position termination are received.

"Change in Control" means (a) the acquisition by any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, in any transaction or series of related transactions, of a majority of the issued and outstanding equity interests of the Parent, (b) the Permitted Holders shall cease to directly or indirectly own and control at least fifty-one percent (51%) of the equity interests of Holdings, (c) Holdings shall cease to own and control 100% of the equity interests of the Borrower, or (d) Borrower shall cease to own and control directly or indirectly 100% of the equity interests of any Consolidated Subsidiary, except pursuant to a Permitted Disposition.

"Permitted Holder" means a person or group issued equity interests on the Effective Date as part of the Plan Sale or any Affiliate of such Person or group.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

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<p><u>Anti-Hoarding Provision</u></p>	<p>Consistent with current market practice for reserve-based borrowing base facilities, including a mandatory prepayment provision and a condition that if on the date of any requested borrowing, after giving pro forma effect to such borrowing and the use of proceeds thereof, the aggregate amount of the Consolidated Cash Balance of the Borrower and its Subsidiaries, on a consolidated basis, exceeds \$40 million, the Borrower shall not be permitted to make such borrowing under the Berry Exit Facility.</p> <p>“<u>Consolidated Cash Balance</u>” shall mean, at any time, the aggregate amount of cash and cash equivalents, marketable securities, treasury bonds and bills, certificates of deposit, investments in money market funds and commercial paper, in each case, held or owned by (whether directly or indirectly), credited to the account of, or otherwise reflected as an asset on the balance sheet of, the Borrower and the Guarantors <i>less</i> any issued checks or initiated wires or ACH transfers <i>less</i> amounts held as collateral or similar offsetting deposit by a non-Affiliate (other than balances held in demand deposit and similar accounts with Lenders) to the extent permitted by the Berry Exit Financing Documents, <i>less</i> certain other amounts as may be agreed by the Exit Administrative Agent and the Borrower.</p> <p>If, at any time loans or letters of credit are outstanding under the Berry Exit Facility, the Consolidated Cash Balance exceeds \$40 million as of the end of every five business days (ending on the Thursday, or such other business day of each week as the Exit Administrative Agent and the Borrower may agree, of every week (the “<u>Consolidated Cash Measurement Date</u>”), then the Borrower shall, within one business day, prepay the loans outstanding under the Berry Exit Facility in an aggregate principal amount equal to such excess, and if any excess remains after prepaying all of the loans to the extent there is any letter of credit exposure, pay to the Exit Administrative Agent on behalf of the Exit Lenders an amount equal to the remainder of such excess to be held as cash collateral for such letter of credit exposure.</p> <p>No breakage shall be payable with respect to and no prepayment notice shall be required for a prepayment made under this provision.</p> <p>Provided a Borrowing Base Deficiency does not exist, and no default or event of default is continuing and all other conditions of borrowing are satisfied, any amounts repaid under this provision shall be available for reborrowing.</p>
<p><u>Guarantees</u></p>	<p>All obligations of the Credit Parties under the Berry Exit Facility and under any interest rate protection or other swap or hedging agreements or cash management arrangements entered into with an Exit Lender, the Exit Administrative Agent or any person that at the time such arrangements were entered into was an Affiliate of an Exit Lender or the Exit Administrative Agent (“<u>Hedging/Cash Management Arrangements</u>”) that are intended to be secured on an equal and ratable basis with the obligations under the Berry Exit Financing Documents will be unconditionally guaranteed jointly and severally on a senior secured basis by the Guarantors.</p>
<p><u>Collateral</u></p>	<p>The obligations under the Berry Exit Facility and the Hedging/Cash Management Arrangements shall be secured by first priority, perfected liens and security interests on substantially all personal and real property assets of the Borrower and the Guarantors (the “<u>Collateral</u>”), including without limitation, a first priority, perfected lien on:</p> <p>(a) at any given time, at least 95% of total proved reserves of the Borrower and the Guarantors as set forth in the most recent reserve report delivered to the Exit Administrative Agent (with title reports, title opinions, and other title</p>

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	<p>information for at least 85% total such proved reserves);</p> <ul style="list-style-type: none"> (b) at any given time, at least 95% of proved developed producing reserves of the Borrower and the Guarantors as set forth in the most recent reserve report delivered to the Exit Administrative Agent (with title reports, title opinions, and other title information for at least 85% total such proved developed producing reserves); (c) all real property and improvements (except to the extent excluded above) including without limitation, cogeneration facilities, pipelines, office buildings and other improvements and fixtures; (d) all present and future capital stock or other membership or partnership equity ownership or profit interests (collectively, "<u>Equity Interests</u>") owned or held of record or beneficially by each of the Borrower and each Guarantor; (e) all tangible and intangible personal property and assets of the Borrower and Guarantors (including, without limitation, all equipment, inventory and other goods, accounts, licenses, contracts, intellectual property and other general intangibles (including hedges and swap agreements), deposit accounts, securities accounts and other investment property and cash); and (f) all products, profits, and proceeds of the foregoing, <p>in each case, subject to customary exceptions and as mutually agreed by the parties and as otherwise set forth in this Term Sheet.</p> <p>For the avoidance of doubt, all deposit accounts and securities accounts (excluding accounts used solely for (i) payroll to the extent not having a balance exceeding one payroll period at any time, (ii) tax withholding accounts, (iii) benefit trust accounts, (iv) zero balance accounts, (v) petty cash accounts containing less than a to be mutually agreed amount, (vi) royalty payment accounts and (vii) working interest accounts (the "<u>Excluded Funds</u>")) of the Borrower and Guarantors shall be subject to control agreements in form and substance reasonably satisfactory to the Exit Administrative Agent, the Borrower and the respective depository institution where such deposit accounts and securities accounts are held.</p>
<p><u>Representations and Warranties</u></p>	<p>Representations and warranties customary for reserve based credit facilities, subject to exceptions and qualifications that are usual and customary for transactions of this type as mutually agreed by the Exit Lenders and the Borrower and to be applicable to the Credit Parties.</p>
<p><u>Affirmative Covenants</u></p>	<p>Affirmative covenants customary for reserve based credit facilities, subject to exceptions and qualifications that are usual and customary for transactions of this type as mutually agreed by the Exit Lenders and the Borrower and to be applicable to the Credit Parties, including without limitation:</p> <ul style="list-style-type: none"> (a) maintenance of insurance satisfactory to the Exit Administrative Agent; (b) [Reserved.]; and (c) further assurances with respect to pledging collateral, delivering Berry Exit Financing Documents, instruments, certificates or other documents as may be required to perfect the Exit Administrative Agent's security interests and liens (including delivery of control agreements in respect of deposit accounts, securities accounts and commodities accounts) and to deliver such other documents and items reasonably requested by the Exit

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	Administrative Agent in connection with the collateral.
<u>Negative Covenants</u>	<p>Negative covenants customary for reserve based credit facilities, subject to exceptions and qualifications that are usual and customary for transactions of this type as mutually agreed by the Exit Lenders and the Borrower and to be applicable to the Credit Parties, and including without limitation:</p> <ul style="list-style-type: none"> (a) prohibition on dividends on, and redemptions and repurchases of, Equity Interests and other restricted payments and distributions at any time, except as set forth below under the heading "Distributions"; (b) prohibition on indebtedness and guarantees, other than ordinary course permitted indebtedness, as mutually agreed in the Berry Exit Financing Documents; provided however, the Berry Exit Financing Documents shall not permit junior indebtedness until after the First Scheduled Borrowing Base Redetermination, except, and in each case, as set forth below and subject to the conditions set forth below under the heading "Junior Indebtedness"; (c) prohibition on liens, other than customary mechanic's and materialman's liens, trade liens and other customary exceptions, as mutually agreed in the Berry Exit Financing Documents; (d) limitations on the payment of junior indebtedness; (e) limitations on hedging whereby Borrower may not hedge greater than 90% of proved developed producing reserves as shown in the most recently delivered reserve report, for a period of no greater than 60 months; (f) prohibition on sale-leaseback transactions; (g) prohibition on loans and investments, except as mutually agreed in the Berry Exit Financing Documents; (h) limitations on winding up, dissolutions, mergers, acquisitions and asset sales; (i) prohibitions against transferring the ownership of any property that constitutes the Collateral of the Exit Lenders except Permitted Dispositions (as defined below) without the Required Lender consent and a limitation on sale of Borrowing Base Properties (and sales of Equity Interests in subsidiaries that own Borrowing Base Properties), with allowances for the sale of Borrowing Base Properties permitted between, as applicable, either the Closing Date and the date of the First Scheduled Borrowing Base Redetermination, or between scheduled redeterminations, in an aggregate value which when aggregated with proceeds of the unwind of hedges pursuant to clause (j) below aggregates up to 5% of the Borrowing Base then in effect (which aggregate value shall mean the value the Exit Administrative Agent attributes to such properties for purposes of the most recent determination of the Borrowing Base); (j) limitation on hedge unwinds as follows: Borrower shall not be permitted to unwind the Initial Hedges (as defined below) without Required Lender Consent; <u>provided</u>, that from and after the date of the First Scheduled Borrowing Base Redetermination, the unwind of hedges other than the Initial Hedges will be permitted; <u>provided further</u>, that, if net proceeds from the unwind when aggregated with proceeds of the asset dispositions pursuant to clause (i) above exceed 5% of the then current Borrowing Base, there shall

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	<p>be an immediate Borrowing Base redetermination, and if a Borrowing Base deficiency exists as a result of such unwind, proceeds shall be used immediately to cure the deficiency</p> <p>(k) limitations on transactions with Affiliates that are not Credit Parties;</p> <p>(l) limitations on changes in business conducted by the Borrower and the other Credit Parties and their respective subsidiaries and limitations on creation and formation of new subsidiaries and a prohibition on any material change from line of business as an independent oil and gas exploration and production company;</p> <p>(m) limitations on amendments of governance documents, debt and other material agreements;</p> <p>(n) customary limitations on a holding company structure;</p> <p>(o) prohibitions on cash management systems and deposit accounts with institutions that are not the Exit Administrative Agent or subject to control agreements; and</p> <p>(p) limitation on use of proceeds.</p> <p><u>"Permitted Dispositions"</u> means (a) the sale of hydrocarbons in the ordinary course of business; (b) farm outs of undeveloped acreage in the ordinary course of business and assignments in connection with such farm outs or the abandonment, farm out, exchange or disposition of oil and gas properties not containing proved reserves; (c) the sale or transfer of equipment that is no longer necessary for the business of the Borrower or such Subsidiary or is replaced by or exchanged for equipment of at least comparable value and use; (d) the sale or other disposition (including casualty events) of any oil and gas property or any interest therein or any Subsidiary owning oil and gas properties; <u>provided</u> that except with respect to transfers of property subject to a casualty event, (i) (A) with respect to transfers of property prior to the First Scheduled Borrowing Base Redetermination, 100%, and (B) with respect to transfers of property after the First Scheduled Borrowing Base Redetermination, 80%, of the consideration received in respect of such sale or other disposition shall be cash (it being agreed and understood that assumed liabilities, to the extent not incurred in connection with such disposition and permitted by the Berry Exit Financing Documents, shall constitute cash for such purpose), (ii) the consideration received in respect of such sale or other disposition shall be equal to or greater than the Fair Market Value of the oil and gas property, the interest therein or Subsidiary subject of such sale or other disposition (as reasonably determined by the board of directors (or equivalent body) of the Borrower and, if requested by the Administrative Agent, the Borrower shall deliver a certificate of a Responsible Officer of the Borrower certifying to that effect), (iii) if the Borrowing Base value attributed by the Administrative Agent to such oil and gas property or subsidiary owning such oil and gas properties when combined with (1) the Borrowing Base value as determined by the Administrative Agent attributed to the oil and gas properties or Subsidiaries owning oil and gas properties sold or otherwise disposed of between, as applicable, either the Closing Date and the date of the First Scheduled Borrowing Base Redetermination, or between scheduled redeterminations, and (2) the Borrowing Base value attributable by the Administrative Agent to the liquidated portion of Swap Agreements liquidated between, as applicable, either the Closing Date and the date of the First Scheduled Borrowing Base Redetermination, or between scheduled redeterminations, is in</p>
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	<p>excess of five percent (5%) of the Borrowing Base as then in effect at the time of such sale or disposition or liquidation (as determined by the Administrative Agent in its reasonable discretion), then the Borrowing Base shall be reduced, effective immediately upon such sale or disposition, by an amount equal to such Borrowing Base value attributed to such property or Swap Agreement, as determined by the vote of the Lenders (two-thirds to affirm or reduce the Borrowing Base), which such reduction, shall not exceed the amount of the net cash proceeds received by the Borrower or its Subsidiaries from such disposition made at Fair Market Value or liquidated Swap Agreements, and (iv) if any such sale or other disposition is of a Subsidiary owning properties, such sale or other disposition shall include all the equity interests of such Subsidiary; (e) sales and other dispositions of Properties having a Fair Market Value not to exceed \$5,000,000 during any 12-month period; (f) transfers of properties between Credit Parties so long as such properties continue to constitute Collateral if they were Collateral before such transfer and any perfection requirements with respect to such Collateral have been complied with; (h) asset swaps as are customary in the oil and gas industry if (x) there is no Borrowing Base value attributable by the Administrative Agent to such swapped assets or (y) the Borrowing Base value attributable by the Administrative Agent in its reasonable discretion to such swapped assets is less than five percent (5%) of the Borrowing Base as then in effect at the time of such asset swap, or (z) the Borrowing Base value attributable by the Administrative Agent to such swapped assets is equal to or in excess of five percent (5%) of the Borrowing Base then in effect at the time of such asset swap (as determined by the Administrative Agent in its reasonable discretion), then the Borrowing Base shall be re-determined, effective immediately upon such swap or exchange, by an amount equal to such Borrowing Base value attributed to such property as offset by the Borrowing Base value attributed to the assets so acquired, as determined by the vote of the Exit Lenders (two-thirds to affirm or reduce the Borrowing Base as in effect immediately prior to the swap or exchange). For the avoidance of doubt, any redetermination that potentially results in an increase to the Borrowing Base shall require the vote of all the Exit Lenders.</p>
<p><u>Limitation on Distributions</u></p>	<p>The Borrower will not be permitted to make distributions until after the First Scheduled Borrowing Base Redetermination, and thereafter distributions will be permitted subject to the following conditions:</p> <ul style="list-style-type: none"> (a) pro forma availability under the Berry Exit Facility of at least 20% after giving effect to the distribution; (b) pro forma Net Leverage Ratio not to exceed 2.5x after giving effect to the distribution; (c) compliance with all financial covenants immediately prior to, and on a pro forma basis after giving effect to, the distribution; and (d) no default or event of default shall have occurred or be continuing or shall result from the distribution. <p>Notwithstanding the foregoing, to the extent the Borrower remains a limited liability company with a check the box partnership tax election upon emergence from bankruptcy, so long as no default or event of default shall have occurred or be continuing or would result therefrom, the Borrower will be permitted to make cash distributions to its members solely in the amount necessary to pay income tax liabilities related to the ownership of its Equity Interests for such liabilities arising after the effective date and related to the ordinary course post-bankruptcy operations</p>

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	of the Credit Parties. For the avoidance of doubt, no distributions shall be permitted for the payment of tax obligations attributable to the separation of the Berry Debtors from the Linn Debtors.
<u>Junior Indebtedness</u>	<p>Additional junior indebtedness will be permitted subject to the following conditions:</p> <p>(a) In the event additional junior indebtedness is incurred prior to the First Scheduled Borrowing Base Redetermination, the Exit Administrative Agent shall or any Exit Lender may require a Borrowing Base redetermination and Scheduled Borrowing Base Redeterminations shall take place prior to the issuance (with such Redetermination constituting the First Scheduled Borrowing Base Redetermination for all purposes hereunder) and will be implemented semi-annually thereafter;</p> <p>(b) Such additional junior indebtedness shall not be provided by Affiliates and shall be unsecured and shall rank junior in priority to the Berry Exit Facility; and</p> <p>(c) If issued after the First Scheduled Borrowing Base Redetermination, the Borrowing Base shall be reduced in an aggregate amount equal to twenty-five percent (25%) of the aggregate outstanding principal amount of such additional junior indebtedness.</p>
<u>Hedging</u>	<p>Hedging will only be permitted with Exit Lenders.</p> <p>Within 90 days after the Closing Date, Borrower shall enter into swap contracts at market rates covering oil production as follows: (i) 10,000 bbls/d for calendar year 2017, (ii) 8,000 bbls/d for calendar year 2018, (iii) 7,000 bbls/d for calendar year 2019 and such hedges shall be set forth on a schedule to the Berry Exit Financing Documents (the “<u>Initial Hedges</u>”).</p> <p>ISDA terms are to be mutually agreed no later than December 9, 2016.</p>
<u>Events of Default</u>	Customary for a facility of this nature, with materiality thresholds where appropriate and, where applicable, grace periods (after knowledge or notice) to be agreed, including without limitation an immediate event of default with respect to any Change of Control, breach of any representation and warranty, failure to make payment, or insolvency or commencement of any insolvency proceeding or similar action.
<u>Majority Lenders</u>	Exit Lenders holding greater than 50% of the Commitments in respect of the Berry Exit Facility; <i>provided, however</i> , if there are three or fewer Exit Lenders, then all Exit Lenders shall constitute the Majority Lenders.
<u>Required Lenders</u>	Exit Lenders holding 66-2/3% of the Commitments of all Exit Lenders under the Berry Exit Facility.
<u>Reporting Requirements</u>	<p>The Borrower will deliver the following information to the Exit Lenders:</p> <p>(a) Quarterly consolidated and consolidating balance sheets, statements of income, retained earnings and cash flow for Borrower and its subsidiaries, in accordance with generally accepted accounting principles, together with calculations confirming Borrower’s compliance with all applicable financial covenants, certified by a senior financial officer, within 45 days after the end of each of the fiscal quarters of each fiscal year;</p> <p>(b) Annual audited consolidated and unaudited consolidating financial statements as described above, with an unqualified opinion from a</p>

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	<p>recognized independent accounting firm and such firm's covenant compliance calculations, together with calculations confirming Borrower's compliance with all financial covenants, certified by a senior financial officer, within 90 days after the end of each fiscal year;</p> <p>(c) Internally prepared annual unaudited consolidated financial statements as described above, certified by a senior financial officer, within 60 days after the end of each fiscal year;</p> <p>(d) Annual budget and 12 month cash flow and capital expenditure forecast to be provided within 60 days after the end of each fiscal year;</p> <p>(e) Certificate of Borrower's derivative contract position in conjunction with delivery of quarterly and annual financial statements;</p> <p>(f) Reserve Report prepared by an independent petroleum engineer selected by the Borrower and reasonably acceptable to the Exit Administrative Agent covering the Borrowing Base Properties delivered annually on or before March 1st, provided however that the first delivery under this requirement must occur no later than May 1, 2017, and must be completed by March 1st in each subsequent year;</p> <p>(g) Reserve Report prepared internally by the Borrower covering the Borrowing Base Properties delivered annually on or before September 1st, commencing September 1, 2017;</p> <p>(h) Production reports in conjunction with delivery of quarterly and annual financial statements including production volumes and average pricing;</p> <p>(i) Notification of any change in the ownership (including sales, transfers and dispositions to non-Affiliates or Affiliates) of any real or personal property constituting the collateral of the Exit Lenders (other than the sale of inventory in the ordinary course of business);</p> <p>(j) Notice within three business days after any novation, assignment, early termination or replacement of, or amendment or modification to, any swap agreement constituting a Borrowing Base Property;</p> <p>(k) Quarterly reports of new hedges entered into, modifications to hedge positions and reporting of mark-to-market positions by trade and by counterparty (subject to the exceptions set forth in the Prepetition Credit Agreement);</p> <p>(l) Notice within three business days of the occurrence of any Default, Event of Default, Material Adverse Change (to be defined in the Berry Exit Financing Documents), commencement of litigation in excess of an agreed upon threshold, the sale or other disposition of material assets, and other events or occurrence for which notices are customary; and</p> <p>(m) Other information reasonably requested by the Administrative Agent or by any Exit Lender to the extent such request is made through the Administrative Agent.</p>
<p><u>Conditions Precedent to Closing</u></p>	<p>Limited to the satisfaction or waiver in writing by the Administrative Agent of following conditions precedent on the Closing Date:</p> <p>(a) The Berry Plan confirmed pursuant to an order (the "<u>Confirmation Order</u>") entered by the Bankruptcy Court (the "<u>Confirmed Plan</u>") shall be reasonably satisfactory in all respects to the Exit Administrative Agent, the Exit Lenders</p>

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	<p>and Sponsors; and shall have been entered by the Bankruptcy Court in the form attached hereto as Annex I, except to the extent agreed in writing by the Exit Administrative Agent, Required Lenders and Sponsors;</p> <p>(b) The Confirmed Plan shall provide for the sale of the new convertible preferred Equity Interests of the Borrower with an annual dividend rate not to exceed 6% payable quarterly (the "<u>Plan Sale</u>") to the members of the ad hoc group of unsecured noteholders proposing to invest new equity in the Borrower (the "<u>Sponsors</u>"). The net proceeds of the Plan Sale shall not be less than \$300 million;</p> <p>(c) The Plan Effective Date shall have occurred or shall occur contemporaneously with the Closing Date [and, subject to the right of the Exit Administrative Agent's right to waive such condition, the Confirmation Order shall be final and non-appealable];</p> <p>(d) The Plan Sale shall have occurred pursuant to a purchase agreement acceptable in all respects to the Exit Administrative Agent, Required Lenders and Sponsors in their sole discretion and shall have closed without waiver or amendment of any term or condition not approved in writing by the Exit Administrative Agent, Required Lenders and Sponsors;</p> <p>(e) All Berry Exit Financing Documents shall have been executed and delivered in form and substance reasonably satisfactory to the Exit Administrative Agent, Required Lenders, Sponsors and the Borrower with such original signatures and copies as the Exit Administrative Agent may require.</p> <p>(f) All corporate, limited liability company or limited partnership approvals necessary to authorize the Berry Exit Financing Documents and the transactions contemplated by the Berry Exit Financing Documents and the Confirmed Plan shall be satisfactory to and have been delivered by the Borrower and each Guarantor to the Exit Administrative Agent, together with a certificate of the secretary, officer, manager or general partner of such Borrower or Guarantor attaching and certifying (i) such resolutions or consents, (ii) a long form certificate of good standing or other comparable status in the jurisdiction of organization or formation of such Borrower or Guarantor, (iii) a copy of the certificate or articles of organization or formation certified by the Secretary of State or other comparable body of the jurisdiction of organization or formation of such Borrower or Guarantor, (iv) a copy of the bylaws, operating agreement or partnership agreement of such Borrower or Guarantor, and (v) a certificate of incumbency for each individual authorized to execute the Berry Exit Financing Documents.</p> <p>(g) The Exit Administrative Agent shall have received all agreements, instruments, mortgages in recordable form, or other documents and/or acknowledgements of the filings or recordation necessary to perfect its liens in the Collateral;</p> <p>(h) Customary legal opinions of counsel to the Borrowers in form and substance satisfactory to the Exit Administrative Agent and its counsel;</p> <p>(i) The Borrower and each Guarantor shall have obtained all required material consents from any governmental or regulatory agency and all required material third party consents;</p> <p>(j) The Exit Administrative Agent shall have received a certificate of the chief</p>
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	<p>executive officer or chief financial officer of the Borrower that all of the representations and warranties in the Berry Exit Financing Documents are true and correct in all material respects, no default or event of default shall have occurred or be continuing either before or will result from the making of the loans or the transactions contemplated by the Berry Exit Financing Documents and all of the conditions precedent have been satisfied or waived in accordance with the terms of the Berry Exit Financing Documents;</p> <p>(k) The Exit Administrative Agent shall have received a certificate of the chief financial officer that the Borrower is solvent and the Borrower and each other Credit Party taken as a whole are solvent;</p> <p>(l) There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or governmental authority that, in the opinion of the Exit Administrative Agent, singly or in the aggregate, materially impairs the financing hereunder or any of the other transactions contemplated by the Berry Exit Financing Documents, or that could reasonably be expected to cause a material adverse change;</p> <p>(m) All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto shall be reasonably satisfactory in form and substance to the Exit Administrative Agent and its counsel, and the Exit Administrative Agent and its counsel shall have received all such counterpart originals or certified copies of such documents as the Exit Administrative Agent may reasonably request;</p> <p>(n) No event or circumstance shall have occurred or be continuing since the date of the bankruptcy exit financial statements that has had, or could be reasonably expected to cause, either individually or in the aggregate, a material adverse change;</p> <p>(o) Minimum availability of \$100.0 million under the Berry Exit Facility, after giving effect to the application of the prepetition claims in an aggregate amount equal to \$450 million as loans under the Berry Exit Facility;</p> <p>(p) The Restricted Cash Account under the Prepetition Credit Agreement shall be terminated and the cash proceeds of the balance of such account paid to the Exit Administrative Agent for the benefit of, and pro rata distribution to, the Exit Lenders.</p> <p>(q) The Exit Lenders shall have received cash payments in the amount of the aggregate remaining amount under the Berry Lender Claim;</p> <p>(r) The Exit Administrative Agent and the Exit Lenders shall have received all fees and other expenses due and payable, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder;</p> <p>(s) The Exit Lenders shall have received the bankruptcy exit financial statements, which shall be in form and substance reasonably satisfactory to the Exit Administrative Agent, together with a certificate of the chief executive officer or chief financial officer of the Borrower certifying the bankruptcy exit financial statements to be in accordance with GAAP and true and correct in all material respects;</p>
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	<ul style="list-style-type: none"> (t) The Exit Administrative Agent shall have received an ACORD evidence of insurance certificate evidencing coverage of the Borrower, Guarantors and their respective subsidiaries and naming the Exit Administrative Agent in such capacity for the Exit Lenders as additional insured on all liability policies and loss payee on all property insurance policies; (u) The Exit Administrative Agent shall have UCC-3s for the Borrower and Guarantors to be filed in each such person’s state of incorporation or formation and received all possessory pledged collateral, including without limitation, pledged equity certificates and intercompany notes; and the Exit Administrative Agent and its counsel shall be satisfied that such liens are first priority perfected liens (subject only to agreed permitted liens); (v) All of the representations and warranties in the Berry Exit Financing Documents are true and correct in all material respects and no default or event of default shall have occurred or be continuing either before or as a result from the making of the loans under the Berry Exit Financing Documents; (w) The Exit Administrative Agent and Exit Lenders shall have completed satisfactory due diligence review of the assets, liabilities, business, operations and condition (financial or otherwise) of the Sponsors, Borrower and Guarantors, including, a review of their mineral interests and all legal, financial, accounting, governmental, environmental, tax, securities and regulatory matters, and fiduciary aspects of the proposed financing. (x) The Exit Administrative Agent shall have received all documents and instruments which the Exit Administrative Agent has then reasonably requested, in addition to those described above. All such additional documents and instruments shall be reasonably satisfactory to the Exit Administrative Agent in form, substance and date. For purposes of determining compliance with the closing conditions, each Exit Lender that has executed and delivered the Berry Exit Financing Documents shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to an Exit Lender unless the Exit Administrative Agent shall have received notice from such Exit Lender prior to the proposed Closing Date specifying its objection thereto; and (y) Delivery of customary borrowing notice.
<p><u>Conditions to Subsequent Borrowings</u></p>	<p>Limited to the following conditions to subsequent borrowings:</p> <ul style="list-style-type: none"> (a) All of the representations and warranties in the Berry Exit Financing Documents are true and correct in all material respects and no Default or Event of Default shall have occurred or be continuing either before or as a result of the making of the loans under the Berry Exit Facility; (b) Delivery of customary borrowing notice in the form specified in the Berry Exit Financing Documents (which shall include a certification as to the satisfaction of all other conditions precedent by the chief financial officer); (c) Each of (i) Borrower and (ii) Borrower and each Credit Party taken as a whole, shall be solvent <u>and</u> have no reason to believe that (x) it cannot timely repay its debt or other obligations in the ordinary course of business as they

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	<p>become due or (y) it has unreasonably small capital to operate;</p> <p>(d) A Material Adverse Change shall not have occurred or be continuing either before or as a result from the making of the loans under the Berry Exit Facility; and</p> <p>(e) After giving pro forma effect to such borrowing, the projected Consolidated Cash Balance as of the immediately following Consolidated Cash Measurement Date shall not exceed \$40 million as certified by the chief or senior financial officer of the Borrower.</p> <p>“<u>Material Adverse Change</u>” means a material adverse change in, or material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Borrower and the Guarantors, taken as a whole, other than as a result of the events leading up to, resulting from and following the commencement of the Bankruptcy Proceedings or the continuation or prosecution thereof, (b) the ability of the Borrower or any Guarantor to perform any of its obligations under any Berry Exit Financing Document, (c) the validity or enforceability of any Berry Exit Financing Document or (d) the rights and remedies of or benefits available to the Exit Administrative Agent, the Issuing Bank or any Exit Lender under any Berry Exit Financing Document.</p>
<p><u>Bail-In Requirements</u></p>	<p>The LSTA model form of European Union Bail-In Provisions will be incorporated.</p>
<p><u>Expense Reimbursement</u></p>	<p>The Credit Parties will jointly and severally pay all reasonable, documented out-of-pocket costs and expenses of the Exit Administrative Agent and the Exit Lenders associated with the preparation, due diligence (including third party expenses of financial and other advisors and consultants and counsel), administration, amendment, modification, waiver, enforcement of the Berry Exit Facility and the Berry Exit Financing Documents (including without limitation the reasonable and documented legal fees of counsel to the Exit Administrative Agent and each Exit Lender, and, if necessary, one local counsel in each relevant jurisdiction and financial and other advisors and consultants). In addition, the Credit Parties will jointly and severally reimburse all reasonable, documented out-of-pocket costs and expenses of the Exit Administrative Agent and the Exit Lenders, including, without limitation, the reasonable, documented legal fees of counsel, including, if necessary, one local counsel in each relevant jurisdiction, in connection with any enforcement of the Berry Exit Financing Documents.</p>
<p><u>Indemnification</u></p>	<p>The Credit Parties will jointly and severally indemnify the Exit Administrative Agent, the Exit Lenders, and their respective Affiliates, and the officers, directors, employees, advisors, agents, controlling persons, equity holders, partners, members and other representatives and the respective successors and permitted assigns of each of the foregoing, and hold them harmless from and against, any and all losses, claims, damages, liabilities and reasonable, documented out-of-pocket fees and expenses (limited to reasonable and documented legal fees of a single firm of counsel for all indemnified parties, taken as a whole, and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all indemnified parties taken as a whole (and, in the case of an actual or perceived conflict of interest, where the indemnified person affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for each group of affected indemnified persons similarly situated, taken as a whole)) of any such indemnified person arising out of or relating to any claim or any litigation or other</p>

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	proceeding (regardless of whether such indemnified person is a party thereto and whether or not such proceedings are brought by the Borrower or any other Credit Party, its equity holders, its Affiliates, creditors or any other third person) that relates to the transactions contemplated by the Berry Exit Facility, including the financing contemplated hereby; <u>provided</u> that no indemnified person will be indemnified for any loss, claim, damage, liability, cost or expense to the extent it has been determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct or gross negligence of such indemnified person.
<u>Limitation on Assignments and Participations:</u>	None of the Credit Parties or their Affiliates (including, without limitation, Permitted Holders) shall at any time be Exit Lenders or hold participations in the Berry Exit Facility.
<u>Governing Law</u>	State of Texas.
<u>Exit Administrative Agent Counsel</u>	Baker & McKenzie LLP

Exhibit C

Backstop Commitment Agreement

BACKSTOP COMMITMENT AGREEMENT

AMONG

BERRY PETROLEUM COMPANY, LLC,

LINN ACQUISITION COMPANY, LLC,

AND

THE COMMITMENT PARTIES PARTY HERETO

Dated as of December 20, 2016

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SCHEDULES

Schedule 1 Backstop Commitment Schedule

EXHIBITS

Exhibit A Terms of Preferred Shares
 Exhibit B Form of Rights Offering Procedures
 Exhibit C Form of Joinder Agreement
 Exhibit D Form of Amended and Restated Restructuring Support Agreement Transfer Agreement

BACKSTOP COMMITMENT AGREEMENT

THIS BACKSTOP COMMITMENT AGREEMENT (this “**Agreement**”), dated as of December 20, 2016, is made by and among Berry Petroleum Company, LLC, a Delaware limited liability company (now and as a reorganized debtor, as applicable, “**Berry**”), and Linn Acquisition Company, LLC, a Delaware limited liability company (now and as a reorganized debtor, as applicable, “**LAC**,” and together with Berry, the “**Company**” or the “**Debtors**”), each on behalf of itself, on the one hand, and each of the several Commitment Party (as defined below), on the other hand. The Company and each Commitment Party is referred to herein, individually, as a “**Party**” and, collectively, as the “**Parties**”. Capitalized terms that are used but not otherwise defined in this Agreement shall have the meanings given to them in Section 1.1 hereof.

RECITALS

WHEREAS, the Company, the Commitment Parties and the Consenting Creditors (as defined in the Restructuring Support Agreement) have entered into an Amended and Restated Restructuring Support Agreement, dated as of December 20, 2016 (including all the exhibits thereto, as may be amended, supplemented or otherwise modified from time to time, the “**Restructuring Support Agreement**”), which (a) provides for the restructuring of the Debtors’ capital structure and financial obligations pursuant to a plan of reorganization to be filed in jointly administered cases (the “**Chapter 11 Cases**”) under Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as it may be amended from time to time, the “**Bankruptcy Code**”), in the United States Bankruptcy Court for Southern District of Texas (the “**Bankruptcy Court**”), implementing the terms and conditions of the Restructuring Transactions and (b) requires that the parties thereto support approval of the Plan (as defined below) in accordance with the terms thereof.

WHEREAS, pursuant to the Plan and this Agreement, and in accordance with the Rights Offering Procedures, the Company, on behalf of the Reorganized Company, will conduct (a) a rights offering for the First Tranche Rights Offering Shares (excluding the Preferred Shares to be issued pursuant to the Commitment Premium) at an aggregate purchase price equal to the First Tranche Rights Offering Amount and a per-share purchase price equal to the Per Share Purchase Price, which shall only be open to the Initial Commitment Parties, and (b) a rights offering for the Second Tranche Rights Offering Shares (excluding the Preferred Shares to be issued pursuant to the Commitment Premium) at an aggregate purchase price equal to the Second Tranche Rights Offering Amount and a per-share purchase price equal to the Per Share Purchase Price, which shall be open to all Commitment Parties, and, on the Effective Date and following its formation, the Reorganized Company (which shall be formed by a nominee of the Commitment Parties prior to the Effective Date) shall assume and perform any remaining obligations of the Debtors with respect to the Rights Offerings and issue the Rights Offering Shares.

WHEREAS, subject to the terms and conditions contained in this Agreement, (a) each Initial Commitment Party severally, and not jointly, has agreed to fully exercise all First Tranche Subscription Rights that are issued to such Initial Commitment Party in its capacity as a holder of Notes Claims pursuant to the First Tranche Rights Offering and duly purchase, at the

Per Share Purchase Price, all First Tranche Rights Offering Shares issuable to it pursuant to such exercise, and (b) each Commitment Party severally, and not jointly, has agreed to (i) fully exercise all Second Tranche Subscription Rights that are issued to such Commitment Party in its capacity as a holder of Notes Claims pursuant to the Second Tranche Rights Offering and duly purchase, at the Per Share Purchase Price, all Rights Offering Shares issuable to it pursuant to such exercise and (ii) purchase its Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares, if any.

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, the Company and each of the Commitment Parties hereby severally and not jointly agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Except as otherwise expressly provided in this Agreement, whenever used in this Agreement (including any Exhibits and Schedules hereto), the following terms shall have the respective meanings specified therefor below or in the Plan, as applicable:

“**Ad Hoc Committee**” means that certain ad hoc group of holders of Notes or any of its members or their Affiliates represented by Quinn, Norton Rose and Houlihan Lokey.

“**Administrative Agent**” means Wells Fargo Bank, National Association, as administrative agent under the Berry Credit Agreement, solely in its capacity as such.

“**Affiliate**” means, with respect to any Person, any other Person that, directly or indirectly, Controls or is Controlled by or is under common Control with such Person, and shall include the meaning of “affiliate” set forth in section 101(2) of the Bankruptcy Code. “**Affiliated**” has a correlative meaning.

“**Affiliated Fund**” means any investment fund the primary investment advisor to which is a Commitment Party or an Affiliate thereof or any Commitment Party’s Affiliated investment management entity, as investment manager or advisor for investment funds and accounts.

“**Aggregate Backstop Commitment Percentage**” with respect to any Commitment Party, means such Commitment Party’s aggregate percentage of the Rights Offering Shares such Commitment Party is obligated to purchase in the First Tranche Rights Offering and the Second Tranche Rights Offering as set forth opposite such Commitment Party’s name under the column titled “Aggregate Backstop Commitment Percentage” on Schedule 1 to this Agreement.

“**Agreement**” has the meaning set forth in the Preamble.

“**Alternative Transaction**” means any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation,

business combination, joint venture, partnership, sale of assets, financing (debt or equity), or restructuring of any of the Debtors, other than the Restructuring Transactions.

“**Antitrust Authorities**” means the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other Governmental Entity, whether domestic or foreign, having jurisdiction pursuant to the Antitrust Laws, and “**Antitrust Authority**” means any of them.

“**Antitrust Laws**” means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and any other Law, whether domestic or foreign, governing agreements in restraint of trade, monopolization, pre-merger notification, the lessening of competition through merger or acquisition or anti-competitive conduct, and any foreign investment Laws.

“**Applicable Consent**” has the meaning set forth in Section 4.6.

“**Available Shares**” means all of the First Tranche Available Shares and the Second Tranche Available Shares.

“**Backstop Agreement Motion**” means the motion to be filed by the Debtors seeking approval of the BCA Approval Order.

“**Backstop Commitment**” means the First Tranche Backstop Commitment and/or the Second Tranche Backstop Commitment, as applicable.

“**Backstop Commitment Percentage**” means the First Tranche Backstop Commitment Percentage and/or the Second Tranche Backstop Commitment Percentage, as applicable.

“**Backstop Commitment Schedule**” means Schedule 1 to this Agreement, as may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

“**Bankruptcy Code**” has the meaning set forth in the Recitals.

“**Bankruptcy Court**” has the meaning set forth in the Recitals.

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

“**BCA Approval Obligations**” means the obligations of the Company under this Agreement and the BCA Approval Order.

“**BCA Approval Order**” means an Order of the Bankruptcy Court that that is not stayed under Bankruptcy Rule 6004(h) or otherwise (a) authorizes the Company to execute and

deliver this Agreement, including all exhibits and other attachments hereto, pursuant to sections 105 and 363 of the Bankruptcy Code and (b) provides that the Commitment Premium, Expense Reimbursement and the indemnification provisions contained herein shall constitute allowed administrative expenses of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code and shall be payable by the Debtors as provided in this Agreement without further Order of the Bankruptcy Court.

"Berry Indenture" means that certain Indenture, dated as of June 15, 2006, by and between Berry, as issuer, and the Berry Indenture Trustee, as may be amended, restated, or supplemented from time to time.

"Berry Indenture Trustee" means The Bank of New York Mellon Trust Company, N.A., solely in its capacity as indenture trustee under the Berry Indenture.

"Berry Termination Event" has the meaning set forth in Section 9.3.

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

"Bylaws" means the bylaws of the Reorganized Company, which shall become effective as of Effective Date, and which shall be consistent with the terms set forth in the Restructuring Support Agreement and the Plan, and otherwise be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

"Certificate of Incorporation" means the certificate of incorporation of the Reorganized Company as in effect on the Effective Date, which shall be consistent with the terms set forth in the Restructuring Support Agreement and the Plan, and otherwise be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

"Chapter 11 Cases" has the meaning set forth in the Recitals.

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

"Closing" has the meaning set forth in Section 2.5(a).

"Closing Date" has the meaning set forth in Section 2.5(a).

"Code" means the Internal Revenue Code of 1986.

"Commitment Party" means each Initial Commitment Party, each Noteholder that is a party hereto, and each permitted transferee of any Backstop Commitment pursuant to Section 2.6.

"Commitment Party Default" means a First Tranche Commitment Party Default or a Second Tranche Commitment Party Default.

"Commitment Party Replacement" has the meaning set forth in Section 2.3(b).

“Commitment Party Replacement Period” has the meaning set forth in Section 2.3(b).

“Commitment Premium” has the meaning set forth in Section 3.1.

“Common Shares” means the shares of common stock that constitute equity interests in the Reorganized Company.

“Company” has the meaning set forth in the Preamble.

“Company Disclosure Schedules” means the disclosure schedules delivered by the Company to the Commitment Parties on the date of this Agreement.

“Company Plan” means any employee pension benefit plan, as such term is defined in Section 3(2) of ERISA, (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 or 430 of the Code or Section 302 of ERISA, and (i) sponsored or maintained (at the time of determination or at any time within the six years prior thereto) by any of the Debtors or any ERISA Affiliate, or with respect to which any such entity has any actual or contingent liability or obligation or (ii) in respect of which any of the Debtors or any ERISA Affiliate is (or, if such plan were terminated, could under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Company SEC Documents” means all of the reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) filed with the SEC by the Company.

“Confirmation Hearing” means the hearing on confirmation of the Plan.

“Confirmation Order” means a Final Order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“Consenting Noteholders” means each Noteholder that is party to the Restructuring Support Agreement, solely in its capacity as such.

“Contract” means any agreement, contract or instrument, including any loan, note, bond, mortgage, indenture, guarantee, deed of trust, license, franchise, commitment, lease, franchise agreement, letter of intent, memorandum of understanding or other obligation, and any amendments thereto, whether written or oral, but excluding the Plan.

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or agency or otherwise.

“Cover Transaction” has the meaning set forth in Section 2.3(c).

“Cover Transaction Period” has the meaning set forth in Section 2.3(c).

“**Credit Agreement**” means that certain Second Amended and Restated Credit Agreement, dated as of November 25, 2010, by and among Berry, as borrower, the Administrative Agent, and the lenders and agents party thereto, as may be amended, restated, or otherwise supplemented from time to time.

“**Debtors**” means, collectively, LAC and Berry, as the debtors in possession and reorganized debtors, as applicable.

“**Defaulting Commitment Party**” means in respect of a Commitment Party Default that is continuing, the applicable defaulting Commitment Party.

“**Definitive Documentation**” means the definitive documents and agreements governing the Restructuring Transactions as set forth in the Restructuring Support Agreement.

“**Disclosure Statement**” means the Consensual Disclosure Statement as defined in the Restructuring Support Agreement.

“**Effective Date**” means the date upon which (a) no stay of the Confirmation Order is in effect, (b) all conditions precedent to the effectiveness of the Plan (or each respective Plan, if separate) have been satisfied or are expressly waived in accordance with the terms thereof, as the case may be, and (c) on which the Restructuring and the other transactions to occur on the Effective Date pursuant to the Plan become effective or are consummated.

“**Environmental Laws**” means all applicable laws (including common law), rules, regulations, codes, ordinances, orders in council, Orders, decrees, treaties, directives, judgments or legally binding agreements promulgated or entered into by or with any Governmental Entity, relating in any way to the environment, preservation or reclamation of natural resources, the generation, management, Release or threatened Release of, or exposure to, any Hazardous Material.

“**ERISA**” means the Employee Retirement Income Security Act of 1974.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that, together with any of the Debtors, is, or at any relevant time during the past six years was, treated as a single employer under any provision of Section 414 of the Code.

“**ERISA Event**” means (a) any Reportable Event or the requirements of Section 4043(b) of ERISA apply with respect to a Company Plan; (b) any failure by any Company Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Company Plan, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Company Plan, the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Company Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the incurrence by any of the Debtors or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Company Plan, including the imposition of any Lien in favor of the PBGC or any Company Plan or Multiemployer Plan; (e) a determination that any Company Plan is, or is expected to be, in “at-risk” status (within the meaning of Section 303 of ERISA or

Section 430 of the Code); (f) the receipt by any of the Debtors or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Company Plan or to appoint a trustee to administer any Company Plan under Section 4042 of ERISA; (g) the incurrence by any of the Debtors or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Company Plan or Multiemployer Plan; (h) the receipt by any of the Debtors or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any of the Debtors or any ERISA Affiliate of any notice, concerning the impending imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, “insolvent” (within the meaning of Section 4245 of ERISA), or in “endangered” or “critical status” (within the meaning of Section 305 of ERISA or Section 432 of the Code); (i) the conditions for imposition of a Lien under Section 303(k) of ERISA or Section 430(k) of the Code shall have been met with respect to any Company Plan; (j) the adoption of an amendment to a Company Plan requiring the provision of security to such Company Plan pursuant to Section 307 of ERISA; (k) the assertion of a material claim (other than routine claims for benefits) against any Company Plan or the assets thereof, or against any of the Debtors or any of the ERISA Affiliates in connection with any Company Plan; or (l) receipt from the IRS of notice of the failure of any Company Plan (or any other employee benefit plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Company Plan to qualify for exemption from taxation under Section 501(a) of the Code.

“**Escrow Account**” has the meaning set forth in Section 2.4(a).

“**Escrow Account Funding Date**” has the meaning set forth in Section 2.4(b).

“**Event**” means any event, development, occurrence, circumstance, effect, condition, result, state of facts or change.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Exit Facility**” means the new \$550 million reserve-based lending facility substantially on the terms set forth in the Exit Facility Term Sheet and which shall be consistent with the terms set forth in the Restructuring Support Agreement and the Plan.

“**Exit Facility Term Sheet**” means the term sheet attached as Exhibit B to the Restructuring Support Agreement setting forth the terms and conditions of the Exit Facility.

“**Expense Reimbursement**” has the meaning set forth in Section 3.3(a).

“**Filing Party**” has the meaning set forth in Section 6.12(b).

“**Final Cash Collateral Order**” means the *Final Order under 11 U.S.C. §§ 105, 361, 362, 363, 507 and 552, and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Debtors to Use Cash Collateral and (II) Granting Adequate Protection to Prepetition Lenders* [Docket No. 743], as may be amended.

“**Final Order**” means, as applicable, an Order of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been

reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the Order could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such Order, or has otherwise been dismissed with prejudice.

“Financial Reports” has the meaning set forth in Section 6.5.

“First Tranche Available Shares” means the First Tranche Rights Offering Shares that any Initial Commitment Party fails to purchase as a result of a First Tranche Commitment Party Default by such Initial Commitment Party.

“First Tranche Backstop Commitment” has the meaning set forth in Section 2.2(a).

“First Tranche Backstop Commitment Percentage” means, with respect to any Initial Commitment Party, such Initial Commitment Party’s percentage of the First Tranche Backstop Commitment as set forth opposite such Initial Commitment Party’s name under the column titled “First Tranche Backstop Commitment Percentage” on Schedule 1 to this Agreement.

“First Tranche Commitment Party Default” means the failure by any Initial Commitment Party to fully exercise all First Tranche Subscription Rights that are issued to it pursuant to the First Tranche Rights Offering and duly purchase all First Tranche Rights Offering Shares issuable to it pursuant to such exercise, in accordance with this Agreement and the Plan.

“First Tranche Commitment Party Replacement” has the meaning set forth in Section 2.3(a).

“First Tranche Commitment Party Replacement Period” has the meaning set forth in Section 2.3(a).

“First Tranche Replacing Commitment Parties” has the meaning set forth in Section 2.3(a).

“First Tranche Rights Offering” means the rights offering that is backstopped by the Initial Commitment Parties for the First Tranche Rights Offering Amount in connection with the Restructuring Transactions substantially on the terms reflected in the Restructuring Support Agreement and this Agreement, and in accordance with the Rights Offering Procedures.

“First Tranche Rights Offering Amount” means an amount equal to \$60,000,000.

“First Tranche Rights Offering Shares” means 6,000,000 Preferred Shares distributed to the Initial Commitment Parties pursuant to and in accordance with the Rights Offering Procedures in the First Tranche Rights Offering.

“**First Tranche Subscription Rights**” means the subscription rights granted to the Initial Commitment Parties to purchase First Tranche Rights Offering Shares.

“**Funding Notice**” has the meaning set forth in Section 2.4(a).

“**Funding Notice Date**” has the meaning set forth in Section 2.4(a).

“**GAAP**” means United States generally accepted accounting principles.

“**Governmental Entity**” has the meaning of “governmental unit” set forth in section 101(27) of the Bankruptcy Code.

“**Hazardous Materials**” means all pollutants, contaminants, wastes, chemicals, materials, substances and constituents, including explosive or radioactive substances or petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls or radon gas, of any nature subject to regulation or which can give rise to liability under any Environmental Law other than naturally occurring radioactive material (“NORM”) on or inside of equipment wells or oil and gas property to the extent each of the foregoing is in service.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

“**Houlihan Lokey**” means Houlihan Lokey, Inc.

“**Indemnified Claim**” has the meaning set forth in Section 8.2.

“**Indemnified Person**” has the meaning set forth in Section 8.1.

“**Indemnifying Party**” has the meaning set forth in Section 8.1.

“**Initial Commitment Party**” means Affiliated Funds of Oaktree Capital Management, L.P. and/or Benefit Street Partners, L.L.C. that are a Party to this Agreement, as applicable.

“**Intellectual Property Rights**” has the meaning set forth in Section 4.12.

“**IRS**” means the United States Internal Revenue Service.

“**Joint Filing Party**” has the meaning set forth in Section 6.12(c).

“**Knowledge of the Company**” means the actual knowledge, after reasonable inquiry of their direct reports, of the chief executive officer, chief financial officer, chief operating officer and general counsel of the Company. As used herein, “actual knowledge” means information that is personally known by the listed individual(s).

“**Law**” means any law (statutory or common), statute, regulation, rule, code or ordinance enacted, adopted, issued or promulgated by any Governmental Entity.

“**Legal Proceedings**” has the meaning set forth in Section 4.10.

“**Legend**” has the meaning set forth in Section 6.11.

“**Lien**” means any lien, adverse claim, charge, option, right of first refusal, servitude, security interest, mortgage, pledge, deed of trust, easement, encumbrance, restriction on transfer, conditional sale or other title retention agreement, defect in title, lien or judicial lien as defined in sections 101(36) and (37) of the Bankruptcy Code or other restrictions of a similar kind.

“**Linn Debtors**” means the debtors under the Plan other than Berry and LAC.

“**Losses**” has the meaning set forth in Section 8.1.

“**Material Adverse Effect**” means any Event, which individually, or together with all other Events, has had or would reasonably be expected to have a material and adverse effect on (a) the business, assets, liabilities, finances, properties, results of operations or condition (financial or otherwise) of the Debtors, taken as a whole, or (b) the ability of the Debtors, taken as a whole, to perform timely and fully their obligations under, or to consummate the transactions contemplated by, the Transaction Agreements, including the Rights Offerings, in each case, except to the extent such Event results from, arises out of, or is attributable to, the following (either alone or in combination): (i) any change after the date hereof in global, national or regional political conditions (including hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or material worsening of any such hostilities, acts of war, sabotage, terrorism or military actions existing or underway) or in the general business, market, financial or economic conditions affecting the industries, regions and markets in which the Debtors operate, including any change in the United States or applicable foreign economies or securities, commodities or financial markets, or force majeure events or “acts of God”; (ii) any changes after the date hereof in applicable Law or GAAP, or in the interpretation or enforcement thereof; (iii) the execution, announcement or performance of this Agreement or the other Transaction Agreements or the transactions contemplated hereby or thereby (including any act or omission of the Debtors expressly required or prohibited, as applicable, by this Agreement or consented to or required by the Requisite Commitment Parties in writing); (iv) changes in the market price or trading volume of the claims or equity or debt securities of the Debtors (but not the underlying facts giving rise to such changes unless such facts are otherwise excluded pursuant to the clauses contained in this definition); (v) the departure of officers or directors of any of the Debtors not in contravention of the terms and conditions of this Agreement (but not the underlying facts giving rise to such departure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); (vi) the filing or pendency of the Chapter 11 Cases; (vii) declarations of national emergencies in the United States or natural disasters in the United States; (viii) any matters expressly disclosed in the Disclosure Statement or the Company Disclosure Schedules as delivered on the date hereof; or (ix) the occurrence of a Commitment Party Default; provided, that the exceptions set forth in clauses (i) and (ii) shall not apply to the extent that such Event is disproportionately adverse to the Debtors, taken as a whole, as compared to other companies in the industries in which the Debtors operate.

“**Material Contracts**” means (a) all “plans of acquisition, reorganization, arrangement, liquidation or succession” and “material contracts” (as such terms are defined in Items 601(b)(2) and 601(b)(10) of Regulation S-K under the Exchange Act) to which any of the Debtors is a party or (b) any Contracts to which any of the Debtors is a party that is likely to reasonably involve consideration of more than \$5,000,000, in the aggregate, over a twelve-month period, has a term of greater than one year and is not cancelable without material penalty on not more than thirty (30) days’ notice.

“**Money Laundering Laws**” has the meaning set forth in Section 4.23.

“**Multiemployer Plan**” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any of the Debtors or any ERISA Affiliate is making or accruing an obligation to make contributions, has within any of the preceding six plan years made or accrued an obligation to make contributions, or each such plan with respect to which any such entity has any actual or contingent liability or obligation.

“**Norton Rose**” means Norton Rose Fulbright US, LLP.

“**Note Claims**” means all claims against the Debtors arising on account of the Notes and the Berry Indenture.

“**Noteholders**” means the holders of Notes.

“**Notes**” shall mean, collectively, (a) approximately \$261.1 million in aggregate principal amount of 6.75% senior unsecured notes due 2020 and (b) approximately \$572.7 million in aggregate principal amount of 6.375% senior unsecured notes due 2022, each as issued pursuant to the Berry Indenture.

“**Order**” means any judgment, order, award, injunction, writ, permit, license or decree of any Governmental Entity or arbitrator of applicable jurisdiction.

“**Outside Date**” has the meaning set forth in Section 9.2(a).

“**Party**” has the meaning set forth in the Preamble.

“**PBGC**” means the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

“**Per Share Purchase Price**” means \$10.00.

“**Permitted Liens**” means (a) Liens for Taxes that (i) are not yet delinquent or (ii) are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (b) landlord’s, operator’s, vendors’, carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other similar Liens for labor, materials or supplies or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of oil and gas properties provided with respect to any Real Property or personal property incurred in the ordinary course of business consistent with past practice and as otherwise not prohibited under

this Agreement, for amounts that are not more than sixty (60) days delinquent and that do not materially detract from the value of, or materially impair the use of, any of the Real Property or personal property of any of the Debtors, or, if for amounts that do materially detract from the value of, or materially impair the use of, any of the Real Property or personal property of any of the Debtors, if such Lien is being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (c) zoning, building codes and other land use Laws regulating the use or occupancy of any Real Property or the activities conducted thereon that are imposed by any Governmental Entity having jurisdiction over such Real Property; provided, that no such zoning, building codes and other land use Laws prohibit the use or occupancy of such Real Property; (d) easements, covenants, conditions, minor encroachments, restrictions on transfer and other similar matters affecting title to any Real Property (including any title retention agreement) and other title defects and encumbrances that do not or would not materially impair the ownership, use or occupancy of such Real Property or the operation of the Debtors' business; (e) Liens granted under any Contracts (including joint operating agreements, oil and gas leases, farmout agreements, joint development agreements, transportation agreements, marketing agreements, seismic licenses and other similar operational oil and gas agreements), in each case, to the extent the same are ordinary and customary in the oil and gas business and do not or would not materially impair the ownership, use or occupancy of any Real Property or the operation of the Debtors' business and which are for claims not more than sixty (60) days delinquent or, if such claim does materially impair such ownership, use, occupancy or operation and are for obligations that are more than sixty (60) days delinquent, are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (f) from and after the occurrence of the Effective Date, Liens granted in connection with the Exit Facility; (g) mortgages on a lessor's interest in a lease or sublease; provided that no foreclosure proceedings have been duly filed (unless, in such case, such mortgage has been subordinated to the applicable lease); and (h) Liens that, pursuant to the Plan and the Confirmation Order, will be discharged and released on the Effective Date.

"Person" means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, association, trust, Governmental Entity or other entity or organization.

"Plan" means the *Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and Its Debtor Affiliates*, filed on October 21, 2016 and as amended as set forth on Exhibit A to the Restructuring Support Agreement (as may be further amended, supplemented, or modified from time to time in accordance with its terms and the terms of the Restructuring Support Agreement), including all exhibits, supplements, appendices, and schedules thereto.

"Plan Solicitation Order" means an Order, in form and substance reasonably acceptable to the Requisite Commitment Parties and the Company, approving the Disclosure Statement with respect to the Plan and approving the Rights Offering Procedures and the solicitation with respect to the Plan which are in form and substance reasonably acceptable to the Requisite Commitment Parties and the Company.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and the

Restructuring Support Agreement), including without limitation disclosure required under section 1129(a)(5) of the Bankruptcy Code, to be filed by the Debtors no later than 14 days before the Confirmation Hearing, and additional documents or amendments to previously filed documents, filed before the Effective Date as amendments to the Plan Supplement, including the following, as applicable: (a) the Exit Facility Documents; (b) the Reorganized Company Organizational Documents; (c) a list of retained Causes of Action (as defined in the Plan); (d) the Description of Transaction Steps (as defined in the Plan); (e) the Registration Rights Agreement; (f) the Schedule of Assumed Executory Contracts and Unexpired Leases (as defined in the Plan); (g) the Schedule of Rejected Executory Contracts and Unexpired Leases (as defined in the Plan); (h) the Agreement; and (i) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date consistent with and subject to the Restructuring Support Agreement.

“Pre-Closing Period” has the meaning set forth in Section 6.3.

“Preferred Shares” means shares of convertible perpetual preferred stock representing equity interests in the Reorganized Company having the rights and obligations set forth on Exhibit A hereto.

“Pre-Hearing Letter Agreement” means an agreement executed by the Parties acknowledging their agreement to the definitive forms of the documents contemplated hereby, including the Reorganized Company Organizational Documents.

“Qualified Assignee” means any Person (other than a natural person) that is not insolvent, as such term is defined in the Bankruptcy Code, immediately before and after giving effect to the obligations and payments hereunder.

“Quinn” means Quinn Emanuel Urquhart & Sullivan, LLP.

“Real Property” means, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee or leased by any of the Debtors, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures incidental to the ownership or lease thereof.

“Registration Rights Agreement” has the meaning set forth in Section 6.7(a).

“Related Party” means, with respect to any Person, (i) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of such Person and (ii) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of any of the foregoing.

“Related Purchaser” has the meaning set forth in Section 2.6(a).

“**Release**” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migrating. “**Released**” has a correlative meaning.

“**Reorganized Company**” means a new Delaware corporation or limited liability company to be formed by a non-Debtor, non-Commitment Party nominee of the Commitment Parties prior to the Effective Date.

“**Reorganized Company Organizational Documents**” means, collectively, the Bylaws and the Certificate of Incorporation of the Reorganized Company.

“**Replacing Commitment Parties**” has the meaning set forth in Section 2.3(b).

“**Reportable Event**” means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30 day notice period referred to in Section 4043(c) of ERISA has been waived, with respect to a Company Plan.

“**Representatives**” means, with respect to any Person, such Person’s directors, officers, members, partners, managers, employees, agents, investment bankers, attorneys, accountants, advisors and other representatives.

“**Requisite Commitment Parties**” means Commitment Parties holding more than sixty-six and two-thirds percent (66-2/3%) of the aggregate Backstop Commitments provided by all Commitment Parties as of the date on which the consent of such Commitment Parties is solicited.

“**Restructuring**” has the meaning set forth in the Restructuring Support Agreement.

“**Restructuring Support Agreement**” has the meaning set forth in the Recitals.

“**Restructuring Transactions**” means, collectively, the transactions contemplated by the Restructuring Support Agreement.

“**Rights Offerings**” means the First Tranche Rights Offering and the Second Tranche Rights Offering.

“**Rights Offering Amount**” means an amount equal to \$300,000,000 (or, if there is a Rights Offering Increase, \$335,000,000).

“**Rights Offering Expiration Time**” means the time and the date on which the rights offering subscription forms must be duly delivered to the Rights Offering Subscription Agent in accordance with the Rights Offering Procedures, together with the applicable aggregate Per Share Purchase Price, if applicable.

“**Rights Offering Participants**” means all of the Initial Commitment Parties and the Second Tranche Rights Offering Participants.

“**Rights Offering Procedures**” means the procedures with respect to the Rights Offerings that are approved by the Bankruptcy Court pursuant to the Plan Solicitation Order, which procedures shall be in form and substance substantially as set forth on Exhibit B hereto, as may be modified in a manner that is reasonably acceptable to the Requisite Commitment Parties and the Company.

“**Rights Offering Shares**” means all of the First Tranche Rights Offering Shares and the Second Tranche Rights Offering Shares.

“**Rights Offering Subscription Agent**” means Prime Clerk or another subscription agent appointed by the Company and satisfactory to the Requisite Commitment Parties.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**SEC Disclosure**” has the meaning set forth in Article IV.

“**Second Tranche Available Shares**” means the Unsubscribed Shares that any Commitment Party fails to purchase as a result of a Commitment Party Default by such Commitment Party.

“**Second Tranche Backstop Commitment**” has the meaning set forth in Section 2.2(b).

“**Second Tranche Backstop Commitment Percentage**” means, with respect to any Commitment Party, such Commitment Party’s percentage of the Second Tranche Backstop Commitment as set forth opposite such Commitment Party’s name under the column titled “Second Tranche Backstop Commitment Percentage” on Schedule 1 to this Agreement. Any reference to “**Second Tranche Backstop Commitment Percentage**” in this Agreement means the Second Tranche Backstop Commitment Percentage in effect at the time of the relevant determination.

“**Second Tranche Commitment Party Default**” means the failure by any Commitment Party to (a) deliver and pay the aggregate Per Share Purchase Price for such Commitment Party’s Second Tranche Backstop Commitment Percentage of any Unsubscribed Shares by the Escrow Account Funding Date in accordance with Section 2.4(b) or (b) fully exercise all Second Tranche Subscription Rights that are issued to it pursuant to the Second Tranche Rights Offering and duly purchase all Second Tranche Rights Offering Shares issuable to it pursuant to such exercise, in accordance with this Agreement and the Plan.

“**Second Tranche Commitment Party Replacement**” has the meaning set forth in Section 2.3(b).

“**Second Tranche Commitment Party Replacement Period**” has the meaning set forth in Section 2.3(b).

“**Second Tranche Replacing Commitment Parties**” has the meaning set forth in Section 2.3(b).

“**Second Tranche Rights Offering**” means the rights offering that is backstopped by the Commitment Parties for the Second Tranche Rights Offering Amount in connection with the Restructuring Transactions substantially on the terms reflected in the Restructuring Support Agreement and this Agreement, and in accordance with the Rights Offering Procedures.

“**Second Tranche Rights Offering Shares**” means 27,500,000 Preferred Shares to be distributed pursuant to and in accordance with the Rights Offering Procedures in the Second Tranche Rights Offering.

“**Second Tranche Rights Offering Amount**” means an amount equal to \$240,000,000 (or, if there is a Rights Offering Increase, \$275,000,000).

“**Second Tranche Rights Offering Participants**” means those Persons who duly subscribe for Second Tranche Rights Offering Shares in accordance with the Rights Offering Procedures.

“**Second Tranche Subscription Rights**” means the subscription rights to purchase Second Tranche Rights Offering Shares.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Subscription Rights**” means all of the First Tranche Subscription Rights and the Second Tranche Subscription Rights.

“**Subsidiary**” means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other subsidiary), (a) owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests, (b) has the power to elect a majority of the board of directors or similar governing body, or (c) has the power to direct the business and policies.

“**Taxes**” means all taxes, assessments, duties, levies or other mandatory governmental charges paid to a Governmental Entity, including all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, excise, severance, windfall profits, stamp, payroll, social security, withholding and other taxes, assessments, duties, levies or other mandatory governmental charges of any kind whatsoever paid to a Governmental Entity (whether payable directly or by withholding and whether or not requiring the filing of a return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest thereon and shall include any liability for such amounts as a result of being a member of a combined, consolidated, unitary or affiliated group. For the avoidance of doubt, such term shall exclude any tax, penalties or interest thereon that result or have resulted from the non-payment of royalties.

“**Third Party**” means any Person other than the Company, the Commitment Parties or any of their respective Affiliates.

“**Transaction Agreements**” has the meaning set forth in Section 4.2(a).

“**Transfer**” means to sell, transfer, assign, pledge, hypothecate, participate, donate or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales or other transactions in which any Person receives the right to own or acquire any current or future interest in a Subscription Right, a Note Claim or a Rights Offering Share).

“**Transfer**” used as a noun has a correlative meaning.

“**Transition Services Agreement**” means the transition services and separation agreement by and between the LINN Debtors and the Debtors, as contemplated under the Plan, which shall be satisfactory in form and substance to the Requisite Commitment Parties.

“**Unfunded Pension Liability**” means the excess of a Company Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Company Plan’s assets, determined in accordance with the assumptions used for funding the Company Plan pursuant to Section 412 of the Code for the applicable plan year.

“**Unlegended Shares**” has the meaning set forth in Section 6.9.

“**Unsubscribed Shares**” means the Second Tranche Rights Offering Shares that have not been duly purchased in the Second Tranche Rights Offering in accordance with the Rights Offering Procedures and the Plan.

“**willful or intentional breach**” has the meaning set forth in Section 9.4(a).

“**Withdrawal Liability**” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Section 4203 of ERISA.

Section 1.2 Construction. In this Agreement, unless the context otherwise requires:

(a) references to Articles, Sections, Exhibits and Schedules are references to the articles and sections or subsections of, and the exhibits and schedules attached to, this Agreement;

(b) references in this Agreement to “writing” or comparable expressions include a reference to a written document transmitted by means of electronic mail in portable document format (pdf), facsimile transmission or comparable means of communication;

(c) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;

(d) the words “hereof”, “herein”, “hereto” and “hereunder”, and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits and Schedules attached to this Agreement, and not to any provision of this Agreement;

(e) the term “this Agreement” shall be construed as a reference to this Agreement as the same may have been, or may from time to time be, amended, modified, varied, novated or supplemented, and all Exhibits and Schedules hereto;

(f) “include”, “includes” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words;

(g) references to “day” or “days” are to calendar days;

(h) references to “the date hereof” means the date of this Agreement;

(i) unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder in effect from time to time; and

(j) references to “dollars” or “\$” refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II

BACKSTOP COMMITMENT

Section 2.1 The Rights Offering; Subscription Rights. On and subject to the terms and conditions hereof, including entry of the BCA Approval Order, the Company, on behalf of the Reorganized Company, shall conduct the Rights Offerings pursuant to and in accordance with the Rights Offering Procedures and the Plan Solicitation Order. If reasonably requested by the Requisite Commitment Parties, from time to time prior to the Rights Offering Expiration Time (and any extensions thereto), the Company shall notify, or cause the Rights Offering Subscription Agent to notify, within two (2) Business Days of receipt of such request by the Company, the Commitment Parties of the aggregate number of Second Tranche Subscription Rights known by the Company or the Rights Offering Subscription Agent to have been exercised pursuant to the Second Tranche Rights Offering as of the most recent practicable time before such request. The Rights Offerings and the offer and sale of the Unsubscribed Shares purchased by the Commitment Parties pursuant to this Agreement will be made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act or another available exemption from registration under the Securities Act (including, to the extent applicable, section 1145 of the Bankruptcy Code), and the Disclosure Statement shall include a statement to such effect.

Section 2.2 The Backstop Commitment.

(a) On and subject to the terms and conditions hereof, including entry of the BCA Approval Order, (i) each Initial Commitment Party agrees, severally and not jointly, to fully exercise all First Tranche Subscription Rights that are issued to it pursuant to the First Tranche Rights Offering and duly purchase all First Tranche Rights Offering Shares issuable to it pursuant to such exercise (such obligation to purchase, the “**First Tranche Backstop Commitment**”), and (ii) each Commitment Party agrees, severally and not jointly, to fully exercise all Second Tranche Subscription Rights that are issued to it pursuant to the Second

Tranche Rights Offering and duly purchase all Second Tranche Rights Offering Shares issuable to it pursuant to such exercise, in each case in accordance with the Rights Offering Procedures and the Plan; provided that any Defaulting Commitment Party shall be severally liable to each non-Defaulting Commitment Party, the Company and the Reorganized Company as a result of any breach of its obligations hereunder.

(b) On and subject to the terms and conditions hereof, including entry of the Confirmation Order, each Commitment Party agrees, severally and not jointly, to purchase, and the Reorganized Company shall sell to such Commitment Party, on the Closing Date for the applicable aggregate Per Share Purchase Price, the number of Unsubscribed Shares equal to (x) such Commitment Party's Second Tranche Backstop Commitment Percentage multiplied by (y) the aggregate number of Unsubscribed Shares (such obligation to purchase, the "**Second Tranche Backstop Commitment**"), rounded among the Commitment Parties solely to avoid fractional shares as the Requisite Commitment Parties may determine in their sole discretion (provided that in no event shall such rounding reduce the aggregate commitment of such Commitment Parties).

(c) No Commitment Party shall have any liability for the Backstop Commitment of any other Commitment Party except with respect to the obligation of an Initial Commitment Party that is not a Defaulting Commitment Party to purchase any First Tranche Available Shares pursuant to Section 2.3(a).

Section 2.3 Commitment Party Default.

(a) Upon the occurrence of a First Tranche Commitment Party Default, the Initial Commitment Party that is not the Defaulting Commitment Party shall, within three (3) Business Days after receipt of written notice from the Company to all Initial Commitment Parties of such First Tranche Commitment Party Default, which notice shall be given promptly following the occurrence of such First Tranche Commitment Party Default and to all Initial Commitment Parties concurrently (such three (3) Business Day period, the "**First Tranche Commitment Party Replacement Period**"), make arrangements for such Initial Commitment Party that is not a Defaulting Commitment Party to purchase, and shall purchase, all of the First Tranche Available Shares (any such purchase, and any purchase by Commitment Parties that are not Initial Commitment Parties pursuant to the last sentence of this paragraph, a "**First Tranche Commitment Party Replacement**," and such Initial Commitment Party, and any Commitment Parties that are not Initial Commitment Parties that purchase First Tranche Available Shares pursuant to the last sentence of this paragraph, the "**First Tranche Replacing Commitment Parties**") on the terms and subject to the conditions set forth in this Agreement. In the event the Initial Commitment Parties fail to purchase all of the First Tranche Available Shares pursuant to the foregoing provisions of this paragraph, the Company shall give prompt written notice thereof to each of the Commitment Parties that are not Initial Commitment Parties that have the right to purchase Second Tranche Available Shares pursuant to Section 2.3(b), and such Commitment Parties shall have the right, but not the obligation, to purchase all or any portion of the remaining First Tranche Available Shares on the same terms and conditions as if they were Second Tranche Available Shares under Section 2.3(b) within three (3) Business Days of receiving notice from the Company.

(b) Upon the occurrence of a Second Tranche Commitment Party Default, the Commitment Parties that are, or are Affiliated with, a Commitment Party (other than any Defaulting Commitment Party) shall have the right, but not the obligation, within three (3) Business Days after receipt of written notice from the Company to all Commitment Parties of such Second Tranche Commitment Party Default, which notice shall be given promptly following the occurrence of such Second Tranche Commitment Party Default and to all Commitment Parties concurrently (such three (3) Business Day period, the “**Second Tranche Commitment Party Replacement Period**” and, together with the First Tranche Commitment Party Replacement Period, the “**Commitment Party Replacement Period**”), to make arrangements for one or more of the Commitment Parties that is, or is Affiliated with, a Commitment Party (other than any Defaulting Commitment Party) to purchase all or any portion of the Second Tranche Available Shares (any such purchase, a “**Second Tranche Commitment Party Replacement**” and, together with the First Tranche Commitment Party Replacement, the “**Commitment Party Replacement**”) on the terms and subject to the conditions set forth in this Agreement and in such amounts as may be agreed upon by all of the Commitment Parties electing to purchase all or any portion of the Second Tranche Available Shares, or, if no such agreement is reached, based upon the relative applicable Second Tranche Backstop Commitment Percentages of any such Commitment Parties that are, or are Affiliated with, a Commitment Party (other than the Defaulting Commitment Party) (such Commitment Parties, the “**Second Tranche Replacing Commitment Parties**” and, together with the First Tranche Replacing Commitment Parties, the “**Replacing Commitment Parties**”).

(c) In the event that any Available Shares are available for purchase pursuant to Section 2.3(a) or Section 2.3(b) and Commitment Parties do not purchase all such Available Shares pursuant to the provisions thereof, the Company may, in its sole discretion, elect to utilize the Cover Transaction Period to consummate a Cover Transaction. As used herein, “**Cover Transaction**” means a circumstance in which the Company arranges for the sale of all or any portion of the Available Shares to any other Person, on the terms and subject to the conditions set forth in this Agreement, during the Cover Transaction Period, and “**Cover Transaction Period**” means the ten (10) Business Day period following expiration of the Commitment Party Replacement Period. For the avoidance of doubt, the Company’s election to pursue a Cover Transaction, whether or not consummated, shall not relieve any Commitment Party of its obligation to fulfill its Backstop Commitment.

(d) Any Available Shares purchased by a Replacing Commitment Party (and any commitment and applicable aggregate Per Share Purchase Price associated therewith) shall be included, among other things, in the determination of (x) the Unsubscribed Shares of such Replacing Commitment Party for all purposes hereunder, (y) the Backstop Commitment Percentage of such Replacing Commitment Party for purposes of Section 2.3(f), Section 2.4(b), Section 3.1 and Section 3.2 and (z) the Backstop Commitment of such Replacing Commitment Party for purposes of the definition of “Requisite Commitment Parties”. If a Commitment Party Default occurs, the Outside Date shall be delayed only to the extent necessary to allow for (i) the Commitment Party Replacement to be completed within the Commitment Party Replacement Period and/or (ii), if applicable, the Cover Transaction to be completed within the Cover Transaction Period.

(e) If a Commitment Party is a Defaulting Commitment Party, it shall not be entitled to any of the Commitment Premium hereunder.

(f) Nothing in this Agreement shall be deemed to require, (i) with respect to its obligations set forth in Section 2.2(a)(i), an Initial Commitment Party to purchase more than its First Tranche Backstop Commitment Percentage of the First Tranche Rights Offering Shares or (ii) with respect to the Unsubscribed Shares, a Commitment Party to purchase more than its Second Tranche Backstop Commitment Percentage of any Unsubscribed Shares.

(g) For the avoidance of doubt, notwithstanding anything to the contrary set forth in Section 9.4 but subject to Section 10.10, no provision of this Agreement shall relieve any Defaulting Commitment Party from liability hereunder, or limit the availability of the remedies set forth in Section 10.9, in connection with any such Defaulting Commitment Party's Commitment Party Default.

Section 2.4 Escrow Account Funding.

(a) Funding Notice. No later than the seventh (7th) Business Day following the Rights Offering Expiration Time, the Rights Offering Subscription Agent shall, on behalf of the Company, deliver to each Commitment Party a written notice (the "Funding Notice," and the date of such delivery, the "Funding Notice Date") setting forth (i) the number of Second Tranche Rights Offering Shares elected to be purchased by the Rights Offering Participants, and the aggregate Per Share Purchase Price therefor in each case; (ii) the aggregate number of Unsubscribed Shares, if any, and the aggregate Per Share Purchase Price therefor in each case; (iii) the aggregate number of Second Tranche Rights Offering Shares (based upon such Commitment Party's Second Tranche Backstop Commitment Percentage) to be issued and sold by the Reorganized Company to such Commitment Party on account of any Unsubscribed Shares and the aggregate Per Share Purchase Price therefor; (iv) if applicable, the number of First Tranche Rights Offering Shares and/or Second Tranche Rights Offering Shares, as applicable, such Commitment Party is subscribed for in the Rights Offerings and for which such Commitment Party had not yet paid to the Rights Offering Subscription Agent the aggregate Per Share Purchase Price therefor, together with such aggregate Per Share Purchase Price; and (v) subject to the last sentence of Section 2.4(b), the escrow account designated in escrow agreements satisfactory to the Requisite Commitment Parties and the Company, each acting reasonably, to which such Commitment Party shall deliver and pay the aggregate Per Share Purchase Price for such Commitment Party's Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares and the aggregate Per Share Purchase Price for the First Tranche Rights Offering Shares and/or Second Tranche Rights Offering Shares, as applicable, such Commitment Party has subscribed for in the Rights Offerings (the "Escrow Account"). The Company shall promptly direct the Rights Offering Subscription Agent to provide any written backup, information and documentation relating to the information contained in the applicable Funding Notice as any Commitment Party may reasonably request.

(b) Escrow Account Funding. On the date agreed with the Requisite Commitment Parties pursuant to escrow agreements satisfactory to the Requisite Commitment Parties and the Company, each acting reasonably (the "Escrow Account Funding Date"), each Commitment Party shall deliver and pay an amount equal to the sum of (i) the aggregate Per

Share Purchase Price for such Commitment Party's Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares, plus (ii) the aggregate Per Share Purchase Price for the Preferred Shares issuable pursuant to such Commitment Party's exercise of all the Subscription Rights issued to it in the Rights Offerings, by wire transfer of immediately available funds in U.S. dollars into the Escrow Account in satisfaction of such Commitment Party's Backstop Commitment and its obligation to fully exercise its Subscription Rights; provided, that in no event shall the Escrow Account Funding Date be less than four (4) Business Days after the Funding Notice Date or more than four (4) Business Days prior to the Effective Date. Notwithstanding the foregoing, all payments contemplated to be made by any Commitment Party to the Escrow Account pursuant to this Section 2.4 may instead be made, at the option of such Commitment Party, to a segregated bank account of the Rights Offering Subscription Agent designated by the Rights Offering Subscription Agent in the Funding Notice and shall be delivered and paid to such account on the Escrow Account Funding Date.

Section 2.5 Closing.

(a) Subject to Article VII, unless otherwise mutually agreed in writing between the Company and the Requisite Commitment Parties, the closing of the Backstop Commitments (the "Closing") shall take place at the offices of Kirkland & Ellis LLP, 601 Lexington Ave, New York, New York 10022, at 10:00 a.m., New York City time, on the date on which all of the conditions set forth in Article VII shall have been satisfied or waived in accordance with this Agreement (other than conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date on which the Closing actually occurs shall be referred to herein as the "Closing Date".

(b) At the Closing, the funds held in the Escrow Account (and any amounts paid to a Rights Offering Subscription Agent bank account pursuant to the last sentence of Section 2.4(b)) shall, as applicable, be released and utilized in accordance with the Plan.

(c) At the Closing, issuance of the Unsubscribed Shares will be made by the Reorganized Company to each Commitment Party (or to its designee in accordance with Section 2.6(a)) against payment of the aggregate Per Share Purchase Price for the Unsubscribed Shares purchased by such Commitment Party, in satisfaction of such Commitment Party's Second Tranche Backstop Commitment. Unless a Commitment Party requests delivery of a physical stock certificate, the entry of any Unsubscribed Shares to be delivered pursuant to this Section 2.5(c) into the account of a Commitment Party pursuant to the Reorganized Company's book entry procedures and delivery to such Commitment Party of an account statement reflecting the book entry of such Unsubscribed Shares shall be deemed delivery of such Unsubscribed Shares for purposes of this Agreement. Notwithstanding anything to the contrary in this Agreement, all Unsubscribed Shares will be delivered with all issue, stamp, transfer, sales and use, or similar transfer Taxes or duties that are due and payable (if any) in connection with such delivery duly paid by the Company on behalf of the Reorganized Company.

Section 2.6 Designation of Rights; Joinders.

(a) Each Commitment Party shall have the right to designate by written notice to the Company no later than two (2) Business Days prior to the Closing Date that some

or all of the Unsubscribed Shares that it is obligated to purchase hereunder be issued in the name of, and delivered to, one or more of its Affiliates or Affiliated Funds (other than any portfolio company of such Commitment Party or its Affiliates) (each, a “**Related Purchaser**”) upon receipt by the Company of payment therefor in accordance with the terms hereof, which notice of designation shall (i) be addressed to the Company and signed by such Commitment Party and each such Related Purchaser, (ii) specify the number of Unsubscribed Shares to be delivered to or issued in the name of such Related Purchaser and (iii) contain a confirmation by each such Related Purchaser of the accuracy of the representations set forth in Section 5.6 through Section 5.9 as applied to such Related Purchaser; provided, that no such designation pursuant to this Section 2.6(a) shall relieve such Commitment Party from its obligations under this Agreement.

(b) Each Commitment Party, severally and not jointly, agrees that it will not Transfer, at any time prior to the Closing Date or the earlier termination of this Agreement in accordance with its terms, any of its rights and obligations under this Agreement, including all or any portion of its Backstop Commitment, to any Person other than in accordance with Section 2.6(a); provided that such rights and obligations of a Commitment Party may be transferred with the consent of the Company and the Requisite Commitment Parties (which consent will not, in either case, unreasonably be withheld, but which consent shall not be required in the case of a transfer to an Affiliated Fund of a Commitment Party (provided that the following clauses (i) through (iii) are complied with)) to a Qualified Assignee who agrees to assume the rights and obligations of the transferring Commitment Party under this Agreement and the Restructuring Support Agreement, and who (i) is an “accredited investor” within the meaning of Rule 501(a) of the Securities Act or a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act, and shall have provided the Debtors evidence of the foregoing to the Debtors’ sole satisfaction, (ii) shall have delivered to the Debtors a duly executed joinder to this Agreement and a transfer agreement in connection with the Restructuring Support Agreement substantially in the forms attached as Exhibit C and Exhibit D hereto, respectively, and (iii) shall have deposited with an agent of the Debtors (or into an escrow account under arrangements satisfactory to the Debtors) funds sufficient to satisfy such transferee’s Backstop Commitment, unless the Debtors shall have determined, in their reasonable discretion, that such transferee is capable of fulfilling such obligations. After the Effective Date, nothing in this Agreement shall limit or restrict in any way the ability of any Commitment Party (or any permitted transferee thereof) to Transfer any of the Preferred Shares or any interest therein; provided, that any such Transfer shall be made pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements thereunder and pursuant to applicable securities Laws. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement, nothing contained in this Agreement shall prohibit or restrict the ability of any Commitment Party to Transfer its Notes at any time to any Person; provided, however, any Transfer of Notes by a Commitment Party shall be in accordance with the terms of the Restructuring Support Agreement.

ARTICLE III

BACKSTOP COMMITMENT PREMIUM AND EXPENSE REIMBURSEMENT

Section 3.1 Premium Payable by the Company. Subject to Section 3.2, in consideration for the Backstop Commitment and the other agreements of the Commitment Parties in this Agreement, the Debtors shall pay or cause to be paid a nonrefundable aggregate premium equal to \$23,450,000, which represents 7.0% of the Rights Offering Amount (if there is a Rights Offering Increase), payable in accordance with Section 3.2, to the Commitment Parties (including any Replacing Commitment Party, but excluding any Defaulting Commitment Party) or their designees based upon their respective Aggregate Backstop Commitment Percentages at the time such payment is made (the "Commitment Premium").

The provisions for the payment of the Commitment Premium and Expense Reimbursement, and the indemnification provided herein, are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement.

Section 3.2 Payment of Commitment Premium. The Commitment Premium shall be fully earned, nonrefundable and non-avoidable upon entry of the BCA Approval Order, and shall be paid by the Debtors, free and clear of any withholding or deduction for any applicable Taxes or any other claim, setoff, or reserve, on the Closing Date or, if the Commitment Premium becomes payable pursuant to Section 9.4(b), within the time specified therein. For the avoidance of doubt, the Commitment Premium will be payable as provided herein, irrespective of the amount of Unsubscribed Shares (if any) actually purchased. The Company (or the Reorganized Company, in the case of an issuance of Preferred Shares pursuant to this Section 3.2) shall satisfy its obligation to pay the Commitment Premium by delivering to each Commitment Party (including any Replacing Commitment Party, but excluding any Defaulting Commitment Party) or its designee, at or prior to the applicable payment deadline, its ratable share, based on the Commitment Parties' respective Aggregate Backstop Commitment Percentages on the date of such payment, of the following: (i) if the Commitment Premium is payable as a result of the Closing, the ratable portion of 2,345,000 additional Preferred Shares to the address specified in writing by such Commitment Party to the Company or (ii) if the Commitment Premium is payable pursuant to Section 9.4(b), the ratable portion of \$23,450,000 in cash, by wire transfer of immediately available funds in U.S. dollars to the account specified in writing by such Commitment Party to the Company; provided that the aggregate Commitment Premium payable pursuant to this Section 3.2 shall be reduced ratably (whether payable in Preferred Shares or in cash) upon a Commitment Party Default based on the Aggregate Backstop Commitment Percentage of the Defaulting Commitment Party; provided, further, that if a Commitment Party Replacement sufficient to cure all or a portion of the Commitment Party Default occurs within the Commitment Party Replacement Period, the Commitment Premium shall only be ratably reduced to the extent of the uncured Commitment Party Default, and such amount that would have otherwise been reduced shall be paid to the Replacing Commitment Parties. Other than with respect to a Defaulting Commitment Party, the Commitment Premium (i) will not be refundable under any circumstance or creditable against any other fee or other amount paid in connection with this Agreement (or any of the transactions contemplated hereby) or otherwise and (ii) shall be paid without setoff or recoupment and shall not be subject to

defense or offset on account of any claim, defense or counterclaim. The Debtors' obligations with respect to the Commitment Premium shall constitute an administrative expense of the Debtors under sections 503(b) and 507 of the Bankruptcy Code.

Section 3.3 Expense Reimbursement.

(a) In accordance with and subject to the BCA Approval Order, whether or not the transactions contemplated hereunder are consummated, the Debtors agree to pay, in accordance with Section 3.3(b) below, all reasonably incurred and documented fees and expenses of all of the attorneys, accountants, other professionals, advisors, and consultants incurred on behalf of the Ad Hoc Committee, whether incurred in connection with the Chapter 11 Cases or the preparation therefor, including the transactions contemplated by this Agreement and the Restructuring Support Agreement, including the fees and expenses of Quinn, Norton Rose and Houlihan Lokey (such payment obligations, the "**Expense Reimbursement**"). The Expense Reimbursement shall, pursuant to the BCA Approval Order, constitute allowed administrative expenses against each of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code.

(b) The Expense Reimbursement described in Section 3.3(a) shall be paid in accordance with the Restructuring Support Agreement. The Expense Reimbursement accrued through the date on which the BCA Approval Order is entered shall be paid in accordance with the BCA Approval Order upon its entry by the Bankruptcy Court and as promptly as reasonably practicable after the date of the entry of the BCA Approval Order. The Expense Reimbursement shall thereafter be payable on a monthly basis by the Debtors in accordance with the BCA Approval Order; provided, that the Debtors shall not owe Expense Reimbursements from and after the Closing or termination of this Agreement pursuant to Article IX, and the final payment thereof (for periods preceding the Closing or termination, as applicable) shall be made contemporaneously with the Closing or as promptly as reasonably practicable after termination. The Commitment Parties shall promptly provide summary copies of all invoices (redacted as necessary to protect privileges) to the Debtors and to the United States Trustee. Unless otherwise ordered by the Bankruptcy Court, no recipient of any payment hereunder shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except (i) as set forth in the corresponding section of the Company Disclosure Schedules or (ii) other than with respect to Section 4.7, as expressly disclosed on the face of Company SEC Documents filed with the SEC on or after December 31, 2015 and publicly available on the SEC's Electronic Data Gathering, Analysis and Retrieval system prior to November 1, 2016 (the "**SEC Disclosures**") (excluding the exhibits, annexes and schedules thereto, and disclosures contained in the "Forward-Looking Statements" or "Risk Factors" sections thereof, or any other statements that are similarly predictive, cautionary or forward looking in nature), provided that each Company Disclosure Schedule which incorporates any SEC Disclosure clearly identifies which SEC Disclosure is being incorporated, the Company

hereby represents and warrants to the Commitment Parties (unless otherwise set forth herein, as of the date of this Agreement and as of the Closing Date) as set forth below.

Section 4.1 Organization and Qualification. Each of the Debtors (a) is a duly organized and validly existing corporation, limited liability company or limited partnership, as the case may be, and, if applicable, in good standing (or the equivalent thereof) under the Laws of the jurisdiction of its incorporation or organization, (b) has the corporate or other applicable power and authority to own its property and assets and to transact the business in which it is currently engaged and presently proposes to engage (except requirements related to operating properties not currently operated by the Debtors) and (c) except where the failure to have such authority or qualification would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business as currently conducted requires such qualifications.

Section 4.2 Corporate Power and Authority.

(a) The Company has the requisite corporate power and authority (i) (A) subject to entry of the BCA Approval Order and the Confirmation Order, to enter into, execute and deliver this Agreement and to perform the BCA Approval Obligations and (B) subject to entry of the BCA Approval Order and the Confirmation Order, to perform each of its other obligations hereunder and (ii) subject to entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order, to consummate the transactions contemplated herein and in the Plan, to enter into, execute and deliver all agreements to which it will be a party as contemplated by this Agreement and the Plan (this Agreement, the Plan, the Disclosure Statement, the Restructuring Support Agreement, the Exit Facility, and such other agreements and any Plan supplements or documents referred to herein or therein or hereunder or thereunder, collectively, the “**Transaction Agreements**”) and to perform its obligations under each of the Transaction Agreements (other than this Agreement). Subject to the receipt of the foregoing Orders, as applicable, the execution and delivery of this Agreement and each of the other Transaction Agreements and the consummation of the transactions contemplated hereby and thereby have been or will be duly authorized by all requisite corporate action on behalf of the Company, and no other corporate proceedings on the part of the Company are or will be necessary to authorize this Agreement or any of the other Transaction Agreements or to consummate the transactions contemplated hereby or thereby.

(b) Notwithstanding the foregoing, the Company makes no express or implied representations or warranties with respect to actions (including in the foregoing) to be undertaken by the Reorganized Company, which such actions shall be governed by the Plan.

Section 4.3 Execution and Delivery; Enforceability. Subject to entry of the BCA Approval Order, this Agreement will have been, and subject to the entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order, each other Transaction Agreement will be, duly executed and delivered by the Company. Upon entry of the BCA Approval Order and assuming due and valid execution and delivery hereof by the Commitment Parties, the BCA Approval Obligations will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms,

subject to bankruptcy, insolvency, reorganization, moratorium and other similar Laws now or hereafter in effect relating to creditors' rights generally and subject to general principles of equity. Upon entry of the BCA Approval Order and assuming due and valid execution and delivery of this Agreement and the other Transaction Agreements by the Commitment Parties and, to the extent applicable, any other parties hereof and thereof, each of the obligations of the Company will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar Laws now or hereafter in effect relating to creditor's rights generally and subject to general principles of equity.

Section 4.4 Authorized and Issued Equity Interests. Except as set forth in this Agreement, as of the Closing Date, none of the Debtors will be party to or otherwise bound by or subject to any outstanding option, warrant, call, right, security, commitment, Contract, arrangement or undertaking (including any preemptive right) that (i) obligates any of the Debtors to issue, deliver, sell or transfer, or repurchase, redeem or otherwise acquire, or cause to be issued, delivered, sold or transferred, or repurchased, redeemed or otherwise acquired, any units or shares of capital stock of, or other equity or voting interests in, any of the Debtors or any security convertible or exercisable for or exchangeable into any units or shares of capital stock of, or other equity or voting interests in, any of the Debtors, (ii) obligates any of the Debtors to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking, (iii) restricts the Transfer of any units or shares of capital stock of, or other equity interests in, any of the Debtors or (iv) relates to the voting of any units or other equity interests in any of the Debtors.

Section 4.5 No Conflict. Assuming the consents described in clauses (a) through (g) of Section 4.6 are obtained, the execution and delivery by the Company of this Agreement, the Plan and the other Transaction Agreements, the compliance by the Company with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein will not (a) conflict with, or result in a breach, modification or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result, except to the extent specified in the Plan, in the acceleration of, or the creation of any Lien under, or cause any payment or consent to be required under any Contract to which any Debtor will be bound as of the Closing Date after giving effect to the Plan or to which any of the property or assets of any Debtor will be subject as of the Closing Date after giving effect to the Plan, (b) result in any violation of the provisions of any of the Debtors' organizational documents (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases or the Company's undertaking to implement the Restructuring Transactions through the Chapter 11 Cases), or (c) result in any violation of any Law or Order applicable to any Debtor or any of their properties, except in each of the cases described in clause (a) or (c) for any conflict, breach, modification, violation, default, acceleration or Lien which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.6 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over any of the Debtors or any of their properties (each, an "Applicable Consent") is required for the execution and delivery by the Company of this Agreement, the Plan and the

other Transaction Agreements, the compliance by the Company with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein, except for (a) the entry of the BCA Approval Order authorizing the Company to assume this Agreement and perform the BCA Approval Obligations, (b) entry of the Plan Solicitation Order, (c) entry by the Bankruptcy Court, or any other court of competent jurisdiction, of Orders as may be necessary in the Chapter 11 Cases from time-to-time; (d) the entry of the Confirmation Order, (e) filings, notifications, authorizations, approvals, consents, clearances or termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement, (f) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or “Blue Sky” Laws in connection with the purchase of the Unsubscribed Shares by the Commitment Parties, the issuance of the Subscription Rights, the issuance of the Rights Offering Shares pursuant to the exercise of the Subscription Rights, the issuance of Preferred Shares as payment of the Commitment Premium, and (g) any Applicable Consents that, if not made or obtained, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.7 Company SEC Documents and Disclosure Statement. Since December 31, 2015, the Company has filed all required Company SEC Documents with the SEC. No Company SEC Document that has been filed prior to the date this representation has been made, after giving effect to any amendments or supplements thereto and to any subsequently filed Company SEC Documents, in each case filed prior to the date this representation is made, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Disclosure Statement as approved by the Bankruptcy Court will contain “adequate information,” as such term is defined in section 1125 of the Bankruptcy Code, and will otherwise comply in all material respects with section 1125 of the Bankruptcy Code.

Section 4.8 Absence of Certain Changes. Since December 31, 2015 to the date of this Agreement, no Event has occurred or exists that constitutes, individually or in the aggregate, a Material Adverse Effect.

Section 4.9 No Violation; Compliance with Laws. None of the Debtors is in violation of its respective charter or bylaws, certificate of formation or limited liability company operating agreement or similar organizational document in any material respect. None of the Debtors is or has been at any time since January 1, 2014 in violation of any Law or Order, except for any such violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.10 Legal Proceedings. Other than the Chapter 11 Cases and any adversary proceedings or contested motions commenced in connection therewith, there are no material legal, governmental, administrative, judicial or regulatory investigations, audits, actions, suits, claims, arbitrations, demands, demand letters, claims, notices of noncompliance or violations, or proceedings (“Legal Proceedings”) pending or, to the Knowledge of the Company, threatened to which any of the Debtors is a party or to which any property of any of the Debtors is the subject, in each case that in any manner draws into question the validity or

enforceability of this Agreement, the Plan or the other Transaction Agreements or that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.11 Labor Relations. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) there are no strikes or other labor disputes pending or threatened against any of the Debtors; (b) the hours worked and payments made to employees of any of the Debtors have not been in violation of the Fair Labor Standards Act or any other applicable Law dealing with such matters; (c) all payments due from any of the Debtors or for which any claim may be made against any of the Debtors on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of any of the Debtors to the extent required by GAAP; and (d) the Debtors and all Affiliates thereof are in compliance with the Worker Adjustment and Retraining Notification Act and any similar Laws. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the consummation of the transactions contemplated by the Transaction Agreements will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to which any of the Debtors (or any predecessor) is a party or by which any of the Debtors (or any predecessor) is bound.

Section 4.12 Intellectual Property. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) each of the Debtors owns, or possesses the right to use, all of the patents, patent rights, trademarks, service marks, trade names, copyrights, mask works, domain names, and any and all applications or registrations for any of the foregoing (collectively, "**Intellectual Property Rights**") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, (b) to the Knowledge of the Company, none of the Debtors nor any Intellectual Property Right, proprietary right, product, process, method, substance, part, or other material now employed, sold or offered by or contemplated to be employed, sold or offered by such Person, is interfering with, infringing upon, misappropriating or otherwise violating any valid Intellectual Property Rights of any Person, and (c) no claim or litigation regarding any of the foregoing is pending or, to the Knowledge of the Company, threatened.

Section 4.13 Title to Real and Personal Property.

(a) Real Property. Each of the Debtors has good and defensible title to its respective Real Properties, in each case, except for Permitted Liens and except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes, and except where the failure (or failures) to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, however, the enforceability of such leased Real Properties may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally or general principles of equity, including the Chapter 11 Cases. To the Knowledge of the Company, all such properties and assets are free and clear of Liens, except for Permitted Liens and except for such Liens as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Leased Real Property. Each of the Debtors is in compliance with all obligations under all leases to which it is a party that have not been rejected in the Chapter 11 Cases, except where the failure to comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and none of the Debtors has received written notice of any good faith claim asserting that such leases are not in full force and effect, except leases in respect of which the failure to be in full force and effect would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each of the Debtors enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to materially interfere with its ability to conduct its business as currently conducted or have, individually or in the aggregate, a Material Adverse Effect.

(c) Personal Property. Each of the Debtors owns or possesses the right to use all Intellectual Property Rights and all licenses and rights with respect to any of the foregoing used in the conduct of their businesses, without any conflict (of which any of the Debtors has been notified in writing) with the rights of others, and free from any burdensome restrictions on the present conduct of the Debtors, as the case may be, except where such conflicts and restrictions would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.14 No Undisclosed Relationships. Other than Contracts or other direct or indirect relationships between or among any of the Debtors, there are no Contracts or other direct or indirect relationships existing as of the date hereof between or among any of the Debtors, on the one hand, and any director, officer or greater than five percent (5%) stockholder of any of the Debtors, on the other hand, that is required by the Exchange Act to be described in the Company's filings with the SEC and that is not so described, except for the transactions contemplated by this Agreement. Any Contract existing as of the date hereof between or among any of the Debtors, on the one hand, and any director, officer or greater than five percent (5%) stockholder of any of the Debtors, on the other hand, that is required by the Exchange Act to be described in the Company's filings with the SEC is filed as an exhibit to, or incorporated by reference as indicated in, the Annual Report on Form 10-K for the year ended December 31, 2015 that the Company filed on March 15, 2016, as amended on April 20, 2016, or any other Company SEC Document filed between March 15, 2016 and the date hereof.

Section 4.15 Licenses and Permits. The Debtors possess all licenses, certificates, permits and other authorizations issued by, have made all declarations and filings with and have maintained all financial assurances required by, the appropriate Governmental Entities that are necessary for the ownership or lease of their respective properties as currently operated and the conduct of the business, except where the failure to possess, make or give the same would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. None of the Debtors (i) has received notice of any revocation or modification of any such license, certificate, permit or authorization or (ii) has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except to the extent that any of the foregoing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.16 Environmental. Except as to matters disclosed on Part 3, Question 7 of the Company's Statement of Financial Affairs filed with the Bankruptcy Court in the Chapter 11 Cases and matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) no written notice, claim, demand, request for information, Order, complaint or penalty has been received by any of the Debtors, and there are no Legal Proceedings pending or, to the Knowledge of the Company, threatened which allege a violation of or liability under any Environmental Laws, in each case relating to any of the Debtors, (b) each Debtor has received (including timely application for renewal of the same), and maintained in full force and effect, all environmental permits, licenses and other approvals, and has maintained all financial assurances, in each case to the extent necessary for its operations to comply with all applicable Environmental Laws and is, and since January 1, 2014, has been, in compliance with the terms of such permits, licenses and other approvals and with all applicable Environmental Laws, (c) to the Knowledge of the Company, no Hazardous Material is located at, on or under any property currently or formerly owned, operated or leased by any of the Debtors that would reasonably be expected to give rise to any cost, liability or obligation of any of the Debtors under any Environmental Laws other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, (d) no Hazardous Material has been Released, generated, owned, treated, stored or handled by any of the Debtors, and no Hazardous Material has been transported to or Released at any location in a manner that would reasonably be expected to give rise to any cost, liability or obligation of any of the Debtors under any Environmental Laws other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, and (e) there are no agreements in which any of the Debtors has expressly assumed responsibility for any known obligation of any other Person arising under or relating to Environmental Laws that remains unresolved other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, which has not been made available to the Commitment Parties prior to the date hereof. Notwithstanding the generality of any other representations and warranties in this Agreement, the representations and warranties in this Section 4.16 constitute the sole and exclusive representations and warranties in this Agreement with respect to any environmental, health or safety matters, including any arising under or relating to Environmental Laws or Hazardous Materials.

Section 4.17 Tax Returns.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each of the Debtors has filed or caused to be filed all U.S. federal, state, provincial, local and non-U.S. Tax returns required to have been filed by it and (ii) taken as a whole, each such Tax return is true and correct;

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each of the Debtors has timely paid or caused to be timely paid all Taxes shown to be due and payable by it on the returns referred to in clause (a) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the date hereof (except Taxes or assessments that are being contested in good faith by

appropriate proceedings and for which the Debtors (as the case may be) has set aside on its books adequate reserves in accordance with GAAP or with respect to the Debtors only, except to the extent the non-payment thereof is permitted by the Bankruptcy Code), which Taxes, if not paid or adequately provided for, would reasonably be expected to be material to the Debtors taken as a whole; and

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, as of the date hereof, with respect to the Debtors, other than in connection with the Chapter 11 Cases and other than Taxes or assessments that are being contested in good faith and are not expected to result in significant negative adjustments that would be material to the Debtors taken as a whole, (i) no claims have been asserted in writing with respect to any Taxes, (ii) no presently effective waivers or extensions of statutes of limitation with respect to Taxes have been given or requested and (iii) no Tax returns are being examined by, and no written notification of intention to examine has been received from, the IRS or any other Governmental Entity.

Section 4.18 Employee Benefit Plans.

(a) Except for the filing and pendency of the Chapter 11 Cases or otherwise as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Company Plan and each Multiemployer Plan is in compliance with the applicable provisions of ERISA and the Code; (ii) no Reportable Event has occurred during the past six years (or is reasonably likely to occur); (iii) no Company Plan has any Unfunded Pension Liability in excess of \$2,000,000 with respect to any single Company Plan and in excess of \$3,000,000 with respect to all Company Plans in the aggregate; (iv) no ERISA Event has occurred or is reasonably expected to occur; (v) none of the Debtors has engaged in a “prohibited transaction” (as defined in Section 406 of ERISA and Section 4975 of the Code) in connection with any employee pension benefit plan (as defined in Section 3(2) of ERISA) that would subject any of the Debtors to Tax; (vi) no employee welfare plan (as defined in Section 3(1) of ERISA) maintained or contributed to by any of the Debtors provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA); and (vii) none of the Debtors or any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, none of the Debtors has established, sponsored or maintained, or has any liability with respect to, any employee pension benefit plan or other employee benefit plan, program, policy, agreement or arrangement governed by or subject to the Laws of a jurisdiction other than the United States of America.

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there are no pending, or to the Knowledge of the Company, threatened claims, sanctions, actions or lawsuits, asserted or instituted against any Company Plan or any Person as fiduciary or sponsor of any Company Plan, in each case other than claims for benefits in the normal course.

(d) Within the last six years, no Company Plan has been terminated, whether or not in a “standard termination” as that term is used in Section 4041(b)(1) of ERISA, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect nor has any Company Plan with Unfunded Pension Liabilities been transferred outside of the “controlled group” (within the meaning of Section 4001(a)(14) of ERISA).

(e) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all compensation and benefit arrangements of the Debtors comply and have complied in both form and operation with their terms and all applicable Laws and legal requirements, and none of the Debtors has any obligation to provide any individual with a “gross up” or similar payment in respect of any Taxes that may become payable under Section 409A or 4999 of the Code.

(f) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all liabilities (including all employer contributions and payments required to have been made by any of the Debtors) under or with respect to any compensation or benefit arrangement of any of the Debtors have been properly accounted for in the Company’s financial statements in accordance with GAAP.

(g) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each of the Debtors has complied and is currently in compliance with all Laws and legal requirements in respect of personnel, employment and employment practices; (ii) all service providers of each of the Debtors are correctly classified as employees, independent contractors or otherwise for all purposes (including any applicable tax and employment policies or law); and (iii) the Debtors have not and are not engaged in any unfair labor practice.

Section 4.19 Internal Control Over Financial Reporting. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company has established and maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and to the Knowledge of the Company, there are no weaknesses in the Company’s internal control over financial reporting as of the date hereof.

Section 4.20 Disclosure Controls and Procedures. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company maintains disclosure controls and procedures (within the meaning of Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) designed to ensure that information required to be disclosed by the Company in the reports that it files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including that information required to be disclosed by the Company in the reports that it files and submits under the Exchange Act is accumulated and communicated to management of the Company as appropriate to allow timely decisions regarding required disclosure.

Section 4.21 Material Contracts. Other than as a result of a rejection motion filed by any of the Debtors in the Chapter 11 Cases, all Material Contracts are valid, binding and enforceable by and against the Debtor party thereto and, to the Knowledge of the Company, each other party thereto (except where the failure to be valid, binding or enforceable does not constitute a Material Adverse Effect), and no written notice to terminate, in whole or part, any Material Contract has been delivered to any of the Debtors (except where such termination would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect). Other than as a result of the filing of the Chapter 11 Cases, none of the Debtors nor, to the Knowledge of the Company, any other party to any Material Contract, is in material default or breach under the terms thereof, in each case, except for such instances of material default or breach that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.22 No Unlawful Payments. Since January 1, 2014, none of the Debtors nor, to the Knowledge of the Company, any of their respective directors, officers or employees has in any material respect: (a) used any funds of any of the Debtors for any unlawful contribution, gift, entertainment or other unlawful expense, in each case relating to political activity; (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (c) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; or (d) made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment.

Section 4.23 Compliance with Money Laundering Laws. The operations of the Debtors are and, since January 1, 2014 have been at all times, conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the U.S. Currency and Foreign Transactions Reporting Act of 1970, the money laundering statutes of all jurisdictions in which the Debtors operate (and the rules and regulations promulgated thereunder) and any related or similar Laws (collectively, the “Money Laundering Laws”) and no material Legal Proceeding by or before any Governmental Entity or any arbitrator involving any of the Debtors with respect to Money Laundering Laws is pending or, to the Knowledge of the Company, threatened.

Section 4.24 Compliance with Sanctions Laws. None of the Debtors nor, to the Knowledge of the Company, any of their respective directors, officers, employees or other Persons acting on their behalf with express authority to so act is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department. The Company will not directly or indirectly use the proceeds of the Rights Offerings, or lend, contribute or otherwise make available such proceeds to any other Debtor, joint venture partner or other Person, for the purpose of financing the activities of any Person that, to the Knowledge of the Company, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

Section 4.25 No Broker’s Fees. None of the Debtors is a party to any Contract with any Person (other than this Agreement) that would give rise to a valid claim against the Commitment Parties for a brokerage commission, finder’s fee or like payment in connection with the Rights Offerings or the sale of the Unsubscribed Shares.

Section 4.26 Investment Company Act. None of the Debtors is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and this conclusion is based on one or more bases or exclusions other than Sections 3(c)(1) and 3(c)(7) of the Investment Company Act, including that none of the Debtors comes within the basic definition of ‘investment company’ under section 3(a)(1) of the Investment Company Act.

Section 4.27 Insurance. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) the Debtors have insured their properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses and have made available to the Commitment Parties a schedule of such insurance policies in force; (ii) all premiums due and payable in respect of insurance policies maintained by the Debtors have been paid; (iii) the Company reasonably believes that the insurance maintained by or on behalf of the Debtors is adequate in all respects; and (iv) as of the date hereof, to the Knowledge of the Company, none of the Debtors has received notice from any insurer or agent of such insurer with respect to any insurance policies of the Debtors of cancellation or termination of such policies, other than such notices which are received in the ordinary course of business or for policies that have expired in accordance with their terms.

Section 4.28 Alternative Transactions. As of the date hereof, the Company is not pursuing, or in discussions or negotiations regarding, any solicitation, offer, or proposal from any Person concerning any actual or proposed Alternative Transaction and, as applicable, has terminated any existing discussions or negotiations regarding any actual or proposed Alternative Transaction.

Section 4.29 No Registration Requirement. Assuming the accuracy of the representations and warranties of the Backstop Parties set forth in Section 5.8, the offer and issuance of the Unsubscribed Shares to the Commitment Parties pursuant to this Agreement does not require any registration of the Unsubscribed Shares under the Securities Act. None of the Company or any of its Subsidiaries nor any Person acting on its or their behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that could cause this offering of the Unsubscribed Shares to be integrated with any other offerings by the Company for purposes of the Securities Act, nor will the Company or its Affiliates take any action or steps that could cause the offering of the Unsubscribed Shares to be integrated with other offerings.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMMITMENT PARTIES

Each Commitment Party, severally and not jointly, represents and warrants as to itself only (unless otherwise set forth herein, as of the date of this Agreement and as of the Closing Date) as set forth below.

Section 5.1 Organization. Such Commitment Party is a legal entity duly organized, validly existing and, if applicable, in good standing (or the equivalent thereof) under the Laws of its jurisdiction of incorporation or organization.

Section 5.2 Organizational Power and Authority. Such Commitment Party has the requisite power and authority (corporate or otherwise) to enter into, execute and deliver this Agreement and each other Transaction Agreement to which such Commitment Party is a party and to perform its obligations hereunder and thereunder and has taken all necessary action (corporate or otherwise) required for the due authorization, execution, delivery and performance by it of this Agreement and the other Transaction Agreements.

Section 5.3 Execution and Delivery. This Agreement and each other Transaction Agreement to which such Commitment Party is a party (a) has been, or prior to its execution and delivery will be, duly and validly executed and delivered by such Commitment Party and (b) upon entry of the BCA Approval Order and assuming due and valid execution and delivery hereof and thereof by the Company, will constitute valid and legally binding obligations of such Commitment Party, enforceable against such Commitment Party in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar Laws limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 5.4 No Conflict. Assuming that the consents referred to in clauses (a) and (b) of Section 5.5 are obtained, the execution and delivery by such Commitment Party of this Agreement and each other Transaction Agreement to which such Commitment Party is a party, the compliance by such Commitment Party with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein (a) will not conflict with, or result in breach, modification, termination or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time or both), or result in the acceleration of, or the creation of any Lien under, any Contract to which such Commitment Party is party or is bound or to which any of the property or assets or such Commitment Party are subject, (b) will not result in any violation of the provisions of the certificate of incorporation or bylaws (or comparable constituent documents) of such Commitment Party and (c) will not result in any material violation of any Law or Order applicable to such Commitment Party or any of its properties, except in each of the cases described in clauses (a) or (c), for any conflict, breach, modification, termination, violation, default, acceleration or Lien which would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 5.5 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over such Commitment Party or any of its properties is required for the execution and delivery by such Commitment Party of this Agreement and each other Transaction Agreement to which such Commitment Party is a party, the compliance by such Commitment Party with the provisions hereof and thereof and the consummation of the transactions (including the purchase by such Commitment Party of its Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares and its portion of the Rights Offering Shares)

contemplated herein and therein, except (a) any consent, approval, authorization, Order, registration or qualification which, if not made or obtained, would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement and each other Transaction Agreement to which such Commitment Party is a party and (b) filings, notifications, authorizations, approvals, consents, clearances or termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement.

Section 5.6 No Registration. Without limiting Section 6.7, such Commitment Party understands that (a) the Unsubscribed Shares have not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Commitment Party's representations as expressed herein or otherwise made pursuant hereto, and (b) the foregoing shares cannot be sold unless subsequently registered under the Securities Act or an exemption from registration is available.

Section 5.7 Purchasing Intent. Such Commitment Party is acquiring the Unsubscribed Shares for its own account or accounts or funds over which it holds voting discretion, not otherwise as a nominee or agent, and not otherwise with the view to, or for resale in connection with, any distribution thereof not in compliance with applicable securities Laws, and such Commitment Party has no present intention of selling, granting any other participation in, or otherwise distributing the same, except in compliance with applicable securities Laws.

Section 5.8 Sophistication; Investigation. Such Commitment Party has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its investment in the Unsubscribed Shares. Such Commitment Party is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act or a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act. Such Commitment Party understands and is able to bear any economic risks associated with such investment (including the necessity of holding such shares for an indefinite period of time). Except for the representations and warranties expressly set forth in this Agreement or any other Transaction Agreement, such Commitment Party has independently evaluated the merits and risks of its decision to enter into this Agreement and disclaims reliance on any representations or warranties, either express or implied, by or on behalf of any of the Debtors.

Section 5.9 No Broker's Fees. Such Commitment Party is not a party to any Contract with any Person (other than the Transaction Agreements and any Contract giving rise to the Expense Reimbursement hereunder) that would give rise to a valid claim against any of the Debtors for a brokerage commission, finder's fee or like payment in connection with the Rights Offerings or the sale of the Unsubscribed Shares.

Section 5.10 Sufficient Funds. Such Commitment Party has sufficient assets and the financial capacity to perform all of its obligations under this Agreement, including the ability to fully exercise all Subscription Rights that are issued to it pursuant to the Rights Offerings and fund such Commitment Party's Backstop Commitment.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.1 Orders Generally. The Company and the Reorganized Company shall support and make commercially reasonable efforts, consistent with the Restructuring Support Agreement and the Plan, to (a) obtain the entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order, and (b) cause the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order to become Final Orders (and request that such Orders become effective immediately upon entry by the Bankruptcy Court pursuant to a waiver of Rules 3020 and 6004(h) of the Bankruptcy Rules, as applicable), in each case, as soon as reasonably practicable, consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement, following the filing of the respective motion seeking entry of such Orders. The Company shall provide to each of the Commitment Parties and its counsel copies of the Backstop Agreement Motion and other proposed motions and any memoranda of points and authorities seeking entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order (together with the proposed Plan Solicitation Order and the proposed BCA Approval Order), and a reasonable opportunity to review and comment on such motions and such Orders prior to such motions and such Orders being filed with the Bankruptcy Court (and in no event less than 48 hours prior to such filing), and such Orders must be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company. Any amendments, modifications, changes, or supplements to the BCA Approval Order, Plan Solicitation Order, and Confirmation Order, and any of the motions seeking entry of such Orders, shall be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

Section 6.2 Confirmation Order; Plan and Disclosure Statement. The Debtors shall use their commercially reasonable efforts to obtain entry of the Confirmation Order. The Company shall provide to each of the Commitment Parties and its counsel a copy of the proposed Plan and the Disclosure Statement and any proposed amendment, modification, supplement or change to the Plan or the Disclosure Statement, and a reasonable opportunity to review and comment on such documents (and in no event less than 48 hours prior to filing the Plan and/or the Disclosure Statement, as applicable, with the Bankruptcy Court), and each such amendment, modification, supplement or change to the Plan or the Disclosure Statement must be in form and substance reasonably satisfactory to each of the Requisite Commitment Parties and the Company. The Company shall provide to each of the Commitment Parties and its counsel a copy of the proposed Confirmation Order (together with copies of any briefs, pleadings and motions related thereto), and a reasonable opportunity to review and comment on such Order, briefs, pleadings and motions prior to such Order, briefs, pleadings and motions being filed with the Bankruptcy Court (and in no event less than 48 hours prior to a filing of such Order, briefs, pleadings or motions with the Bankruptcy Court), and such Order, briefs, pleadings and motions must be in form and substance reasonably satisfactory to each of the Requisite Commitment Parties and the Company.

Section 6.3 Conduct of Business. Except (u) as expressly set forth in this Agreement, the Restructuring Support Agreement or the Plan, (w) with the prior written consent of Arthur (Trem) Smith on behalf of the Requisite Commitment Parties (which request

for written consent shall be deemed given by the Company if delivered in writing to Arthur (Trem) Smith), (x) as otherwise required by Laws, (y) for properties operated by Third Parties (to the extent the Company does not have the ability to Control such third party operator), and (z) as ordered by the Bankruptcy Court or limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors, during the period from the date of this Agreement to the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with its terms (the “**Pre-Closing Period**”):

(a) the Company shall:

(i) use commercially reasonable efforts, taking into account the Company’s status as debtor in possession, to maintain and operate the Company’s assets as a reasonably prudent operator or cause such assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) use commercially reasonable efforts, taking into account the Company’s status as debtor in possession and any Orders entered by the Bankruptcy Court, to pay or cause to be paid all bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Company’s assets except (A) royalties held in suspense as a result of title issues and that do not give any Third Party a right to cancel an interest in any of the Company’s assets, and (B) expenses or royalties being contested in good faith, unless the nonpayment of such contested expenses or royalties could result in the termination of a lease or mineral interest, in which case the Company will obtain the approval of the Required Commitment Parties prior to withholding such payment;

(iii) maintain books, accounts and records relating to the Company’s assets in accordance with past custom and practice;

(iv) maintain the personal property comprising the Company’s assets in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear; and

(v) file Company SEC Documents within the time periods required under the Exchange Act, in each case in accordance with ordinary course practices.

(b) The Company shall not:

(i) abandon any of the Company’s assets (except any abandonment of leases to the extent any such leases terminate pursuant to their terms and plugging and abandonment of wells in the ordinary course of business);

(ii) commence, propose, or agree to participate in any single operation with respect to the Company’s wells, leases and mineral interests with an anticipated cost in excess of \$250,000 net to the interest of the Company, except for (A) emergency operations taken in the face of risk to life, injury, property or the environment, (B) operations scheduled and listed on Exhibit E hereto, or (C) operations required by any Governmental Entity (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel or materially amend or modify any Material Contract; provided that the Company may, in good faith and in accordance with

historical business practices, renew or replace any Contract that is a hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining or similar Contract with respect to hydrocarbons from the Company's assets for a term not to exceed twelve (12) months;

(iv) sell, lease, encumber, or otherwise dispose of all or any portion of any of the Company's assets, other than (A) transactions in the ordinary course of business that are consistent with prior business practices of the Debtors, (B) other transactions after prior notice to the Commitment Parties to implement tax planning which transactions are not reasonably expected to materially adversely affect the Company or any Commitment Party and (C) transactions expressly contemplated by the Transaction Agreements; or

(v) enter into any agreement or commitment to take any action prohibited by this Section 6.3.

Following a request for consent of the Requisite Commitment Parties under this Section 6.3 by or on behalf of the Debtors, if the consent of Arthur (Trem) Smith, acting on behalf of the Requisite Commitment Parties, is not obtained or declined within forty eight (48) hours following the date such request is made, such consent shall be deemed to have been granted by the Requisite Commitment Parties; provided, however, that, for the avoidance of doubt, in the case of Third Party proposals received by the Company to which the Requisite Commitment Parties are deemed to consent pursuant to this sentence, the receipt of such consent shall not be deemed to require that the Company undertake any action related to such Third Party proposal. Except as otherwise provided in this Agreement, nothing in this Agreement shall give the Commitment Parties, directly or indirectly, any right to control or direct the operations of the Debtors. Prior to the Closing Date, the Debtors shall exercise, consistent with the terms and conditions of this Agreement, the other Transaction Agreements, Law and any Orders of the Bankruptcy Court, control and supervision of the business of the Debtors.

Section 6.4 Access to Information; Confidentiality.

(a) Subject to applicable Law and Section 6.4(b), upon reasonable notice during the Pre-Closing Period, the Debtors shall afford the Commitment Parties and their Representatives upon request reasonable access, during normal business hours and without unreasonable disruption or interference with the Debtors' business or operations, to the Debtors' employees, properties, books, Contracts and records and, during the Pre-Closing Period, the Debtors shall furnish promptly to such parties all reasonable information concerning the Debtors' business, properties and personnel as may reasonably be requested by any such party; provided that the foregoing shall not require the Company to (i) permit any inspection, or to disclose any information, that in the reasonable judgment of the Company, would cause any of the Debtors to violate any of their or their Affiliates' respective obligations with respect to confidentiality to a third party if the Company shall have used its commercially reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure, or to disclose confidential information of a Debtor's Affiliate, (ii) disclose any legally privileged information of any of the Debtors or (iii) violate any applicable Laws or Orders. All requests for information and access made in accordance with this Section 6.4 shall be directed to a Person to be designated by the Company in writing from time to time during the Pre-Closing Period; provided that if no such Person is so designated at the time of a request or if

no response is received from the designated Person within forty eight (48) hours, such request may be designated to any executive officer of the Company (which in no event shall include the Chief Transition Officer).

(b) From and after the date hereof until the date that is one (1) year after the expiration of the Pre-Closing Period, each Commitment Party shall, and shall cause its Representatives to, (i) keep confidential and not provide or disclose to any Person any documents or information received or otherwise obtained by such Commitment Party or its Representatives pursuant to Section 6.4(a), Section 6.5 or in connection with a request for approval pursuant to Section 6.3 (except that provision or disclosure may be made to any Affiliate or Representative of such Commitment Party who needs to know such information for purposes of this Agreement or the other Transaction Agreements and who agrees to observe the terms of this Section 6.4(b) (and such Commitment Party will remain liable for any breach of such terms by any such Affiliate or Representative)), and (ii) not use such documents or information for any purpose other than in connection with this Agreement or the other Transaction Agreements or the transactions contemplated hereby or thereby. Notwithstanding the foregoing, the immediately preceding sentence shall not apply in respect of documents or information that (A) is now or subsequently becomes generally available to the public through no violation of this Section 6.4(b), (B) becomes available to a Commitment Party or its Representatives on a non-confidential basis from a source other than any of the Debtors or any of their respective Representatives, (C) becomes available to a Commitment Party or its Representatives through document production or discovery in connection with the Chapter 11 Cases or other judicial or administrative process, but subject to any confidentiality restrictions imposed by the Chapter 11 Cases or other such process, or (D) such Commitment Party or any Representative thereof is required to disclose pursuant to judicial or administrative process or pursuant to applicable Law or applicable securities exchange rules; provided, that, such Commitment Party or such Representative shall provide the Company with prompt written notice of such legal compulsion and cooperate with the Company to obtain a protective Order or similar remedy to cause such information or documents not to be disclosed, including interposing all available objections thereto, at the Company's sole cost and expense; provided, further, that, in the event that such protective Order or other similar remedy is not obtained, the disclosing party shall furnish only that portion of such information or documents that is legally required to be disclosed and shall exercise its commercially reasonable efforts (at the Company's sole cost and expense) to obtain assurance that confidential treatment will be accorded such disclosed information or documents. The provisions of this Section 6.4(b) shall not apply to any Initial Commitment Party that, as of the date hereof, is party to a confidentiality or non-disclosure agreement with the Debtors, for so long as such agreement remains in full force and effect.

Section 6.5 Financial Information. During the Pre-Closing Period, the Company shall deliver to the counsel and financial advisors to the Ad Hoc Committee, and to each Commitment Party that so requests, all statements and reports the Company is required to deliver to the Administrative Agent pursuant to Section 11(b)(v) of the Final Cash Collateral Order (as in effect on the date hereof) (the "**Financial Reports**"). Neither any waiver by the parties to the Final Cash Collateral Order of their right to receive the Financial Reports nor any amendment or termination of the Credit Agreement shall affect the Company's obligation to deliver the Financial Reports to the Commitment Parties in accordance with the terms of this

Agreement; provided, however, (a) the parties to the Final Cash Collateral Order may extend the date of delivery of any Financial Report by no more than ten (10) Business Days and such extension shall be deemed binding on the Commitment Parties for all purposes hereunder and (b) delivery of the applicable Financial Report within such extension period shall be deemed in compliance with this Agreement.

Section 6.6 Commercially Reasonable Efforts.

(a) Without in any way limiting any other respective obligation of the Company or any Commitment Party in this Agreement, each Party shall use commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Plan, including using commercially reasonable efforts in:

(i) timely preparing and filing all documentation reasonably necessary to effect all necessary notices, reports and other filings of such Person and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or Governmental Entity;

(ii) defending any Legal Proceedings in any way challenging (A) this Agreement, the Plan, the Registration Rights Agreement or any other Transaction Agreement, (B) the BCA Approval Order, the Plan Solicitation Order or the Confirmation Order or (C) the consummation of the transactions contemplated hereby and thereby, including seeking to have any stay or temporary restraining Order entered by any Governmental Entity vacated or reversed; and

(iii) working together in good faith to finalize the Reorganized Company Organizational Documents, Transaction Agreements, the Registration Rights Agreement and all other documents relating thereto for timely inclusion in the Plan and filing with the Bankruptcy Court.

(b) Subject to Laws or applicable rules relating to the exchange of information, and in accordance with the Restructuring Support Agreement, the Commitment Parties and the Company shall have the right to review in advance, and to the extent practicable each will consult with the other on all of the information relating to Commitment Parties or the Company, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any Governmental Entity in connection with the transactions contemplated by this Agreement or the Plan; provided, however, that the Commitment Parties are not required to provide for review in advance declarations or other evidence submitted in connection with any filing with the Bankruptcy Court. In exercising the foregoing rights, the Parties shall act as reasonably and as promptly as practicable.

(c) Without limitation to Section 6.1 or Section 6.2, to the extent exigencies permit, the Company shall provide or cause to be provided to the Commitment Parties a draft of all motions, applications, pleadings, schedules, Orders, reports or other material papers

(including all material memoranda, exhibits, supporting affidavits and evidence and other supporting documentation) in the Chapter 11 Cases relating to or affecting the Transaction Agreements or the Registration Rights Agreement in accordance with the Restructuring Support Agreement and in no event less than 48 hours before such motions, applications, pleadings, schedules, Orders, reports or other material papers are filed with the Bankruptcy Court. All such motions, applications, pleadings, schedules, Orders, reports and other material papers shall be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

(d) Nothing contained in this Section 6.6 shall limit the ability of any Commitment Party to consult with the Debtors, to appear and be heard, or to file objections, concerning any matter arising in the Chapter 11 Cases to the extent not inconsistent with the Restructuring Support Agreement.

Section 6.7 Registration Rights Agreement; Reorganized Company Organizational Documents.

(a) The Plan will provide that from and after the Effective Date each Commitment Party and each other Noteholder entitled to receive at least ten percent (10%) or more of the Common Shares issuable upon conversion of the Preferred Shares issued under the Plan and/or the Rights Offerings or that cannot sell its Common Shares issuable upon conversion of the Preferred Shares under Rule 144 of the Securities Act without volume or manner of sale restrictions shall be entitled to registration rights for the Preferred Shares, the Common Shares, and the Common Shares into which the Preferred Shares are convertible that are customary for a transaction of this nature, pursuant to a registration rights agreement to be entered into as of the Effective Date, which agreement shall be in form and substance consistent reasonably acceptable to the Requisite Commitment Parties and the Company (the “**Registration Rights Agreement**”). A form of the Registration Rights Agreement shall be filed with the Bankruptcy Court as part of the Plan Supplement or an amendment thereto.

(b) The Plan will provide that on the Effective Date, the Reorganized Company Organizational Documents will be duly authorized, approved, adopted and in full force and effect. Forms of the Reorganized Company Organizational Documents shall be filed with the Bankruptcy Court as part of the Plan Supplement or an amendment thereto.

(c) From the date hereof through the Effective Date, the Company shall cooperate in good faith with the Commitment Parties to prepare a prospectus to be included in a registration statement on Form S-1 to be filed by the Reorganized Company as soon as practicable.

Section 6.8 Blue Sky. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the offer and sale of the Unsubscribed Shares to the Commitment Parties pursuant to this Agreement under applicable securities and “Blue Sky” Laws of the states of the United States (or to obtain an exemption from such qualification) and any applicable foreign jurisdictions, and shall provide evidence of any such action so taken to the Commitment Parties on or prior to the Closing Date. The Reorganized Company shall timely make all filings

and reports relating to the offer and sale of the Unsubscribed Shares issued hereunder required under applicable securities and “Blue Sky” Laws of the states of the United States following the Closing Date. The Company or the Reorganized Company, as applicable, shall pay all fees and expenses in connection with satisfying its obligations under this Section 6.8.

Section 6.9 DTC Eligibility. Unless otherwise requested by the Requisite Commitment Parties, the Reorganized Company shall use commercially reasonable efforts to promptly make, when applicable from time to time after the Closing, all Unlegended Shares eligible for deposit with The Depository Trust Company. “Unlegended Shares” means any Preferred Shares acquired by the Commitment Parties and their respective Affiliates (including any Related Purchaser in respect thereof) pursuant to this Agreement and the Plan, including all shares issued to the Commitment Parties and their respective Affiliates in connection with the Rights Offerings, that do not require, or are no longer subject to, the Legend.

Section 6.10 Use of Proceeds. The Reorganized Company will utilize the proceeds from the exercise of the Subscription Rights and the sale of the Unsubscribed Shares (together with the Exit Facility and the Common Shares) to purchase the Debtors’ assets (other than LAC’s membership interests in Berry) in a transaction that is intended to be taxable from a U.S. federal income tax perspective. The Debtors will apply the proceeds from the exercise of the Subscription Rights and the sale of the Unsubscribed Shares (together with the Exit Facility and the Common Shares received) for the purposes identified in the Disclosure Statement and the Plan.

Section 6.11 Share Legend. Each certificate evidencing Unsubscribed Shares issued hereunder, and each certificate issued in exchange for or upon the Transfer of any such shares, shall be stamped or otherwise imprinted with a legend (the “Legend”) in substantially the following form:

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

In the event that any such shares are uncertificated, such shares shall be subject to a restrictive notation substantially similar to the Legend in the stock ledger or other appropriate records maintained by the Reorganized Company or agent and the term “Legend” shall include such restrictive notation. The Reorganized Company shall remove the Legend (or restrictive notation, as applicable) set forth above from the certificates evidencing any such shares (or the share register or other appropriate Reorganized Company records, in the case of uncertified shares), upon request, at any time after the restrictions described in such Legend cease to be applicable, including, as applicable, when such shares may be sold under Rule 144 of the Securities Act. The Reorganized Company may reasonably request such opinions, certificates or other evidence that such restrictions no longer apply as a condition to removing the Legend.

Section 6.12 Antitrust Approval.

(a) Each Party agrees to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective the transactions contemplated by this Agreement, the Plan and the other Transaction Agreements, including (i) if applicable, filing, or causing to be filed, the Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by this Agreement with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission and any filings (or, if required by any Antitrust Authority, any drafts thereof) under any other Antitrust Laws that are necessary to consummate and make effective the transactions contemplated by this Agreement as soon as reasonably practicable (and with respect to any filings required pursuant to the HSR Act, no later than fifteen (15) Business Days following the date hereof) and (ii) promptly furnishing any documents or information reasonably requested by any Antitrust Authority.

(b) The Company and each Commitment Party subject to an obligation pursuant to the Antitrust Laws to notify any transaction contemplated by this Agreement, the Plan or the other Transaction Agreements that has notified the Company in writing of such obligation (each such Commitment Party, a "**Filing Party**") agree to reasonably cooperate with each other as to the appropriate time of filing such notification and its content. The Company and each Filing Party shall, to the extent permitted by applicable Law: (i) promptly notify each other of, and if in writing, furnish each other with copies of (or, in the case of material oral communications, advise each other orally of) any material communications from or with an Antitrust Authority; (ii) not participate in any meeting with an Antitrust Authority unless it consults with each other Filing Party and the Company, as applicable, in advance and, to the extent permitted by the Antitrust Authority and applicable Law, give each other Filing Party and the Company, as applicable, a reasonable opportunity to attend and participate thereat; (iii) furnish each other Filing Party and the Company, as applicable, with copies of all material correspondence and communications between such Filing Party or the Company and the Antitrust Authority; (iv) furnish each other Filing Party with such necessary information and reasonable assistance as may be reasonably necessary in connection with the preparation of necessary filings or submission of information to the Antitrust Authority; and (v) not withdraw its filing, if any, under the HSR Act without the prior written consent of the Requisite Commitment Parties and the Company.

(c) Should a Filing Party be subject to an obligation under the Antitrust Laws to jointly notify with one or more other Filing Parties (each, a "**Joint Filing Party**") any transaction contemplated by this Agreement, the Plan or the other Transaction Agreements, such Joint Filing Party shall promptly notify each other Joint Filing Party of, and if in writing, furnish each other Joint Filing Party with copies of (or, in the case of material oral communications, advise each other Joint Filing Party orally of) any communications from or with an Antitrust Authority.

(d) The Company and each Filing Party shall use their commercially reasonable efforts to obtain all authorizations, approvals, consents, or clearances under any applicable Antitrust Laws or to cause the termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this

Agreement at the earliest possible date after the date of filing. The communications contemplated by this Section 6.12 may be made by the Company or a Filing Party on an outside counsel-only basis or subject to other agreed upon confidentiality safeguards. The obligations in this Section 6.12 shall not apply to filings, correspondence, communications or meetings with Antitrust Authorities unrelated to the transactions contemplated by this Agreement, the Plan or the other Transaction Agreements.

Section 6.13 Alternative Transactions. The Company shall not seek, solicit, or support any Alternative Transaction, and shall not cause or allow any of their Affiliates, insiders, agents or representatives to solicit any agreements relating to an Alternative Transaction; provided, however, that nothing in this Section 6.13 shall limit (i) the Parties' ability to engage in marketing efforts, discussions, and/or negotiations with any party regarding refinancing of the Exit Facility to be consummated following the Effective Date or transactions involving the disposition of assets by the Company; provided that any marketing efforts, discussions, and/or negotiations related to the disposition of assets by the Company shall require the prior written consent of the Requisite Commitment Parties, or (ii) the Company's board of directors' fiduciary duties consistent with Section 8 of the Restructuring Support Agreement.

Section 6.14 Hedging Arrangements. The Company will consult with the Requisite Commitment Parties in its implementation of its hedging program; provided, that the Company will obtain the consent (which consent may be verbal or written and not to be unreasonably withheld) of an Initial Commitment Party prior to its implementation of hedging transactions. For the avoidance of doubt, if the Company does not implement a hedging transaction because (i) no Initial Commitment Party provided consent in accordance with this Section 6.14 or (ii) an Initial Commitment Party expressly declined to give such consent, the Parties acknowledge and agree that neither the Company nor any of its Representatives shall be liable in connection therewith and that such failure to implement a hedging transaction shall not contribute to a determination of a Material Adverse Effect hereunder or be a breach of any provision of this Agreement (including, without limitation, Section 6.3).

Section 6.15 Reorganized Company.

(a) The Requisite Commitment Parties have the right at any time prior to the Disclosure Statement hearing to elect to require that the Reorganized Company be organized as a Delaware limited liability company instead of a Delaware corporation.

(b) The Debtors shall use reasonably best efforts to cause the Reorganized Company to be registered under Section 12 of the Exchange Act on the Effective Date or as promptly as practicable thereafter.

(c) The Requisite Commitment Parties shall cause the Reorganized Company to be formed by a non-Debtor, non-Commitment Party third party. In all cases, (i) the Debtors shall conduct the Rights Offering, (ii) the Reorganized Company shall be a successor to the Company under the Plan and the Rights Offerings will be exempt from registration under the Securities Act pursuant to Section 1145 of the Bankruptcy Code or Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder and (iii) the Reorganized Company Organizational Documents will provide that the Reorganized Company's initial board of

directors will be constituted on the Effective Date pursuant to the Plan and will be the continuing directors and will adopt resolutions authorizing the Reorganized Company to do all actions required to consummate the Rights Offerings and the Plan.

(d) On the Effective Date, all rights and obligations of the Company under this Agreement shall vest in the Reorganized Company, and the Plan shall include language to such effect. From and after the Effective Date, the Reorganized Company shall be deemed to be a party to this Agreement as the successor to all rights and obligations of the Company hereunder.

(e) On the Effective Date and subject to the Confirmation Order, the Reorganized Company shall issue (a) 40,000,000 Common Shares pursuant to the terms of the Plan and (b) assuming there is no uncured Commitment Party Default hereunder, 32,100,000 Preferred Shares (or, if there is a Rights Offering Increase, 35,845,000 Preferred Shares) pursuant to the terms of the Plan and this Agreement.

Section 6.16 Rights Offering Amount. If the Debtors and the Commitment Parties mutually agree after the date hereof that additional cash is required to fund the Plan, or if the Bankruptcy Court determines that the Plan is not feasible without additional funds in order to fund the Berry GUC Cash Distribution Pool, the Second Tranche Rights Offering Amount shall be increased by \$35,000,000 (the "Rights Offering Increase").

ARTICLE VII

CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to the Obligations of the Commitment Parties. The obligations of each Commitment Party to consummate the transactions contemplated hereby shall be subject to (unless waived in accordance with Section 7.2) the satisfaction of the following conditions prior to or at the Closing:

(a) BCA Approval Order. The Bankruptcy Court shall have entered the BCA Approval Order in form and substance reasonably acceptable to the Requisite Commitment Parties, and such Order shall be a Final Order.

(b) Restructuring Support Agreement. The Restructuring Support Agreement shall not have been terminated and shall be in full force and effect.

(c) Plan Solicitation Order. The Bankruptcy Court shall have entered the Plan Solicitation Order in form and substance reasonably acceptable to the Requisite Commitment Parties, and such Order shall be a Final Order.

(d) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Requisite Commitment Parties, and such Order shall be a Final Order.

(e) Plan. The Company shall have substantially complied with the terms of the Plan (as amended or supplemented from time to time) that are to be performed by the

Company and the Reorganized Company on or prior to the Effective Date and the conditions to the occurrence of the Effective Date (other than any conditions relating to occurrence of the Closing) set forth in the Plan shall have been satisfied or waived in accordance with the terms of the Plan.

(f) Rights Offerings. Each of the Rights Offerings shall have been conducted in accordance with the Plan Solicitation Order and this Agreement.

(g) Effective Date. The Effective Date shall have occurred, or shall be deemed to have occurred concurrently with the Closing, as applicable, in accordance with the terms and conditions in the Plan and in the Confirmation Order.

(h) Registration Rights Agreement; Reorganized Company Organizational Documents.

(i) The Registration Rights Agreement shall have been executed and delivered by the Reorganized Company, shall otherwise have become effective with respect to the Commitment Parties and the other parties thereto, and shall be in full force and effect.

(ii) The Reorganized Company Organizational Documents shall have been duly approved and adopted and shall be in full force and effect.

(i) Expense Reimbursement. The Debtors shall have paid all Expense Reimbursements accrued through the Closing Date pursuant to Section 3.3.

(j) Governmental Approvals. All waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by this Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws or otherwise required by any Governmental Entity in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(k) No Legal Impediment to Issuance. No Law or Order shall have become effective or been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or the transactions contemplated by this Agreement;

(l) Representations and Warranties.

(i) The representations and warranties of the Debtors contained in Section 4.8 shall be true and correct in all respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(ii) The representations and warranties of the Debtors contained in Section 4.2, Section 4.3, Section 4.4 and Section 4.5(b) shall be true and correct in all material respects on and as of the Closing Date after giving effect to the Plan

with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(iii) The representations and warranties of the Debtors contained in this Agreement other than those referred to in clauses (i) and (ii) above shall be true and correct (disregarding all materiality or Material Adverse Effect qualifiers) on and as of the Closing Date after giving effect to the Plan with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date), except where the failure to be so true and correct does not constitute, individually or in the aggregate, a Material Adverse Effect.

(m) Covenants. The Debtors shall have performed and complied, in all material respects, with all of their respective covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing Date.

(n) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred, and there shall not exist, any Event that constitutes, individually or in the aggregate, a Material Adverse Effect.

(o) Officer's Certificate. The Commitment Parties shall have received on and as of the Closing Date a certificate of the chief executive officer or chief financial officer of the Company confirming that the conditions set forth in Section 7.1(l), Section 7.1(m), and Section 7.1(n) have been satisfied.

(p) Funding Notice. The Noteholders shall have received the Funding Notice.

(q) Exit Facility. The Exit Facility shall have become effective and shall otherwise be in form and substance substantially in accordance with the Exit Facility Term Sheet.

(r) Pre-Hearing Letter Agreement. The Pre-Hearing Letter Agreement shall have been executed and delivered by the Company, shall otherwise have become effective with respect to the Commitment Parties, and shall be in full force and effect.

(s) Transition Services Agreement. The Transition Services Agreement shall have become effective.

Section 7.2 Waiver of Conditions to Obligations of Commitment Parties. All or any of the conditions set forth in Section 7.1 may only be waived in whole or in part with respect to all Commitment Parties by a written instrument executed by the Requisite Commitment Parties in their sole discretion and if so waived, all Commitment Parties shall be bound by such waiver; provided, however, that the conditions set forth in subsections (d), (g), (j),

(k) and (m) of Section 7.1 shall not be subject to waiver except by a written instrument executed by all Commitment Parties.

Section 7.3 Conditions to the Obligations of the Debtors. The obligations of the Debtors to consummate the transactions contemplated hereby with the Commitment Parties is subject to (unless waived by the Company) the satisfaction of each of the following conditions:

(a) BCA Approval Order. The Bankruptcy Court shall have entered the BCA Approval Order and such Order shall be a Final Order.

(b) Restructuring Support Agreement. The Restructuring Support Agreement shall not have been terminated and shall be in full force and effect.

(c) Plan Solicitation Order. The Bankruptcy Court shall have entered the Plan Solicitation Order, and such Order shall be a Final Order.

(d) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order, and such Order shall be a Final Order.

(e) [Reserved].

(f) Effective Date. The Effective Date shall have occurred, or shall be deemed to have occurred concurrently with the Closing, as applicable, in accordance with the terms and conditions in the Plan and in the Confirmation Order.

(g) Governmental Approvals. All waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by this Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws or otherwise required by any Governmental Entity in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(h) No Legal Impediment to Issuance. No Law or Order shall have become effective or been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or the transactions contemplated by this Agreement.

(i) Representations and Warranties.

(i) The representations and warranties of the Commitment Parties contained in this Agreement that are qualified by “materiality” or “material adverse effect” or words or similar import shall be true and correct in all respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct in all respects only as of the specified date).

(ii) The representations and warranties of the Commitment Parties contained in this Agreement that are not qualified by “materiality” or “material adverse effect” or words or similar import shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(j) Covenants. The Commitment Parties shall have performed and complied, in all material respects, with all of their covenants and agreements contained in this Agreement and in any other document delivered pursuant to this Agreement.

(k) Exit Facility. The Exit Facility shall have become effective and shall otherwise be in form and substance substantially in accordance with the Exit Facility Term Sheet.

(l) Pre-Hearing Letter Agreement. The Pre-Hearing Letter Agreement shall have been executed and delivered by the Commitment Parties, shall otherwise have become effective with respect to the Company, and shall be in full force and effect.

(m) Transition Services Agreement. The Transition Services Agreement shall have become effective.

ARTICLE VIII

INDEMNIFICATION AND CONTRIBUTION

Section 8.1 Indemnification Obligations. Following the entry of the BCA Approval Order, the Company and the Reorganized Company (the “**Indemnifying Parties**” and each, an “**Indemnifying Party**”) shall, jointly and severally, indemnify and hold harmless each Commitment Party and its Affiliates, equity holders, members, partners, general partners, managers and its and their respective Representatives and controlling persons (each, an “**Indemnified Person**”) from and against any and all losses, claims, damages, liabilities and costs and expenses (other than Taxes of the Commitment Parties except to the extent otherwise provided for in this Agreement) arising out of a claim asserted by a third-party (collectively, “**Losses**”) that any such Indemnified Person may incur or to which any such Indemnified Person may become subject arising out of or in connection with this Agreement, the Plan and the transactions contemplated hereby and thereby, including the Backstop Commitment, the Rights Offerings, the payment of the Commitment Premium or the use of the proceeds of the Rights Offerings, or any claim, challenge, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, whether or not such proceedings are brought by the Company, the Reorganized Company, their respective equity holders, Affiliates, creditors or any other Person, and regardless of whether any such Loss arises in whole or in part out of the sole, contributory, comparative, or other negligence of any Indemnified Party, and reimburse each Indemnified Person upon demand for reasonable documented (with such documentation subject to redaction to preserve attorney client and work product privileges) legal or other third-party expenses incurred in connection with investigating,

preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including in connection with the enforcement of the indemnification obligations set forth herein), irrespective of whether or not the transactions contemplated by this Agreement or the Plan are consummated or whether or not this Agreement is terminated; provided, that the foregoing indemnity will not, as to any Indemnified Person, apply to Losses (a) as to a Defaulting Commitment Party, its Related Parties or any Indemnified Person related thereto, caused by a Commitment Party Default by such Commitment Party, or (b) to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the bad faith, fraud, willful misconduct or gross negligence of such Indemnified Person. Notwithstanding Section 8.6, the Indemnifying Parties' obligations under this Section 8.1 shall survive the Closing Date indefinitely.

Section 8.2 Indemnification Procedure. Promptly after receipt by an Indemnified Person of notice of the commencement of any claim, challenge, litigation, investigation or proceeding (an "**Indemnified Claim**"), such Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, notify the Indemnifying Party in writing of the commencement thereof; provided, that (a) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and (b) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have to such Indemnified Person otherwise than on account of this Article VIII. In case any such Indemnified Claims are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, at its election by providing written notice to such Indemnified Person, the Indemnifying Party will be entitled to assume the defense thereof, with counsel reasonably acceptable to such Indemnified Person; provided, that if the parties (including any impleaded parties) to any such Indemnified Claims include both such Indemnified Person and the Indemnifying Party and based on advice of such Indemnified Person's counsel there are legal defenses available to such Indemnified Person that are different from or additional to those available to the Indemnifying Party, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Indemnified Claims. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election to so assume the defense of such Indemnified Claims with counsel reasonably acceptable to the Indemnified Person, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof or participation therein (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel (in addition to any local counsel) in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel representing the Indemnified Persons who are parties to such Indemnified Claims (in addition to one local counsel in each jurisdiction in which local counsel is required)), (ii) the Indemnifying Party shall not have employed counsel reasonably acceptable to such Indemnified Person to represent such Indemnified Person within a reasonable time after the Indemnifying Party has received notice of commencement of the Indemnified Claims from, or delivered on behalf of, the Indemnified Person, (iii) after the Indemnifying Party assumes the defense of the Indemnified

Claims, the Indemnified Person determines in good faith that the Indemnifying Party has failed or is failing to defend such claim and provides written notice of such determination and the basis for such determination, and such failure is not reasonably cured within ten (10) Business Days of receipt of such notice, or (iv) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person. Notwithstanding anything herein to the contrary, the Debtors shall have sole control over any Tax controversy or Tax audit and shall be permitted to settle any liability for Taxes of the Debtors.

Section 8.3 Settlement of Indemnified Claims. In connection with any Indemnified Claim for which an Indemnified Person is assuming the defense in accordance with this Article VIII, the Indemnifying Party shall not be liable for any settlement of any Indemnified Claims effected by such Indemnified Person without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed). If any settlement of any Indemnified Claims is consummated with the written consent of the Indemnifying Party or if there is a final judgment for the plaintiff in any such Indemnified Claims, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or judgment to the extent such Losses are otherwise subject to indemnification by the Indemnifying Party hereunder in accordance with, and subject to the limitations of, this Article VIII. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall be granted or withheld, conditioned or delayed in the Indemnified Person's sole discretion), effect any settlement of any pending or threatened Indemnified Claims in respect of which indemnity or contribution has been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person in form and substance satisfactory to such Indemnified Person from all liability on the claims that are the subject matter of such Indemnified Claims and (ii) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

Section 8.4 Contribution. If for any reason the foregoing indemnification is unavailable to any Indemnified Person or insufficient to hold it harmless from Losses that are subject to indemnification pursuant to Section 8.1, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Person as a result of such Loss in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, but also the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, as well as any relevant equitable considerations. It is hereby agreed that the relative benefits to the Indemnifying Party, on the one hand, and all Indemnified Persons, on the other hand, shall be deemed to be in the same proportion as (a) the total value received or proposed to be received by the Company and the Reorganized Company pursuant to the issuance and sale of the Unsubscribed Shares and the First Tranche Rights Offering Shares in the Rights Offerings contemplated by this Agreement and the Plan bears to (b) the Commitment Premium paid or proposed to be paid to the Commitment Parties. The Indemnifying Parties also agree that no Indemnified Person shall have any liability based on their comparative or contributory negligence or otherwise to the Indemnifying Parties, any Person asserting claims on behalf of or in right of any of the Indemnifying Parties, or any other Person in connection with an Indemnified Claim.

Section 8.5 Treatment of Indemnification Payments. All amounts paid by an Indemnifying Party to an Indemnified Person under this Article VIII shall, to the extent permitted by applicable Law, be treated as adjustments to the Per Share Purchase Price for all Tax purposes. The provisions of this Article VIII are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement. The BCA Approval Order shall provide that the obligations of the Company and the Reorganized Company under this Article VIII shall constitute allowed administrative expenses of the Debtors' estate under sections 503(b) and 507 of the Bankruptcy Code and are payable without further Order of the Bankruptcy Court, and that the Company and the Reorganized Company may comply with the requirements of this Article VIII without further Order of the Bankruptcy Court.

Section 8.6 No Survival. All representations, warranties, covenants and agreements made in this Agreement shall not survive the Closing Date except for covenants and agreements that by their terms are to be satisfied after the Closing Date, which covenants and agreements shall survive until satisfied in accordance with their terms.

ARTICLE IX

TERMINATION

Section 9.1 Consensual Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date by mutual written consent of the Company and the Requisite Commitment Parties.

Section 9.2 Automatic Termination. Notwithstanding anything to the contrary in this Agreement, unless and until there is an unstayed Order of the Bankruptcy Court providing that the giving of notice under and/or termination of this Agreement in accordance with its terms is not prohibited by the automatic stay imposed by section 362 of the Bankruptcy Code, and except as otherwise provided in this Section 9.2, at which point this Agreement may be terminated by the Requisite Commitment Parties upon written notice to the Company upon the occurrence of any of the following Events, this Agreement shall terminate automatically without any further action or notice by any Party at 5:00 p.m., New York City time on the fifth (5th) Business Day following the occurrence of any of the following Events; provided that the Requisite Commitment Parties may waive such termination or extend any applicable dates in accordance with Section 10.7:

(a) the Closing Date has not occurred by 11:59 p.m., New York City time on March 1, 2017 (as may be extended pursuant to Section 2.3(d) or the following proviso, the "**Outside Date**"), unless prior thereto the Effective Date occurs and each Rights Offering has been consummated; provided, that the Outside Date may be waived or extended (but not beyond 5:00 p.m., New York City time on May 1, 2017) with the prior written consent of the Requisite Commitment Parties;

(b) the obligations of the Consenting Noteholders under the Restructuring Support Agreement are terminated in accordance with the terms of the Restructuring Support Agreement;

(c) [Reserved].

(d) (i) the Company shall have breached any representation, warranty, covenant or other agreement made by the Company in this Agreement or any such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition set forth in Section 7.1(l), Section 7.1(m), or Section 7.1(n) not to be satisfied, (ii) the Commitment Parties shall have delivered written notice of such breach or inaccuracy to the Company, (iii) such breach or inaccuracy is not cured by the Company by the tenth (10th) Business Day after receipt of such notice, and (iv) as a result of such failure to cure, any condition set forth in Section 7.1(l), Section 7.1(m), or Section 7.1(n) is not capable of being satisfied; provided, that, this Agreement shall not terminate automatically pursuant to this Section 9.2(d) if the Commitment Parties are then in willful or intentional breach of this Agreement;

(e) any Law or final and non-appealable Order shall have been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or any Rights Offering or the transactions contemplated by this Agreement, the other Transaction Agreements or the Registration Rights Agreement in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(f) (i) the Debtors have materially breached their obligations under Section 6.13; (ii) the Bankruptcy Court approves or authorizes an Alternative Transaction; or (iii) any of the Debtors enters into any Contract providing for the consummation of any Alternative Transaction;

(g) [Reserved];

(h) the Company (i) materially and adversely (to the Commitment Parties) amends or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement without the consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties or (ii) publicly announces its intention to take any such action listed in sub-clauses (i) of this subsection;

(i) the BCA Approval Order, Plan Solicitation Order, or Confirmation Order is terminated, reversed, stayed, dismissed, vacated, or reconsidered, or any such Order is modified or amended after entry without the prior acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(j) any of the Orders approving the Exit Facility, the Backstop Commitment Agreement, the Rights Offering Procedures, the Plan or the Disclosure Statement, or the Confirmation Order are reversed, stayed, dismissed, vacated or reconsidered or modified or amended without the acquiescence or written consent (not to be unreasonably withheld,

conditioned or delayed) of the Requisite Commitment Parties (and such action has not been reversed or vacated within thirty (30) calendar days after its issuance) in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties; or

(k) the Parties have not entered into the Pre-Hearing Letter Agreement on or prior to January 6, 2017.

Section 9.3 Termination by the Company.

This Agreement may be terminated by the Company upon written notice to each Commitment Party upon the occurrence of any of the following Events, subject to the rights of the Company to fully and conditionally waive, in writing, on a prospective or retroactive basis the occurrence of such Event (each, a “**Berry Termination Event**”):

(a) any Law or final and non-appealable Order shall have been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or any Rights Offering or the transactions contemplated by this Agreement, the other Transaction Agreements or the Registration Rights Agreement in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(b) subject to the right of the Commitment Parties to arrange a Commitment Party Replacement in accordance with Section 2.3(a) or Section 2.3(b) (which will be deemed to cure any breach by the replaced Commitment Party pursuant to this subsection (b)), (i) any Commitment Party shall have breached any representation, warranty, covenant or other agreement made by such Commitment Party in this Agreement or any such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition set forth in Section 7.3(i) or Section 7.3(j) not to be satisfied, (ii) the Company shall have delivered written notice of such breach or inaccuracy to such Commitment Party, (iii) such breach or inaccuracy is not cured by such Commitment Party by the tenth (10th) Business Day after receipt of such notice, and (iv) as a result of such failure to cure, any condition set forth in Section 7.3(i) or Section 7.3(j) is not capable of being satisfied; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.3(b) if it is then in willful or intentional breach of this Agreement;

(c) the BCA Approval Order, Plan Solicitation Order, or Confirmation Order is terminated, reversed, stayed, dismissed, vacated, or reconsidered, or any such Order is modified or amended after entry without the prior acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Company in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Commitment Parties subject to the reasonable satisfaction of the Debtors;

(d) any of the Orders approving the Exit Facility, the Backstop Commitment Agreement, the Rights Offering Procedures, the Plan or the Disclosure Statement, or the Confirmation Order are reversed, stayed, dismissed, vacated or reconsidered or modified or

amended without the acquiescence or consent (not to be unreasonably withheld, conditioned or delayed) of the Company (and such action has not been reversed or vacated within thirty (30) calendar days after its issuance) in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Commitment Parties subject to the reasonable satisfaction of the Debtors;

(e) solely if the Bankruptcy Court has entered the BCA Approval Order but has not yet entered the Confirmation Order, the board of directors of the Company determines that continued performance under this Agreement (including taking any action or refraining from taking any action and including, without limitation, the Plan or solicitation of the Plan) would be inconsistent with the exercise of its fiduciary duties (as reasonably determined by such entity in good faith after consultation with outside legal counsel and based on the advice of such counsel);

(f) the Restructuring Support Agreement is terminated in accordance with its terms;

(g) the Closing Date has not occurred by the Outside Date (as the same may be extended pursuant to Section 9.2(a) or Section 2.3(d)), unless prior thereto the Effective Date occurs and each Rights Offering has been consummated; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.3(g) if it is then in willful or intentional breach of this Agreement; or

(h) the Parties have not entered into the Pre-Hearing Letter Agreement on or prior to January 6, 2017.

Section 9.4 Effect of Termination.

(a) Upon termination of this Agreement pursuant to this Article IX, this Agreement shall forthwith become void and there shall be no further obligations or liabilities on the part of the Parties; provided, that (i) the obligations of the Debtors to pay the Expense Reimbursement pursuant to Article III and to satisfy their indemnification obligations pursuant to Article VIII and to pay the Commitment Premium pursuant to Section 9.4(b) shall survive the termination of this Agreement and shall remain in full force and effect, in each case, until such obligations have been satisfied, (ii) the provisions set forth in Article VIII, this Section 9.4 and Article X shall survive the termination of this Agreement in accordance with their terms and (iii) subject to Section 10.10, nothing in this Section 9.4 shall relieve any Party from liability for its gross negligence or any willful or intentional breach of this Agreement. For purposes of this Agreement, “**willful or intentional breach**” means a breach of this Agreement that is a consequence of an act undertaken by the breaching Party with the knowledge that the taking of such act would, or would reasonably be expected to, cause a breach of this Agreement.

(b) If this Agreement is terminated for any reason other than by the Company under Section 9.3(b), the Debtors shall, promptly after the date of such termination, pay the Commitment Premium entirely in cash to the Commitment Parties or their designees, in accordance with Section 3.2. To the extent that all amounts due in respect of the Commitment

Premium pursuant to this Section 9.4(b) have actually been paid by the Debtors to the Commitment Parties in connection with a termination of this Agreement, the Commitment Parties shall not have any additional recourse against the Debtors for any obligations or liabilities relating to or arising from this Agreement, except for liability for gross negligence or willful or intentional breach of this Agreement pursuant to Section 9.4(a). Except as set forth in this Section 9.4(b), the Commitment Premium shall not be payable upon the termination of this Agreement. The Commitment Premium shall, pursuant to the BCA Approval Order, constitute allowed administrative expenses of the Debtors' estate under sections 503(b) and 507 of the Bankruptcy Code.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via electronic facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the Parties at the following addresses (or at such other address for a Party as may be specified by like notice):

- (a) If to the Company:

Berry Petroleum Company, LLC
JPMorgan Chase Tower
600 Travis, Suite 5100
Houston, Texas 77002
Tel: (281) 840-4000
Fax: (832) 426-5956
Attn: Candice Wells
Email: cwells@lennenergy.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022,
Tel: (212) 446-4800
Fax: (212) 446-4900
Attn: Paul Basta, P.C.; Stephen E. Hessler, P.C.; Brian Lennon, Esq.
E-mail: paul.basta@kirkland.com;
stephen.hessler@kirkland.com;
brian.lennon@kirkland.com

and

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Tel: (312) 862-2000
Fax: (312) 862-2200
Attn: Alexandra Schwarzman, Esq.
Email: alexandra.schwarzman@kirkland.com

(b) If to the Commitment Parties:

To each Commitment Party at the addresses or e-mail addresses set forth below the Commitment Party's signature in its signature page to this Agreement.

with a copy (which shall not constitute notice) to:

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010
Attn: Benjamin Finestone, Esq., K. John Shaffer, Esq.
Daniel Holzman, Esq.
Email: benjaminfinestone@quinnemanuel.com
Email: johnshaffer@quinnemanuel.com
Email: danielholzman@quinnemanuel.com

and

Norton Rose Fulbright US LLP
1301 McKinney, Suite 5100
Houston, TX 77010
Attn: William Greendyke, Esq., Glen Hettinger, Esq.
Email address: william.greendyke@nortonrosefulbright.com
Email address: glen.hettinger@nortonrosefulbright.com

Copies of any such notices and other communications made to the Company and the Commitment Parties under this Section 10.1 shall also be delivered (either by mail, electronic facsimile, electronic mail, or personal delivery) to counsel to the administrative agent on behalf of Berry's prepetition first lien lenders at the following address:

Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
Attn: James Donnell, Esq.
Email address: james.donnell@bakermckenzie.com

and

Baker & McKenzie LLP
300 East Randolph Street
Chicago, IL 60601
Attn: Garry Jaunal, Esq.
Email address: garry.jaunal@bakermckenzie.com

Section 10.2 Assignment; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the Company and the Requisite Commitment Parties, other than an assignment by a Commitment Party expressly permitted by Section 2.6(a) and any purported assignment in violation of this Section 10.2 shall be void *ab initio*. Except as provided in Article VIII with respect to the Indemnified Persons, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person any rights or remedies under this Agreement other than the Parties.

Section 10.3 Prior Negotiations; Entire Agreement.

(a) This Agreement (including the agreements attached as Exhibits to and the documents and instruments referred to in this Agreement) constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements or understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement, except that the Parties hereto acknowledge that any confidentiality agreements heretofore executed among the Parties and the Restructuring Support Agreement will each continue in full force and effect.

(b) Notwithstanding anything to the contrary in the Plan (including any amendments, supplements or modifications thereto) or the Confirmation Order (and any amendments, supplements or modifications thereto) or an affirmative vote to accept the Plan submitted by any Commitment Party, nothing contained in the Plan (including any amendments, supplements or modifications thereto) or Confirmation Order (including any amendments, supplements or modifications thereto) shall alter, amend or modify the rights of the Commitment Parties under this Agreement unless such alteration, amendment or modification has been made in accordance with Section 10.7.

Section 10.4 Governing Law; Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO SUCH STATE'S CHOICE OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES FOR ITSELF THAT ANY LEGAL ACTION, SUIT, OR PROCEEDING AGAINST IT WITH RESPECT TO ANY MATTER ARISING UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RENDERED IN ANY SUCH ACTION, SUIT, OR PROCEEDING, MAY BE BROUGHT IN THE BANKRUPTCY COURT, AND BY EXECUTING AND DELIVERING THIS

AGREEMENT, EACH OF THE PARTIES IRREVOCABLY ACCEPTS AND SUBMITS ITSELF TO THE EXCLUSIVE JURISDICTION OF SUCH COURT, GENERALLY AND UNCONDITIONALLY, WITH RESPECT TO ANY SUCH ACTION, SUIT OR PROCEEDING. THE PARTIES HEREBY AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING TO AN ADDRESS PROVIDED IN WRITING BY THE RECIPIENT OF SUCH MAILING, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF AND HEREBY WAIVE ANY OBJECTIONS TO SERVICE ACCOMPLISHED IN THE MANNER HEREIN PROVIDED.

Section 10.5 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY JURISDICTION IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE AMONG THE PARTIES UNDER THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE.

Section 10.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including via facsimile or other electronic transmission), it being understood that each Party need not sign the same counterpart.

Section 10.7 Waivers and Amendments; Rights Cumulative; Consent. This Agreement may be amended, restated, modified or changed only by a written instrument signed by the Company and the Requisite Commitment Parties; provided, that (a) any Commitment Party's prior written consent shall be required for any amendment that would, directly or indirectly: (i) modify such Commitment Party's Backstop Commitment Percentage, (ii) increase the Per Share Purchase Price, (iii) decrease the Commitment Premium or adversely modify in any material respect the method of payment thereof, (iv) increase the Backstop Commitment of such Commitment Party or (v) have a materially adverse and disproportionate effect on such Commitment Party; (b) the prior written consent of each Initial Commitment Party shall be required for any amendment to the definition of "Requisite Commitment Parties"; and (c) no amendment or modification of the rights or obligations of the Commitment Parties or the terms of the Rights Offerings as set forth under this Agreement may be made unless either (i) such amendments or modifications are applied to the rights or obligations of each of the Initial Commitment Parties and the other Commitment Parties *mutatis mutandis*, or applied to the terms of the First Tranche Rights Offering and the Second Tranche Rights Offering *mutatis mutandis*, as applicable or (ii) each of the Requisite Commitment Parties consent to such amendment or modification. Notwithstanding the foregoing, the Backstop Commitment Schedule shall be revised as necessary without requiring a written instrument signed by the Company and the Requisite Commitment Parties to reflect changes in the composition of the Commitment Parties and Backstop Commitment Percentages as a result of joinders or assignments permitted in accordance with the terms and conditions of this Agreement. The terms and conditions of this Agreement (other than the conditions set forth in Section 7.1 and Section 7.3, the waiver of which shall be governed solely by Article VII) may be waived (A) by the Debtors only by a written instrument executed by the Company and (B) by the Requisite Commitment Parties only by a written instrument executed by the Requisite Commitment Parties. No delay on the part of any Party in exercising any right, power or privilege pursuant to this Agreement will operate as a

waiver thereof, nor will any waiver on the part of any Party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement.

Section 10.8 Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 10.9 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

Section 10.10 Damages. Notwithstanding anything to the contrary in this Agreement, none of the Parties will be liable for, and none of the Parties shall claim or seek to recover, any punitive, special, indirect or consequential damages or damages for lost profits.

Section 10.11 No Reliance. No Commitment Party or any of its Related Parties shall have any duties or obligations to the other Commitment Parties in respect of this Agreement, the Plan or the transactions contemplated hereby or thereby, except those expressly set forth herein. Without limiting the generality of the foregoing, (a) no Commitment Party or any of its Related Parties shall be subject to any fiduciary or other implied duties to the other Commitment Parties, (b) no Commitment Party or any of its Related Parties shall have any duty to take any discretionary action or exercise any discretionary powers on behalf of any other Commitment Party, (c) no Commitment Party or any of its Related Parties shall have any duty to the other Commitment Parties to obtain, through the exercise of diligence or otherwise, to investigate, confirm, or disclose to the other Commitment Parties any information relating to the Company or any of its Subsidiaries that may have been communicated to or obtained by such Commitment Party or any of its Affiliates in any capacity, (d) no Commitment Party may rely, and each Commitment Party confirms that it has not relied, on any due diligence investigation that any other Commitment Party or any Person acting on behalf of such other Commitment Party may have conducted with respect to the Company or any of its Affiliates or any of their respective securities, and (e) each Commitment Party acknowledges that no other Commitment Party is acting as a placement agent, initial purchaser, underwriter, broker or finder with respect to its Unsubscribed Shares or Backstop Commitment Percentage of its Backstop Commitment.

Section 10.12 Publicity. At all times prior to the Closing Date or the earlier termination of this Agreement in accordance with its terms, the Company and the Commitment Parties shall consult with each other prior to issuing any press releases (and provide each other a reasonable opportunity to review and comment upon such release) or otherwise making public announcements with respect to the transactions contemplated by this Agreement,

it being understood that nothing in this Section 10.12 shall prohibit any Party from making any public announcement or statement required by Law or the rules of the New York Stock Exchange or another national securities exchange, subject to the preceding requirements, or filing any motions or other pleadings or documents with the Bankruptcy Court in connection with the Chapter 11 Cases.

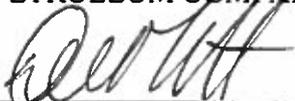
Section 10.13 Settlement Discussions. This Agreement and the transactions contemplated herein are part of a proposed settlement of a dispute between the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Section 408 of the U.S. Federal Rules of Evidence and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any Legal Proceeding, except to the extent filed with, or disclosed to, the Bankruptcy Court in connection with the Chapter 11 Cases (other than a Legal Proceeding to approve or enforce the terms of this Agreement).

Section 10.14 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, and notwithstanding the fact that certain of the Parties may be partnerships or limited liability companies, each Party covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any Party's Affiliates, or any of such Party's Affiliates' or respective Related Parties in each case other than the Parties to this Agreement and each of their respective successors and permitted assignees under this Agreement, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of the Related Parties, as such, for any obligation or liability of any Party under this Agreement or any documents or instruments delivered in connection herewith for any claim based on, in respect of or by reason of such obligations or liabilities or their creation; provided, however, nothing in this Section 10.14 shall relieve or otherwise limit the liability of any Party hereto or any of their respective successors or permitted assigns for any breach or violation of its obligations under this Agreement or such other documents or instruments. For the avoidance of doubt, none of the Parties will have any recourse, be entitled to commence any proceeding or make any claim under this Agreement or in connection with the transactions contemplated hereby except against any of the Parties or their respective successors and permitted assigns, as applicable.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned Parties have duly executed this Agreement as of the date first above written.

BERRY PETROLEUM COMPANY, LLC

By: 
Name: David B. Rottino
Title: Executive Vice President and Chief Financial Officer

LINN ACQUISITION COMPANY, LLC

By: 
Name: David B. Rottino
Title: Executive Vice President and Chief Financial Officer

Commitment Party Signature Pages

[Redacted]

Schedule 1

Backstop Commitment Percentage Schedule

[Redacted]

Exhibit A

Terms of Preferred Shares

Ranking

Preferred Shares will have a preference in liquidation, change of control, or upon a sale of all or substantially all of the assets of the Reorganized Company, relative to all other ownership interests in the Company, equal to the Per Share Purchase Price, along with an amount equal to all dividends that have not been previously paid in cash or in kind (including accrued dividends).

Dividend Rate

The Preferred Shares will receive a cumulative dividend of 6% of the Per Share Purchase Price per annum, payable quarterly in arrears in kind or, at the Reorganized Company's option, in cash provided that payment of cash dividends may be limited by the terms of the Reorganized Company's financing arrangements.

Conversion

Optional Conversion: Holders of Preferred Shares may convert their Preferred Shares into Common Shares at any time based on an initial conversion rate of one Common Share per one Preferred Share subject to adjustment as described under "Anti-Dilution" below.

Forced Conversion: At any time after the fourth (4th) anniversary of the Effective Date, the Reorganized Company may force holders of Preferred Shares to convert all or a portion of their Preferred Shares into Common Shares at the then-current conversion ratio if (i) the value of the Common Shares into which such Preferred Shares are convertible is equal to or greater than 150% of the Per Share Purchase Price, based on the volume-weighted average price for any 20 trading day period during the 30 trading days preceding conversion, (ii) the number of Common Shares issuable upon conversion in any 30-day period does not exceed 20% of the cumulative volume of the Common Shares for the 30 trading days preceding conversion, (iii) such Common Shares are quoted on either the NYSE or NASDAQ and (iv) there is an effective registration statement on file covering resales of all of the Common Shares to be received upon conversion; provided, that the volume limitations in clause (ii) will not apply if the Reorganized Company arranges a firm commitment public underwritten offering of such as converted Common Shares providing for the sale of such Common Shares at a price to the public equal to or greater than 150% of the Per Share Purchase Price.

Anti-Dilution: The initial conversion rate of the Preferred Shares shall be adjusted proportionately for any subdivisions (whether by split, reclassification, reorganization, recapitalization or otherwise) or combinations (whether by reverse split, reclassification, reorganization, recapitalization or otherwise) of the Common Shares.

Exhibit B

Rights Offering Procedures

**BERRY PETROLEUM COMPANY, LLC AND LINN ACQUISITION COMPANY, LLC
(COLLECTIVELY, THE “COMPANY”),
ON BEHALF OF AN ENTITY TO BE FORMED LATER**

BERRY RIGHTS OFFERING PROCEDURES

Each Rights Offering Share (as defined below) is being distributed and issued by the Debtors without registration under the Securities Act of 1933, as amended (the “Securities Act”)¹, in reliance upon the exemptions provided in Section 1145 of the Bankruptcy Code and, to the extent not applicable, Section 4(a)(2) of the Securities Act. None of the Berry Rights or the Rights Offering Shares issuable upon exercise of such rights distributed pursuant to these Berry Rights Offering Procedures have been or will be registered under the Securities Act at the Subscription Expiration Deadline, nor any state or local law requiring registration for offer and sale of a security. However, there is a covenant in the Berry Backstop Agreement that the Company shall cooperate in good faith with the Commitment Parties to prepare a prospectus to be included in a registration statement on Form S-1 covering the Rights Offering Shares to be filed by the Reorganized Company as soon as reasonably practicable. There is no certainty that such registration statement will be filed or effective at the time the Rights Offering Shares are issued.

The Berry Rights are not transferable, except as permitted by the Berry Backstop Agreement (with respect to the Berry Backstop Parties) or as agreed to by the Company and the Requisite Commitment Parties.

The Disclosure Statement (as defined below) has previously been distributed in connection with the Debtors’ solicitation of votes to accept or reject the Plan and that document sets forth important information, including risk factors, that should be carefully read and considered by each Berry Rights Offering Participants (as defined below) prior to making a decision to participate in the Berry Rights Offerings (as defined below). Additional copies of the Disclosure Statement are available upon request from the Subscription Agent.

The Berry Rights Offerings are being conducted by the Company on behalf of New Berry in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of

¹ Terms used and not defined herein shall have the meaning assigned to them in the *Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC* (as may be amended, modified, or supplemented from time to time, the “Plan”).

such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

Berry Rights Offerings Participants should note the following times relating to the Berry Rights Offerings:

Date	Calendar Date	Event
Berry Rights Offerings Record Date.....	December 16, 2016	The date and time fixed by the Company for the determination of the holders eligible to participate in the Berry Rights Offerings.
Subscription Commencement Date ..	December 23, 2016	Commencement of the Berry Rights Offerings.
Subscription Expiration Deadline ...	4:00 p.m. Central Time on January 16, 2017	<p>The deadline for Berry Rights Offering Participants to subscribe for Rights Offering Shares. An Eligible Unsecured Holder’s applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by the Eligible Unsecured Holder’s Nominee (as defined below) in sufficient time to allow such Nominee to deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline.</p> <p>Berry Rights Offering Participants who are not Berry Backstop Parties must deliver the aggregate Purchase Price (as defined below) by the Subscription Expiration Deadline.</p> <p>Berry Rights Offering Participants who are Berry</p>

Backstop Parties must deliver the aggregate Purchase Price no later than the deadline specified in the Funding Notice (as defined below) in accordance with the terms of the Berry Backstop Agreement.

To Berry Rights Offering Participants and Nominees of Berry Rights Offering Participants:

On December 20, 2016, the Debtors filed the Plan with the United States Bankruptcy Court for the Southern District of Texas, Victoria Division, and the *Disclosure Statement for the Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC* (as may be amended from time to time in accordance with its terms, the “Disclosure Statement”). Pursuant to the Plan, each Berry Initial Backstop Party (as defined in the Plan) has a right to participate in the Berry First Tranche Rights Offering (as defined below), and each holder of Berry Unsecured Notes (collectively with the Berry Initial Backstop Parties, the “Eligible Unsecured Holders” and each such holder, an “Eligible Unsecured Holder”) has a right to participate in the Berry Second Tranche Rights Offering (as defined below), in each case, in accordance with the terms and conditions of these Berry Rights Offering Procedures. The Berry First Tranche Rights Offering and the Berry Second Tranche Rights Offering are collectively referred to herein as the “Berry Rights Offerings”.

Pursuant to the Plan, each Berry Initial Backstop Party will receive rights to subscribe for its agreed upon portion of a rights offering of the New Berry Preferred Stock in an aggregate amount of \$60,000,000 (the “Berry First Tranche Rights Offering,” and such shares, the “First Tranche Rights Offering Shares”), provided that it timely and properly executes and delivers its applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent in advance of the Subscription Expiration Deadline.

Pursuant to the Plan, each Eligible Unsecured Holder will receive rights to subscribe for its *pro rata* portion of a rights offering of the New Berry Preferred Stock in an aggregate amount of \$240,000,000 (the “Berry Second Tranche Rights Offering,” and such shares, the “Second Tranche Rights Offering Shares” and, together with the First Tranche Rights Offering Shares, the “Rights Offering Shares”), provided that it timely and properly executes and delivers its applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, in advance of the Subscription Expiration Deadline. Each such Nominee will receive a Master Subscription Form which it shall use to summarize the Berry Rights exercised by each Eligible Unsecured Holder that timely returns the applicable properly filled out Beneficial Holder Subscription Form(s) to such Nominee. Beneficial Holder Subscription Forms should only be returned directly to the Subscription Agent if the Eligible Unsecured Holder is the direct holder of record on the books of the applicable indenture trustee and does not hold its Berry Unsecured Notes Claim through a Nominee.

Please note that all Beneficial Holder Subscription Forms (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be returned to the applicable Nominee in sufficient time to allow such Nominee to process and deliver the Master Subscription Form and copies of all Beneficial Holder Subscription Forms, and the accompanying IRS Forms prior to the Subscription Expiration Deadline. To the extent of any discrepancy between the Master Subscription Form and the Beneficial Holder Subscription Form(s) regarding the Eligible Unsecured Holder’s principal amount, the Master Subscription

Form shall govern. While the amount of time necessary for a Nominee to process and deliver the Master Subscription Form to the Subscription Agent will vary from Nominee to Nominee, Eligible Unsecured Holders are urged to consult with their Nominees to determine the necessary deadline to return their Beneficial Holder Subscription Forms. Failure to submit such Beneficial Holder Subscription Forms on a timely basis will result in forfeiture of an Eligible Unsecured Holder's rights to participate in the Berry Second Tranche Rights Offering. None of the Company, the Subscription Agent or any of the Berry Backstop Parties will have any liability for any such failure.

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

In order to participate in the Berry Rights Offerings, the Berry Rights Offering Participant desiring to participate must complete all of the steps outlined below. If all of the steps outlined below are not completed by the Subscription Expiration Deadline or the Backstop Funding Deadline, as applicable, the applicable Berry Rights Offering Participant shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the Berry Rights Offerings.

1. Berry Rights Offerings

Each Berry Initial Backstop Party has agreed to participate in the Berry First Tranche Rights Offering, and Eligible Unsecured Holders have the right, but not the obligation, to participate in the Berry Second Tranche Rights Offering.

The Berry Initial Backstop Parties shall receive rights to subscribe for their agreed upon portion of the First Tranche Rights Offering Shares, and Berry Rights Offerings Participants shall receive rights to subscribe for their pro rata portion of the Second Tranche Rights Offering Shares.

Subject to the terms and conditions set forth in the Plan and these Berry Rights

Offering Procedures, each Berry Initial Backstop Party is entitled to subscribe for up to the number of First Tranche Rights Offering Shares as determined under the Backstop Commitment Agreement at a purchase price of \$10.00 per share (the “Purchase Price”).

Subject to the terms and conditions set forth in the Plan and these Berry Rights Offering Procedures, each Eligible Unsecured Holder is entitled to subscribe for up to:

- 33.5518181 Second Tranche Rights Offering Shares per \$1,000 of Principal Amount of the 6.750% Senior Notes due 2020; or
- 32.7215301 Second Tranche Rights Offering Shares per \$1,000 of Principal Amount of the 6.375% Senior Notes due 2022;

in each case at the Purchase Price. **The difference in the number of Second Tranche Rights Offering Shares that an Eligible Unsecured Holder is entitled to subscribe for with respect to each series of Berry Unsecured Notes is to take into account the differing amounts of pre-petition accrued and unpaid interest thereon.**

There will be no over-subscription privilege in the Berry Rights Offerings. Any Rights Offering Shares that are unsubscribed by the Berry Rights Offering Participants entitled thereto will not be offered to other Berry Rights Offering Participants but will be purchased by the applicable Berry Backstop Parties in accordance with the Berry Backstop Agreement. Subject to the terms and conditions of the Berry Backstop Agreement, each Berry Backstop Party is obligated to purchase its *pro rata* portion of the applicable Rights Offering Shares.

Any Berry Rights Offering Participant that subscribes for Rights Offering Shares and is deemed to be an “underwriter” under Section 1145(b) of the Bankruptcy Code or subscribes for Rights Offering Shares pursuant to Section 4(a)(2) of the Securities Act will be subject to restrictions under the Securities Act on its ability to resell those securities. Resale restrictions are discussed in more detail in Article XII of the Disclosure Statement, entitled “Certain Securities Law Matters.”

SUBJECT TO THE TERMS AND CONDITIONS OF THE BERRY RIGHTS OFFERING PROCEDURES AND THE BERRY BACKSTOP AGREEMENT IN THE CASE OF ANY BERRY BACKSTOP PARTY, ALL SUBSCRIPTIONS SET FORTH IN THE APPLICABLE BENEFICIAL HOLDER SUBSCRIPTION FORM(S) ARE IRREVOCABLE.

2. Subscription Period

The Berry Rights Offerings will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each Berry Rights Offering Participant intending to purchase Rights Offering Shares in any Rights Offering must affirmatively elect to exercise its Berry Rights in the manner set forth in the applicable Subscription Form by the Subscription Expiration Deadline.

Any exercise of Berry Rights by a Berry Initial Backstop Party after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Commitment Parties holding more than sixty-six and two-thirds percent (66-2/3%) of the aggregate Backstop Commitments provided by all Commitment Parties at the time of the relevant determination (the “Requisite Commitment Parties”), to allow any exercise of Berry Rights after the Subscription Expiration Deadline.

Any exercise of Berry Rights by an Eligible Unsecured Holder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Requisite Commitment Parties, to allow any exercise of Berry Rights after the Subscription Expiration Deadline.

The Subscription Expiration Deadline may be extended with the consent of the Requisite Commitment Parties, or as required by law. Any such extension will be followed by a public announcement thereof no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Subscription Expiration Deadline.

3. Delivery of Subscription Documents

Each Berry Rights Offering Participant may exercise all or any portion of such Berry Rights Offering Participant’s Berry Rights, but subject to the terms and conditions contained herein. In order to facilitate the exercise of the Berry Rights, beginning on the Subscription Commencement Date, the applicable Subscription Form and these Berry Rights Offering Procedures will be sent to each Berry Rights Offering Participant, together with appropriate instructions for the proper completion, due execution and timely delivery of the executed Subscription Form and the payment of the applicable aggregate Purchase Price for its Rights Offering Shares.

4. Exercise of Berry Rights

(a) In order to validly exercise its Berry Rights, each Berry Rights Offering Participant that is not a Berry Backstop Party must:

- i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and
- ii. at the same time it returns its Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Subscription Agent

by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the applicable Beneficial Holder Subscription Form(s).

(b) In order to validly exercise its Berry Rights, each Berry Rights Offering Participant that is a Berry Backstop Party must:

- i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and
- ii. no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the Subscription Agent or to the escrow account established and maintained by a third party satisfactory to the Berry Backstop Parties and the Company (the “Escrow Account”)² by wire transfer **ONLY** of immediately available funds in accordance with the wire instructions included in the Funding Notice.

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

- (c) With respect to paragraphs 4(a) and (b) above, each Berry Rights Offering Participant must duly complete, execute and return the applicable Beneficial Holder Subscription Form(s) in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Subscription Agent the Master Subscription Form, its completed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and, solely with respect to the Berry Rights Offering Participants that are not Berry Backstop Parties, payment of the applicable Purchase Price, payable for the Rights Offering Shares elected to be purchased by such Eligible Holder, by the Subscription Expiration Deadline. Berry Rights Offering Participants that are Berry Backstop Parties must deliver their payment of the applicable Purchase Price payable for the Rights Offering Shares elected to be purchased by such Berry Backstop Party directly to the Subscription Agent or to the Escrow Account, as applicable, no later than the Backstop Funding Deadline.
- (d) In the event that the funds received by the Subscription Agent or the Escrow Account, as applicable, from any Berry Rights Offering Participant do not correspond to the Purchase Price payable for the Rights Offering Shares elected to be purchased by such Berry Rights Offering Participant, the number of the Rights Offering Shares deemed to be purchased by such Berry Rights Offering Participant will be the lesser of (a) the number of the Rights Offering Shares

² NTD: BCA Parties to select an escrow agent prior to launch of the rights offerings

elected to be purchased by such Berry Rights Offering Participant and (b) a number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such Berry Rights Offering Participant's *pro rata* portion of Rights Offering Shares.

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

5. Transfer Restriction; Revocation

The Berry Rights are not transferable, except as permitted by the Berry Backstop Agreement (with respect to the Berry Backstop Parties) or as agreed to by the Company and the Requisite Commitment Parties. If any Berry Rights are transferred by a Berry Rights Offering Participant in contravention of the foregoing, the Berry Rights will be cancelled, and neither such Berry Rights Offering Participant nor the purported transferee will receive any Rights Offering Shares otherwise purchasable on account of such transferred Berry Rights. Any Notes traded after the Berry Rights Offerings Record Date will not be traded with the Berry Rights attached.

Once a Berry Rights Offering Participant has properly exercised its Berry Rights, subject to the terms and conditions contained in these Berry Rights Offering Procedures and the Berry Backstop Agreement in the case of any Berry Backstop Party, such exercise will be irrevocable.

6. Termination/Return of Payment

Unless the Effective Date has occurred, the Berry Rights Offerings will be deemed automatically terminated without any action or notice by any party upon the earlier of (i) termination of the Plan or rejection of the Plan by all classes entitled to vote, (ii) termination of the Berry RSA in accordance with its terms, (iii) termination of the Berry Backstop Agreement in accordance with its terms and (iv) the Outside Date (as defined in the Berry Backstop Agreement) (as such date may be extended pursuant to the terms of the Berry Backstop Agreement). In the event the Berry Rights Offerings are terminated, any payments received pursuant to these Berry Rights Offering Procedures will be returned, without interest, to the applicable Berry Rights Offering Participant as soon as reasonably practicable, but in any event, within six (6) Business Days after the date of termination.

7. Settlement of the Berry Rights Offerings and Distribution of the Rights Offering Shares

The settlement of the Berry Rights Offerings is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtors with these Berry Rights Offering

Procedures, satisfaction of the conditions precedent set forth in the Berry Backstop Agreement, and the simultaneous occurrence of the Effective Date. The Debtors intend that the Rights Offering Shares will be issued to the Eligible Unsecured Holders and/or to any party that a Berry Rights Offering Participant so designates in the Beneficial Holder Subscription Form(s), in book-entry form, and that DTC, or its nominee / each the Eligible Holder or its designee, will be the holder of record of such Rights Offering Shares. To the extent DTC is unwilling or unable to make the Rights Offering Shares eligible on the DTC system, the Rights Offering Shares will be issued directly to the Eligible Holder or its designee.

8. Fractional Shares

No fractional rights or Rights Offering Shares will be issued in the Berry Rights Offerings. All share allocations (including each Berry Rights Offering Participant's Rights Offering Shares) will be calculated and rounded down to the nearest whole share.

9. Validity of Exercise of Berry Rights

All questions concerning the timeliness, viability, form and eligibility of any exercise of Berry Rights will be determined in good faith by the Debtors in consultation with the Requisite Commitment Parties, and, if necessary, subject to a final and binding determination by the Bankruptcy Court. The Debtor, with the consent of the Requisite Commitment Parties, may waive or reject any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, the purported exercise of any Berry Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in good faith in consultation with the Requisite Commitment Parties.

Before exercising any Berry Rights, Berry Rights Offering Participants should read the Disclosure Statement and the Plan for information relating to the Debtors and the risk factors to be considered.

All calculations, including, to the extent applicable, the calculation of (i) the value of any Eligible Unsecured Holder's Allowed Berry Unsecured Notes Claims for the purposes of the Berry Second Tranche Rights Offering and (ii) any Eligible Unsecured Holder's Second Tranche Rights Offering Shares, shall be made in good faith by the Company with the consent of the Requisite Commitment Parties and in each case in accordance with any Claim amounts included in the Plan, and any disputes regarding such calculations shall be subject to a final and binding determination by the Bankruptcy Court.

10. Modification of Procedures

With the prior written consent of the Requisite Commitment Parties, the Debtors reserve the right to modify these Berry Rights Offering Procedures, or adopt additional procedures consistent with these Berry Rights Offering Procedures to effectuate the Berry Rights Offerings and to issue the Rights Offering Shares; provided, however, that the Debtors shall provide prompt written notice to each Berry Rights Offering Participant of any material modification to

these Berry Rights Offering Procedures made after the Subscription Commencement Date, provided further that any amendments or modifications to the terms of the Berry Rights Offerings are subject to the provisions of Section 10.7 of the Berry Backstop Agreement. In so doing, and subject to the consent of the Requisite Commitment Parties, the Debtors may execute and enter into agreements and take further action that the Debtors determine in good faith is necessary and appropriate to effectuate and implement the Berry Rights Offerings and the issuance of the Rights Offering Shares.

The Debtors shall undertake reasonable procedures to confirm that each participant in the Berry Rights Offerings is in fact a Berry Rights Offering Participant.

11. Inquiries And Transmittal of Documents; Subscription Agent

The Rights Offering Instructions for Berry Rights Offering Participants attached hereto should be carefully read and strictly followed by the Berry Rights Offering Participants.

Questions relating to the Berry Rights Offerings should be directed to the Subscription Agent via email to linballots@primeclerk.com (please reference “Berry Rights Offering” in the subject line) or at the following phone number: (844) 794-3479.

The risk of non-delivery of all documents and payments to the Subscription Agent, the Escrow Account and any Nominee is on the Berry Rights Offering Participant electing to exercise its Berry Rights and not the Debtors, the Subscription Agent, or the Berry Backstop Parties.

**BERRY PETROLEUM COMPANY, LLC AND LINN ACQUISITION COMPANY, LLC,
ON BEHALF OF AN ENTITY TO BE FORMED LATER**

**RIGHTS OFFERING INSTRUCTIONS FOR BERRY RIGHTS OFFERING
PARTICIPANTS**

Terms used and not defined herein shall have the meaning assigned to them in the Plan.

To elect to participate in the Berry Rights Offerings, you must follow the instructions set out below:

1. **For Eligible Unsecured Holders only, insert** the principal amount of the Allowed Berry Unsecured Notes Claims that you held as of the Berry Rights Offerings Record Date in Item 1 of your applicable Beneficial Holder Subscription Form(s) (if you do not know such amount, please contact your Nominee immediately).
2. **For Berry Initial Backstop Parties, insert** the number of First Tranche Rights Offering Shares you are entitled to purchase pursuant to the Backstop Commitment Agreement in Item 2a of your applicable Beneficial Holder Subscription Form.
3. **For Eligible Unsecured Holders, complete** the calculation in Item 2a of your applicable Beneficial Holder Subscription Form(s), which calculates the maximum number of Rights Offering Shares available for you to purchase. Such amount must be rounded down to the nearest whole share.
4. **Complete** the calculation in Item 2b of your applicable Beneficial Holder Subscription Form(s) to indicate the number of Rights Offering Shares that you elect to purchase and calculate the aggregate Purchase Price for the Rights Offering Shares that you elect to purchase.
5. **Confirm** whether you are a Berry Backstop Party and that you are an “accredited investor,” as defined by Rule 501(a) of Regulation D promulgated under the Securities Act pursuant to the representations in Item 3 of your applicable Beneficial Holder Subscription Form(s). *(This section is only for Berry Backstop Parties, each of whom is aware of their status as a Berry Backstop Party and has executed the Backstop Commitment Agreement or a joinder thereto).*
6. **Read, complete and sign** the certification in Item 5 of your applicable Beneficial Holder Subscription Form(s). Such execution shall indicate your acceptance and approval of the terms and conditions set forth in these Berry Rights Offering Procedures.
7. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: www.irs.gov.
8. **Return** your applicable signed Beneficial Holder Subscription Form(s) (with

accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to your Nominee in sufficient time to allow your Nominee to process your instructions and prepare and deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline.

9. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2b of your applicable Beneficial Holder Subscription Form(s). For Berry Rights Offering Participants that are not Berry Backstop Parties, please instruct your Nominee to coordinate payment of the Purchase Price and transmit and deliver such payment to the Subscription Agent by the Subscription Expiration Deadline. A Berry Rights Offering Participant that is not a Berry Backstop Party should follow the payment instructions as provided in the Master Subscription Form. Any Berry Backstop Party should follow the payment instructions that will be provided in the Funding Notice, except to the extent of any aggregate Purchase Price previously paid by such Berry Rights Offering Participant to the Subscription Agent or the Escrow Account in accordance with the terms of the Berry Backstop Agreement.

The Subscription Expiration Deadline is 4:00 p.m. Central Time on January 16, 2017.

Please note that the Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by your broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee (as applicable, the “Nominee”), if applicable, in sufficient time to allow such Nominee to process and deliver the Master Subscription Form to the Subscription Agent, by the Subscription Expiration Deadline, along with the appropriate funding (with respect to Berry Rights Offering Participants that are not Berry Backstop Parties) or the subscription represented by your applicable Beneficial Holder Subscription Form(s) will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the Berry Rights Offerings.

Berry Rights Offering Participants that are Berry Backstop Parties must deliver the appropriate funding directly to the Subscription Agent or to the Escrow Account, as applicable, pursuant to the Funding Notice (except to the extent of any funding previously provided by any such Berry Rights Offering Participants to the Subscription Agent or the Escrow Account in accordance with the terms of the Berry Backstop Agreement) no later than the Backstop Funding Deadline.

Exhibit C

Form of Joinder Agreement

JOINDER AGREEMENT

This joinder agreement (the “Joinder Agreement”) to the Backstop Commitment Agreement dated 20, 2016 (as amended, supplemented or otherwise modified from time to time, the “BCA”), between the Debtors (as defined in the BCA) and the Commitment Parties (as defined in the BCA) is executed and delivered by _____ (the “Joining Party”) as of _____, 2016 (the “Joinder Date”). Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the BCA.

Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the BCA, a copy of which is attached to this Joinder Agreement as Annex I (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a “Commitment Party” for all purposes under the BCA.

Representations and Warranties. The Joining Party hereby severally and not jointly makes the representations and warranties of the Commitment Parties set forth in Section 5 of the BCA to the Debtors as of the date of this Joinder Agreement.

Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of New York without application of any choice of law provisions that would require the application of the laws of another jurisdiction.

[Signature pages follow.]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder Agreement to be executed as of the Joinder Date.

JOINING PARTY

[COMMITMENT PARTY], by and on behalf of certain of its and its affiliates' managed funds and/or accounts

By: _____

Name:

Title:

Holdings of Notes:

AGREED AND ACCEPTED AS OF THE JOINDER DATE:

BERRY PETROLEUM COMPANY, LLC, as a Debtor

By: _____

Name:

Title:

LINN ACQUISITION COMPANY, LLC, as a Debtor

By: _____

Name:

Title:

Exhibit D

Form of Amended and Restated Restructuring Support Agreement Transfer Agreement

Transfer Agreement

The undersigned (“Transferee”) hereby acknowledges that it has read and understands the Amended and Restated Restructuring Support Agreement dated as of 20, 2016 (the “Agreement”),¹ by and among the Company and the Consenting Creditors, including the transferor to the Transferee of any Claims (each such transferor, a “Transferor”), and shall be deemed a “Consenting Creditor,” under the terms of the Agreement and agrees to be bound by (a) the terms and conditions of the Agreement to the extent the Transferor was thereby bound and (b) any direction letters provided by the Consenting Creditor to any agent or trustee. The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer.

Date Executed:

Name:

Title:

Address:

E-mail address(es):

Telephone:

Facsimile:

<i>Aggregate Amounts Beneficially Owned or Managed on Account of:</i>	
Type	\$_[_____]

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Exhibit E

Proposed Berry Operations

[Redacted]

Exhibit D

Form Transfer Agreement

Transfer Agreement

The undersigned (“Transferee”) hereby acknowledges that it has read and understands the Amended and Restated Restructuring Support Agreement, dated as of _____ (the “Agreement”),¹ by and among the Company and the Consenting Creditors, including the transferor to the Transferee of any Claims (each such transferor, a “Transferor”), and shall be deemed a “Consenting Creditor,” under the terms of the Agreement and agrees to be bound by (a) the terms and conditions of the Agreement to the extent the Transferor was thereby bound and (b) any direction letters provided by the Consenting Creditor to any agent or trustee. The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer.

Date Executed:

Name:

Title:

Address:

E-mail address(es):

Telephone:

Facsimile:

<i>Aggregate Amounts Beneficially Owned or Managed on Account of:</i>	
Type	\$[_____]

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Exhibit C

Corporate Organization Chart



Linn Energy Corporate Structure Chart

Key
■ Direct
■ Non-Direct

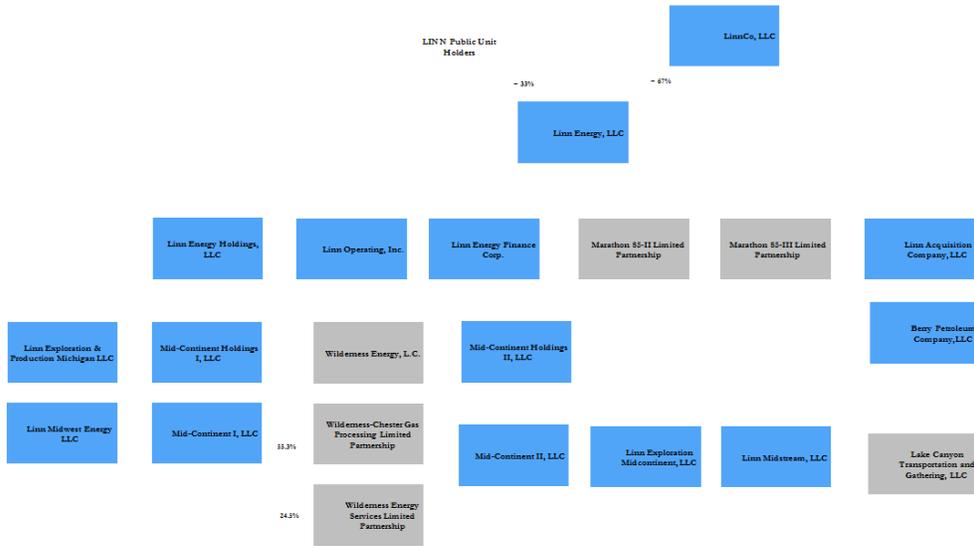


Exhibit D

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 Berry 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 Berry 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 Berry 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 Berry 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 Berry 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

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

other purpose. 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 Berry 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 Berry 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 Berry 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 BERRY DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE BERRY DEBTORS WOULD OR WOULD NOT, IN WHOLE OR IN PART, APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED HEREIN. THE ACTUAL LIQUIDATION VALUE OF THE BERRY DEBTORS IS SPECULATIVE AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED HEREIN.

In preparing the Liquidation Analysis, the Berry Debtors estimated Allowed Claims based upon a review of Claims listed on the Berry Debtors' Schedules of Assets and Liabilities and the Berry 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 Berry 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 BERRY 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 Berry 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 Berry Debtors as of August 31, 2016 and those values, in total, are assumed to be representative of the Berry 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 Berry 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 Berry Debtors’ current chapter 11 cases convert to chapter 7 on the Liquidation Date. The Liquidation Analysis is based on the book values of the Berry Debtors’ assets and liabilities as of August 31, 2016, or more recent values where available. The Berry 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 Berry 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 Berry Debtors’ resources and third-party advisors, to allow for the orderly wind down of the Berry 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 Berry Debtors have continued access to cash collateral during the course of the

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

Liquidation Timeline to fund Wind Down Expenses and (ii) 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. 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 Berry 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 Berry Debtors under chapter 7 of the Bankruptcy Code. The following table and notes provide a summary of the asset recoveries and payments made at Berry.³

Berry Liquidation Analysis Summary - 1/31/17						
	Note:	Book Value	Recovery %		Proceeds	
			Low	High	Low	High
Cash	[A]	\$ 213,758,816	100%	100%	\$ 213,758,816	\$ 213,758,816
Accounts Receivable, net	[B]	47,197,262	80%	95%	37,757,809	44,837,399
Inventory	[C]	3,272,309	70%	85%	2,290,616	2,781,463
Prepaid Expenses	[D]	8,730,927	12%	16%	1,057,335	1,383,307
PP&E - Oil and Related Assets	[E]	2,379,270,999	18%	24%	425,185,206	569,885,156
Other Assets	[F]	675,960	51%	63%	343,447	428,489
Intercompany Receivables	[G]	25,450,781	1%	2%	128,693	450,781
Gross Proceeds from Liquidation		\$ 2,652,906,273	26%	31%	\$ 680,521,924	\$ 833,525,411
<u>Administrative</u>						
Liable Administrative and Chapter 7 Claims:	[H]				\$ 62,772,605	\$ 65,826,233
Recovery \$					62,772,605	65,826,233
Recovery %					100.0%	100.0%
General Administrative Claims:					\$ 41,385,279	\$ 41,385,279
Recovery \$					0	-
Recovery %					0.0%	0.0%
<u>Berry Lender Claims - Credit Facility</u>						
Berry Lender Claims	[I]				\$ 873,174,628	\$ 873,174,628
Berry Lender Claims Recovery from Pledged Assets					617,749,319	767,699,178
Berry Lender Claims Deficiency Claims					\$ 255,425,309	\$ 105,475,450
Berry Lender Claims Recovery from Deficiency Claims					-	-
Recovery %					0.0%	0.0%
Total Berry Lender Claims Recovery \$					\$ 617,749,319	\$ 767,699,178
Total Berry Lender Claims Recovery %					70.7%	87.9%
<u>Berry Unsecured Notes Claims</u>						
Berry Unsecured Notes Claims	[J]				\$ 849,037,688	\$ 849,037,688
Recovery \$					-	-
Recovery %					0.0%	0.0%
<u>General Unsecured</u>						
General Unsecured Claims - All Entities (excluding notes)	[K]				\$ 109,633,445	\$ 109,633,445
Recovery \$					-	-
Recovery %					0.0%	0.0%
<u>Berry Intercompany Claims</u>						
Berry Intercompany Claims	[L]				6,826,257	6,826,257
Recovery \$					0	-
Recovery %					0.0%	0.0%
Total Distributions					\$ 680,521,924	\$ 833,525,411

Specific Notes to the Liquidation Analysis

³ LAC has not been separately scheduled as the entity does not contain assets.

[A] Cash and Cash Equivalents: The cash balances are the projected balances as of January 31, 2017, with all cash being pledged to the Berry Lenders. 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 Berry's receivables.

[C] Inventory: A 70% to 85% recovery has been estimated for inventory which 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 12% to 16% 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 Berry Debtors' reserves will be sold as operating wells. The value of these wells has been estimated by reserve type using the Berry Debtors' internal projections and business plan, adjusted for liquidation conditions. In total, Berry's oil producing and related assets would amount to approximately \$462 million and \$616 million 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 \$17 million to \$23 million has been added to the value of the reserves, wells, and related equipment to account for the Berry's midstream, building, land, vehicle, and other assets. In total, the implied recovery relative to net book value is 18% to 24%.

[F] Other Assets: Other assets consist of deferred tax assets, certain long term prepaid items (expenses and insurance), and equity investments in minority owned Lake Canyon LLC and UTE Pipeline. On a blended basis, the recovery is 51% to 63% of net book value.

[G] Intercompany Receivables: The intercompany receivables represent the recovery from the LINN Debtors for post-petition intercompany claims that exist from the LINN Debtors and Berry. The Berry Debtors project a recovery of \$0.1 million to \$0.5 million.

[H] Administrative Claims: Lienable and chapter 7 claims include trade payables that may be subject to mechanics and other liens, wind down costs, 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 a going concern. The wind down salary expense estimate assumes that payroll expenses include two months with full lease operating expenses payroll and a third month at 35%, while G&A payroll is estimated at 50% for two months and 5% for the third month.

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

[I] Berry Lender Claims — Credit Facility: The claim amount represents an estimate by the Berry Debtors of the principal amount of the secured claims. Recovery amounts include deficiency claim recoveries for amounts not covered by secured assets and diminution claims of \$177 million in the low case and \$180 million in the high case for the decline of secured lenders' collateral from the filing date to the Liquidation Date.

[J] Berry Unsecured Notes Claims: The claim amount represents an estimate of the Berry senior notes claim. Berry Unsecured Notes receive no recovery.

[K] 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 by Debtor and related entity and recovery rates for individual claims receive no recovery.

[L] Berry Intercompany Payables: The intercompany payables represent the payments to LINN Debtors for intercompany claims. The Berry Debtors project no recovery from these payables.

Exhibit F

Financial Projections

Financial Projections

In connection with the Disclosure Statement,²⁴ the Debtors' management team ("Management") prepared financial projections ("Financial Projections") for Reorganized Berry 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 Berry's operations. **ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, THE DEBTORS AND REORGANIZED BERRY 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 BERRY'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.

²⁴ 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 Berry Debtors' business plan. Both the business plan and the Financial Projections reflect numerous assumptions, including various assumptions regarding the anticipated future performance of Reorganized Berry, 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 Berry 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 Berry'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 Berry'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 Berry 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 Berry 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 estimates for oil and gas production and capital spending 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.

Projected Realized Pricing - Reorganized Berry

	Fiscal Year Ended December 31				
	2H'16E	2017E	2018E	2019E	2020E
Realized natural gas prices (\$/Mcf)	\$2.78	\$2.99	\$2.85	\$2.76	\$2.78
Realized oil price (\$/Bbl)	40.36	44.04	45.79	46.84	47.87
Realized NGL price (\$/Bbl)	21.79	23.72	24.59	25.00	25.27

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 Berry 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;
 - 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 Berry'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 Berry will obtain exit financing with initial RBL commitments equal to \$550 million (the "Berry RBL"). Borrowings under the Berry RBL facility are estimated at \$405 million on the Effective Date, pro forma for the funding of an assumed \$300 million rights offering investment and cash distributions under the Plan. Management expects to have approximately \$138 million of available liquidity under its RBL and ~\$6 million of letters of credit outstanding on the Effective Date.

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

Sources		Uses	
Assumed Rights Offering Proceeds	\$300	Paydown of BERRY First Lien Credit Facility	\$891
Reorganized BERRY RBL Drawn at Emerger	405	Cash on Balance Sheet Post-Consummation	--
Balance Sheet Cash Pre-Consummation	186		
Total Sources	891	Total Uses	891

(a) Assumed Effective Date of January 31, 2017. Assumes assumes 100% acceptance of the Plan by Berry Lender Claims.

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

	Pre-Emergence	Adjustment	Post-Emergence
BERRY First Lien Credit Facility	\$891	(\$891)	\$--
Reorganized BERRY RBL	--	405	405
Secured Debt	\$891	(\$486)	\$405
BERRY 6.75% Senior Notes due 2020	261	(261)	--
BERRY 6.375% Senior Notes due 2022	573	(573)	--
Unsecured Debt	\$834	(\$834)	\$--
Total BERRY Debt	\$1,725	(\$1,320)	\$405
Memo:			
Projected Cash	\$186	(\$186)	\$--
Projected Revolver Availability ^(a)	--	138	138
Liquidity	\$186	(\$48)	\$138

(a) Assumes ~\$6mm of outstanding letters of credit after emergence.

Financial Projections - Reorganized Berry

(\$ in millions)

	Fiscal Year End				
	2H'16E	2017E	2018E	2019E	2020E
Total Wellhead Revenues	\$214	\$439	\$440	\$453	\$476
(+) Other Revenues	9	17	17	17	16
Revenue	\$223	\$456	\$457	\$469	\$492
(-) Lease Operating Expenses	(101)	(179)	(174)	(176)	(180)
(-) Transportation	(19)	(35)	(33)	(31)	(28)
(-) Taxes (other than income taxes)	(19)	(39)	(39)	(39)	(41)
(-) General and Administrative Expenses	(30)	(50)	(50)	(50)	(50)
(-) Reorganization Expenses	(21)	(23)	--	--	--
(-) Other Expenses	--	(1)	(1)	(1)	(2)
Adj. EBITDA	\$33	\$130	\$160	\$172	\$192
(-) Capital Expenditures	(22)	(79)	(72)	(61)	(48)
(-) Net Change in Working Capital - Reorganization Related	9	(8)	--	--	--
(-) Cash Income Taxes	--	--	(1)	(15)	(36)
Unlevered Free Cash Flow	\$21	\$43	\$87	\$95	\$107
(-) Interest Expense	(24)	(22)	(16)	(13)	(10)
(-) Net Paydown of BERRY First Lien Credit Facility	--	(891)	--	--	--
(-) Preferred Dividends	--	--	(11)	(21)	(21)
(+) Proceeds from Rights Offering	--	300	--	--	--
Levered Free Cash Flow	(\$3)	(\$571)	\$61	\$61	\$76
(+) Beginning Cash	214	211	--	--	--
(+) Drawdown/(Repayment) of BERRY Exit Facility	--	360	(61)	(61)	(76)
Ending Cash	\$211	\$--	\$--	\$--	\$--
(+) Availability of BERRY Exit Facility ^(a)	--	184	245	306	383
Ending Liquidity	\$211	\$184	\$245	\$306	\$383
Memo:					
Total Debt	\$1,725	\$360	\$299	\$237	\$161
Total Debt/LTM Adj. EBITDA	NM	2.8x	1.9x	1.4x	0.8x

(a) Assumes ~\$6mm of outstanding letters of credit after emergence.

Exhibit G

Berry Backstop Agreement

BACKSTOP COMMITMENT AGREEMENT

AMONG

BERRY PETROLEUM COMPANY, LLC,

LINN ACQUISITION COMPANY, LLC,

AND

THE COMMITMENT PARTIES PARTY HERETO

Dated as of December 20, 2016

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SCHEDULES

Schedule 1 Backstop Commitment Schedule

EXHIBITS

Exhibit A Terms of Preferred Shares
 Exhibit B Form of Rights Offering Procedures
 Exhibit C Form of Joinder Agreement
 Exhibit D Form of Amended and Restated Restructuring Support Agreement Transfer Agreement

BACKSTOP COMMITMENT AGREEMENT

THIS BACKSTOP COMMITMENT AGREEMENT (this “**Agreement**”), dated as of December 20, 2016, is made by and among Berry Petroleum Company, LLC, a Delaware limited liability company (now and as a reorganized debtor, as applicable, “**Berry**”), and Linn Acquisition Company, LLC, a Delaware limited liability company (now and as a reorganized debtor, as applicable, “**LAC**,” and together with Berry, the “**Company**” or the “**Debtors**”), each on behalf of itself, on the one hand, and each of the several Commitment Party (as defined below), on the other hand. The Company and each Commitment Party is referred to herein, individually, as a “**Party**” and, collectively, as the “**Parties**”. Capitalized terms that are used but not otherwise defined in this Agreement shall have the meanings given to them in Section 1.1 hereof.

RECITALS

WHEREAS, the Company, the Commitment Parties and the Consenting Creditors (as defined in the Restructuring Support Agreement) have entered into an Amended and Restated Restructuring Support Agreement, dated as of December 20, 2016 (including all the exhibits thereto, as may be amended, supplemented or otherwise modified from time to time, the “**Restructuring Support Agreement**”), which (a) provides for the restructuring of the Debtors’ capital structure and financial obligations pursuant to a plan of reorganization to be filed in jointly administered cases (the “**Chapter 11 Cases**”) under Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as it may be amended from time to time, the “**Bankruptcy Code**”), in the United States Bankruptcy Court for Southern District of Texas (the “**Bankruptcy Court**”), implementing the terms and conditions of the Restructuring Transactions and (b) requires that the parties thereto support approval of the Plan (as defined below) in accordance with the terms thereof.

WHEREAS, pursuant to the Plan and this Agreement, and in accordance with the Rights Offering Procedures, the Company, on behalf of the Reorganized Company, will conduct (a) a rights offering for the First Tranche Rights Offering Shares (excluding the Preferred Shares to be issued pursuant to the Commitment Premium) at an aggregate purchase price equal to the First Tranche Rights Offering Amount and a per-share purchase price equal to the Per Share Purchase Price, which shall only be open to the Initial Commitment Parties, and (b) a rights offering for the Second Tranche Rights Offering Shares (excluding the Preferred Shares to be issued pursuant to the Commitment Premium) at an aggregate purchase price equal to the Second Tranche Rights Offering Amount and a per-share purchase price equal to the Per Share Purchase Price, which shall be open to all Commitment Parties, and, on the Effective Date and following its formation, the Reorganized Company (which shall be formed by a nominee of the Commitment Parties prior to the Effective Date) shall assume and perform any remaining obligations of the Debtors with respect to the Rights Offerings and issue the Rights Offering Shares.

WHEREAS, subject to the terms and conditions contained in this Agreement, (a) each Initial Commitment Party severally, and not jointly, has agreed to fully exercise all First Tranche Subscription Rights that are issued to such Initial Commitment Party in its capacity as a holder of Notes Claims pursuant to the First Tranche Rights Offering and duly purchase, at the

Per Share Purchase Price, all First Tranche Rights Offering Shares issuable to it pursuant to such exercise, and (b) each Commitment Party severally, and not jointly, has agreed to (i) fully exercise all Second Tranche Subscription Rights that are issued to such Commitment Party in its capacity as a holder of Notes Claims pursuant to the Second Tranche Rights Offering and duly purchase, at the Per Share Purchase Price, all Rights Offering Shares issuable to it pursuant to such exercise and (ii) purchase its Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares, if any.

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, the Company and each of the Commitment Parties hereby severally and not jointly agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Except as otherwise expressly provided in this Agreement, whenever used in this Agreement (including any Exhibits and Schedules hereto), the following terms shall have the respective meanings specified therefor below or in the Plan, as applicable:

“**Ad Hoc Committee**” means that certain ad hoc group of holders of Notes or any of its members or their Affiliates represented by Quinn, Norton Rose and Houlihan Lokey.

“**Administrative Agent**” means Wells Fargo Bank, National Association, as administrative agent under the Berry Credit Agreement, solely in its capacity as such.

“**Affiliate**” means, with respect to any Person, any other Person that, directly or indirectly, Controls or is Controlled by or is under common Control with such Person, and shall include the meaning of “affiliate” set forth in section 101(2) of the Bankruptcy Code. “**Affiliated**” has a correlative meaning.

“**Affiliated Fund**” means any investment fund the primary investment advisor to which is a Commitment Party or an Affiliate thereof or any Commitment Party’s Affiliated investment management entity, as investment manager or advisor for investment funds and accounts.

“**Aggregate Backstop Commitment Percentage**” with respect to any Commitment Party, means such Commitment Party’s aggregate percentage of the Rights Offering Shares such Commitment Party is obligated to purchase in the First Tranche Rights Offering and the Second Tranche Rights Offering as set forth opposite such Commitment Party’s name under the column titled “Aggregate Backstop Commitment Percentage” on Schedule 1 to this Agreement.

“**Agreement**” has the meaning set forth in the Preamble.

“**Alternative Transaction**” means any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation,

business combination, joint venture, partnership, sale of assets, financing (debt or equity), or restructuring of any of the Debtors, other than the Restructuring Transactions.

“**Antitrust Authorities**” means the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other Governmental Entity, whether domestic or foreign, having jurisdiction pursuant to the Antitrust Laws, and “**Antitrust Authority**” means any of them.

“**Antitrust Laws**” means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and any other Law, whether domestic or foreign, governing agreements in restraint of trade, monopolization, pre-merger notification, the lessening of competition through merger or acquisition or anti-competitive conduct, and any foreign investment Laws.

“**Applicable Consent**” has the meaning set forth in Section 4.6.

“**Available Shares**” means all of the First Tranche Available Shares and the Second Tranche Available Shares.

“**Backstop Agreement Motion**” means the motion to be filed by the Debtors seeking approval of the BCA Approval Order.

“**Backstop Commitment**” means the First Tranche Backstop Commitment and/or the Second Tranche Backstop Commitment, as applicable.

“**Backstop Commitment Percentage**” means the First Tranche Backstop Commitment Percentage and/or the Second Tranche Backstop Commitment Percentage, as applicable.

“**Backstop Commitment Schedule**” means Schedule 1 to this Agreement, as may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

“**Bankruptcy Code**” has the meaning set forth in the Recitals.

“**Bankruptcy Court**” has the meaning set forth in the Recitals.

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

“**BCA Approval Obligations**” means the obligations of the Company under this Agreement and the BCA Approval Order.

“**BCA Approval Order**” means an Order of the Bankruptcy Court that that is not stayed under Bankruptcy Rule 6004(h) or otherwise (a) authorizes the Company to execute and

deliver this Agreement, including all exhibits and other attachments hereto, pursuant to sections 105 and 363 of the Bankruptcy Code and (b) provides that the Commitment Premium, Expense Reimbursement and the indemnification provisions contained herein shall constitute allowed administrative expenses of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code and shall be payable by the Debtors as provided in this Agreement without further Order of the Bankruptcy Court.

"Berry Indenture" means that certain Indenture, dated as of June 15, 2006, by and between Berry, as issuer, and the Berry Indenture Trustee, as may be amended, restated, or supplemented from time to time.

"Berry Indenture Trustee" means The Bank of New York Mellon Trust Company, N.A., solely in its capacity as indenture trustee under the Berry Indenture.

"Berry Termination Event" has the meaning set forth in Section 9.3.

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

"Bylaws" means the bylaws of the Reorganized Company, which shall become effective as of Effective Date, and which shall be consistent with the terms set forth in the Restructuring Support Agreement and the Plan, and otherwise be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

"Certificate of Incorporation" means the certificate of incorporation of the Reorganized Company as in effect on the Effective Date, which shall be consistent with the terms set forth in the Restructuring Support Agreement and the Plan, and otherwise be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

"Chapter 11 Cases" has the meaning set forth in the Recitals.

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

"Closing" has the meaning set forth in Section 2.5(a).

"Closing Date" has the meaning set forth in Section 2.5(a).

"Code" means the Internal Revenue Code of 1986.

"Commitment Party" means each Initial Commitment Party, each Noteholder that is a party hereto, and each permitted transferee of any Backstop Commitment pursuant to Section 2.6.

"Commitment Party Default" means a First Tranche Commitment Party Default or a Second Tranche Commitment Party Default.

"Commitment Party Replacement" has the meaning set forth in Section 2.3(b).

“Commitment Party Replacement Period” has the meaning set forth in Section 2.3(b).

“Commitment Premium” has the meaning set forth in Section 3.1.

“Common Shares” means the shares of common stock that constitute equity interests in the Reorganized Company.

“Company” has the meaning set forth in the Preamble.

“Company Disclosure Schedules” means the disclosure schedules delivered by the Company to the Commitment Parties on the date of this Agreement.

“Company Plan” means any employee pension benefit plan, as such term is defined in Section 3(2) of ERISA, (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 or 430 of the Code or Section 302 of ERISA, and (i) sponsored or maintained (at the time of determination or at any time within the six years prior thereto) by any of the Debtors or any ERISA Affiliate, or with respect to which any such entity has any actual or contingent liability or obligation or (ii) in respect of which any of the Debtors or any ERISA Affiliate is (or, if such plan were terminated, could under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Company SEC Documents” means all of the reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) filed with the SEC by the Company.

“Confirmation Hearing” means the hearing on confirmation of the Plan.

“Confirmation Order” means a Final Order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“Consenting Noteholders” means each Noteholder that is party to the Restructuring Support Agreement, solely in its capacity as such.

“Contract” means any agreement, contract or instrument, including any loan, note, bond, mortgage, indenture, guarantee, deed of trust, license, franchise, commitment, lease, franchise agreement, letter of intent, memorandum of understanding or other obligation, and any amendments thereto, whether written or oral, but excluding the Plan.

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or agency or otherwise.

“Cover Transaction” has the meaning set forth in Section 2.3(c).

“Cover Transaction Period” has the meaning set forth in Section 2.3(c).

“**Credit Agreement**” means that certain Second Amended and Restated Credit Agreement, dated as of November 25, 2010, by and among Berry, as borrower, the Administrative Agent, and the lenders and agents party thereto, as may be amended, restated, or otherwise supplemented from time to time.

“**Debtors**” means, collectively, LAC and Berry, as the debtors in possession and reorganized debtors, as applicable.

“**Defaulting Commitment Party**” means in respect of a Commitment Party Default that is continuing, the applicable defaulting Commitment Party.

“**Definitive Documentation**” means the definitive documents and agreements governing the Restructuring Transactions as set forth in the Restructuring Support Agreement.

“**Disclosure Statement**” means the Consensual Disclosure Statement as defined in the Restructuring Support Agreement.

“**Effective Date**” means the date upon which (a) no stay of the Confirmation Order is in effect, (b) all conditions precedent to the effectiveness of the Plan (or each respective Plan, if separate) have been satisfied or are expressly waived in accordance with the terms thereof, as the case may be, and (c) on which the Restructuring and the other transactions to occur on the Effective Date pursuant to the Plan become effective or are consummated.

“**Environmental Laws**” means all applicable laws (including common law), rules, regulations, codes, ordinances, orders in council, Orders, decrees, treaties, directives, judgments or legally binding agreements promulgated or entered into by or with any Governmental Entity, relating in any way to the environment, preservation or reclamation of natural resources, the generation, management, Release or threatened Release of, or exposure to, any Hazardous Material.

“**ERISA**” means the Employee Retirement Income Security Act of 1974.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that, together with any of the Debtors, is, or at any relevant time during the past six years was, treated as a single employer under any provision of Section 414 of the Code.

“**ERISA Event**” means (a) any Reportable Event or the requirements of Section 4043(b) of ERISA apply with respect to a Company Plan; (b) any failure by any Company Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Company Plan, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Company Plan, the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Company Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the incurrence by any of the Debtors or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Company Plan, including the imposition of any Lien in favor of the PBGC or any Company Plan or Multiemployer Plan; (e) a determination that any Company Plan is, or is expected to be, in “at-risk” status (within the meaning of Section 303 of ERISA or

Section 430 of the Code); (f) the receipt by any of the Debtors or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Company Plan or to appoint a trustee to administer any Company Plan under Section 4042 of ERISA; (g) the incurrence by any of the Debtors or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Company Plan or Multiemployer Plan; (h) the receipt by any of the Debtors or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any of the Debtors or any ERISA Affiliate of any notice, concerning the impending imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, “insolvent” (within the meaning of Section 4245 of ERISA), or in “endangered” or “critical status” (within the meaning of Section 305 of ERISA or Section 432 of the Code); (i) the conditions for imposition of a Lien under Section 303(k) of ERISA or Section 430(k) of the Code shall have been met with respect to any Company Plan; (j) the adoption of an amendment to a Company Plan requiring the provision of security to such Company Plan pursuant to Section 307 of ERISA; (k) the assertion of a material claim (other than routine claims for benefits) against any Company Plan or the assets thereof, or against any of the Debtors or any of the ERISA Affiliates in connection with any Company Plan; or (l) receipt from the IRS of notice of the failure of any Company Plan (or any other employee benefit plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Company Plan to qualify for exemption from taxation under Section 501(a) of the Code.

“**Escrow Account**” has the meaning set forth in Section 2.4(a).

“**Escrow Account Funding Date**” has the meaning set forth in Section 2.4(b).

“**Event**” means any event, development, occurrence, circumstance, effect, condition, result, state of facts or change.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Exit Facility**” means the new \$550 million reserve-based lending facility substantially on the terms set forth in the Exit Facility Term Sheet and which shall be consistent with the terms set forth in the Restructuring Support Agreement and the Plan.

“**Exit Facility Term Sheet**” means the term sheet attached as Exhibit B to the Restructuring Support Agreement setting forth the terms and conditions of the Exit Facility.

“**Expense Reimbursement**” has the meaning set forth in Section 3.3(a).

“**Filing Party**” has the meaning set forth in Section 6.12(b).

“**Final Cash Collateral Order**” means the *Final Order under 11 U.S.C. §§ 105, 361, 362, 363, 507 and 552, and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Debtors to Use Cash Collateral and (II) Granting Adequate Protection to Prepetition Lenders* [Docket No. 743], as may be amended.

“**Final Order**” means, as applicable, an Order of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been

reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the Order could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such Order, or has otherwise been dismissed with prejudice.

“Financial Reports” has the meaning set forth in Section 6.5.

“First Tranche Available Shares” means the First Tranche Rights Offering Shares that any Initial Commitment Party fails to purchase as a result of a First Tranche Commitment Party Default by such Initial Commitment Party.

“First Tranche Backstop Commitment” has the meaning set forth in Section 2.2(a).

“First Tranche Backstop Commitment Percentage” means, with respect to any Initial Commitment Party, such Initial Commitment Party’s percentage of the First Tranche Backstop Commitment as set forth opposite such Initial Commitment Party’s name under the column titled “First Tranche Backstop Commitment Percentage” on Schedule 1 to this Agreement.

“First Tranche Commitment Party Default” means the failure by any Initial Commitment Party to fully exercise all First Tranche Subscription Rights that are issued to it pursuant to the First Tranche Rights Offering and duly purchase all First Tranche Rights Offering Shares issuable to it pursuant to such exercise, in accordance with this Agreement and the Plan.

“First Tranche Commitment Party Replacement” has the meaning set forth in Section 2.3(a).

“First Tranche Commitment Party Replacement Period” has the meaning set forth in Section 2.3(a).

“First Tranche Replacing Commitment Parties” has the meaning set forth in Section 2.3(a).

“First Tranche Rights Offering” means the rights offering that is backstopped by the Initial Commitment Parties for the First Tranche Rights Offering Amount in connection with the Restructuring Transactions substantially on the terms reflected in the Restructuring Support Agreement and this Agreement, and in accordance with the Rights Offering Procedures.

“First Tranche Rights Offering Amount” means an amount equal to \$60,000,000.

“First Tranche Rights Offering Shares” means 6,000,000 Preferred Shares distributed to the Initial Commitment Parties pursuant to and in accordance with the Rights Offering Procedures in the First Tranche Rights Offering.

“**First Tranche Subscription Rights**” means the subscription rights granted to the Initial Commitment Parties to purchase First Tranche Rights Offering Shares.

“**Funding Notice**” has the meaning set forth in Section 2.4(a).

“**Funding Notice Date**” has the meaning set forth in Section 2.4(a).

“**GAAP**” means United States generally accepted accounting principles.

“**Governmental Entity**” has the meaning of “governmental unit” set forth in section 101(27) of the Bankruptcy Code.

“**Hazardous Materials**” means all pollutants, contaminants, wastes, chemicals, materials, substances and constituents, including explosive or radioactive substances or petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls or radon gas, of any nature subject to regulation or which can give rise to liability under any Environmental Law other than naturally occurring radioactive material (“NORM”) on or inside of equipment wells or oil and gas property to the extent each of the foregoing is in service.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

“**Houlihan Lokey**” means Houlihan Lokey, Inc.

“**Indemnified Claim**” has the meaning set forth in Section 8.2.

“**Indemnified Person**” has the meaning set forth in Section 8.1.

“**Indemnifying Party**” has the meaning set forth in Section 8.1.

“**Initial Commitment Party**” means Affiliated Funds of Oaktree Capital Management, L.P. and/or Benefit Street Partners, L.L.C. that are a Party to this Agreement, as applicable.

“**Intellectual Property Rights**” has the meaning set forth in Section 4.12.

“**IRS**” means the United States Internal Revenue Service.

“**Joint Filing Party**” has the meaning set forth in Section 6.12(c).

“**Knowledge of the Company**” means the actual knowledge, after reasonable inquiry of their direct reports, of the chief executive officer, chief financial officer, chief operating officer and general counsel of the Company. As used herein, “actual knowledge” means information that is personally known by the listed individual(s).

“**Law**” means any law (statutory or common), statute, regulation, rule, code or ordinance enacted, adopted, issued or promulgated by any Governmental Entity.

“**Legal Proceedings**” has the meaning set forth in Section 4.10.

“**Legend**” has the meaning set forth in Section 6.11.

“**Lien**” means any lien, adverse claim, charge, option, right of first refusal, servitude, security interest, mortgage, pledge, deed of trust, easement, encumbrance, restriction on transfer, conditional sale or other title retention agreement, defect in title, lien or judicial lien as defined in sections 101(36) and (37) of the Bankruptcy Code or other restrictions of a similar kind.

“**Linn Debtors**” means the debtors under the Plan other than Berry and LAC.

“**Losses**” has the meaning set forth in Section 8.1.

“**Material Adverse Effect**” means any Event, which individually, or together with all other Events, has had or would reasonably be expected to have a material and adverse effect on (a) the business, assets, liabilities, finances, properties, results of operations or condition (financial or otherwise) of the Debtors, taken as a whole, or (b) the ability of the Debtors, taken as a whole, to perform timely and fully their obligations under, or to consummate the transactions contemplated by, the Transaction Agreements, including the Rights Offerings, in each case, except to the extent such Event results from, arises out of, or is attributable to, the following (either alone or in combination): (i) any change after the date hereof in global, national or regional political conditions (including hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or material worsening of any such hostilities, acts of war, sabotage, terrorism or military actions existing or underway) or in the general business, market, financial or economic conditions affecting the industries, regions and markets in which the Debtors operate, including any change in the United States or applicable foreign economies or securities, commodities or financial markets, or force majeure events or “acts of God”; (ii) any changes after the date hereof in applicable Law or GAAP, or in the interpretation or enforcement thereof; (iii) the execution, announcement or performance of this Agreement or the other Transaction Agreements or the transactions contemplated hereby or thereby (including any act or omission of the Debtors expressly required or prohibited, as applicable, by this Agreement or consented to or required by the Requisite Commitment Parties in writing); (iv) changes in the market price or trading volume of the claims or equity or debt securities of the Debtors (but not the underlying facts giving rise to such changes unless such facts are otherwise excluded pursuant to the clauses contained in this definition); (v) the departure of officers or directors of any of the Debtors not in contravention of the terms and conditions of this Agreement (but not the underlying facts giving rise to such departure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); (vi) the filing or pendency of the Chapter 11 Cases; (vii) declarations of national emergencies in the United States or natural disasters in the United States; (viii) any matters expressly disclosed in the Disclosure Statement or the Company Disclosure Schedules as delivered on the date hereof; or (ix) the occurrence of a Commitment Party Default; provided, that the exceptions set forth in clauses (i) and (ii) shall not apply to the extent that such Event is disproportionately adverse to the Debtors, taken as a whole, as compared to other companies in the industries in which the Debtors operate.

“**Material Contracts**” means (a) all “plans of acquisition, reorganization, arrangement, liquidation or succession” and “material contracts” (as such terms are defined in Items 601(b)(2) and 601(b)(10) of Regulation S-K under the Exchange Act) to which any of the Debtors is a party or (b) any Contracts to which any of the Debtors is a party that is likely to reasonably involve consideration of more than \$5,000,000, in the aggregate, over a twelve-month period, has a term of greater than one year and is not cancelable without material penalty on not more than thirty (30) days’ notice.

“**Money Laundering Laws**” has the meaning set forth in Section 4.23.

“**Multiemployer Plan**” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any of the Debtors or any ERISA Affiliate is making or accruing an obligation to make contributions, has within any of the preceding six plan years made or accrued an obligation to make contributions, or each such plan with respect to which any such entity has any actual or contingent liability or obligation.

“**Norton Rose**” means Norton Rose Fulbright US, LLP.

“**Note Claims**” means all claims against the Debtors arising on account of the Notes and the Berry Indenture.

“**Noteholders**” means the holders of Notes.

“**Notes**” shall mean, collectively, (a) approximately \$261.1 million in aggregate principal amount of 6.75% senior unsecured notes due 2020 and (b) approximately \$572.7 million in aggregate principal amount of 6.375% senior unsecured notes due 2022, each as issued pursuant to the Berry Indenture.

“**Order**” means any judgment, order, award, injunction, writ, permit, license or decree of any Governmental Entity or arbitrator of applicable jurisdiction.

“**Outside Date**” has the meaning set forth in Section 9.2(a).

“**Party**” has the meaning set forth in the Preamble.

“**PBGC**” means the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

“**Per Share Purchase Price**” means \$10.00.

“**Permitted Liens**” means (a) Liens for Taxes that (i) are not yet delinquent or (ii) are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (b) landlord’s, operator’s, vendors’, carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other similar Liens for labor, materials or supplies or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of oil and gas properties provided with respect to any Real Property or personal property incurred in the ordinary course of business consistent with past practice and as otherwise not prohibited under

this Agreement, for amounts that are not more than sixty (60) days delinquent and that do not materially detract from the value of, or materially impair the use of, any of the Real Property or personal property of any of the Debtors, or, if for amounts that do materially detract from the value of, or materially impair the use of, any of the Real Property or personal property of any of the Debtors, if such Lien is being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (c) zoning, building codes and other land use Laws regulating the use or occupancy of any Real Property or the activities conducted thereon that are imposed by any Governmental Entity having jurisdiction over such Real Property; provided, that no such zoning, building codes and other land use Laws prohibit the use or occupancy of such Real Property; (d) easements, covenants, conditions, minor encroachments, restrictions on transfer and other similar matters affecting title to any Real Property (including any title retention agreement) and other title defects and encumbrances that do not or would not materially impair the ownership, use or occupancy of such Real Property or the operation of the Debtors' business; (e) Liens granted under any Contracts (including joint operating agreements, oil and gas leases, farmout agreements, joint development agreements, transportation agreements, marketing agreements, seismic licenses and other similar operational oil and gas agreements), in each case, to the extent the same are ordinary and customary in the oil and gas business and do not or would not materially impair the ownership, use or occupancy of any Real Property or the operation of the Debtors' business and which are for claims not more than sixty (60) days delinquent or, if such claim does materially impair such ownership, use, occupancy or operation and are for obligations that are more than sixty (60) days delinquent, are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (f) from and after the occurrence of the Effective Date, Liens granted in connection with the Exit Facility; (g) mortgages on a lessor's interest in a lease or sublease; provided that no foreclosure proceedings have been duly filed (unless, in such case, such mortgage has been subordinated to the applicable lease); and (h) Liens that, pursuant to the Plan and the Confirmation Order, will be discharged and released on the Effective Date.

“Person” means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, association, trust, Governmental Entity or other entity or organization.

“Plan” means the *Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and Its Debtor Affiliates*, filed on October 21, 2016 and as amended as set forth on Exhibit A to the Restructuring Support Agreement (as may be further amended, supplemented, or modified from time to time in accordance with its terms and the terms of the Restructuring Support Agreement), including all exhibits, supplements, appendices, and schedules thereto.

“Plan Solicitation Order” means an Order, in form and substance reasonably acceptable to the Requisite Commitment Parties and the Company, approving the Disclosure Statement with respect to the Plan and approving the Rights Offering Procedures and the solicitation with respect to the Plan which are in form and substance reasonably acceptable to the Requisite Commitment Parties and the Company.

“Plan Supplement” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and the

Restructuring Support Agreement), including without limitation disclosure required under section 1129(a)(5) of the Bankruptcy Code, to be filed by the Debtors no later than 14 days before the Confirmation Hearing, and additional documents or amendments to previously filed documents, filed before the Effective Date as amendments to the Plan Supplement, including the following, as applicable: (a) the Exit Facility Documents; (b) the Reorganized Company Organizational Documents; (c) a list of retained Causes of Action (as defined in the Plan); (d) the Description of Transaction Steps (as defined in the Plan); (e) the Registration Rights Agreement; (f) the Schedule of Assumed Executory Contracts and Unexpired Leases (as defined in the Plan); (g) the Schedule of Rejected Executory Contracts and Unexpired Leases (as defined in the Plan); (h) the Agreement; and (i) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date consistent with and subject to the Restructuring Support Agreement.

“Pre-Closing Period” has the meaning set forth in Section 6.3.

“Preferred Shares” means shares of convertible perpetual preferred stock representing equity interests in the Reorganized Company having the rights and obligations set forth on Exhibit A hereto.

“Pre-Hearing Letter Agreement” means an agreement executed by the Parties acknowledging their agreement to the definitive forms of the documents contemplated hereby, including the Reorganized Company Organizational Documents.

“Qualified Assignee” means any Person (other than a natural person) that is not insolvent, as such term is defined in the Bankruptcy Code, immediately before and after giving effect to the obligations and payments hereunder.

“Quinn” means Quinn Emanuel Urquhart & Sullivan, LLP.

“Real Property” means, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee or leased by any of the Debtors, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures incidental to the ownership or lease thereof.

“Registration Rights Agreement” has the meaning set forth in Section 6.7(a).

“Related Party” means, with respect to any Person, (i) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of such Person and (ii) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of any of the foregoing.

“Related Purchaser” has the meaning set forth in Section 2.6(a).

“**Release**” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migrating. “**Released**” has a correlative meaning.

“**Reorganized Company**” means a new Delaware corporation or limited liability company to be formed by a non-Debtor, non-Commitment Party nominee of the Commitment Parties prior to the Effective Date.

“**Reorganized Company Organizational Documents**” means, collectively, the Bylaws and the Certificate of Incorporation of the Reorganized Company.

“**Replacing Commitment Parties**” has the meaning set forth in Section 2.3(b).

“**Reportable Event**” means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30 day notice period referred to in Section 4043(c) of ERISA has been waived, with respect to a Company Plan.

“**Representatives**” means, with respect to any Person, such Person’s directors, officers, members, partners, managers, employees, agents, investment bankers, attorneys, accountants, advisors and other representatives.

“**Requisite Commitment Parties**” means Commitment Parties holding more than sixty-six and two-thirds percent (66-2/3%) of the aggregate Backstop Commitments provided by all Commitment Parties as of the date on which the consent of such Commitment Parties is solicited.

“**Restructuring**” has the meaning set forth in the Restructuring Support Agreement.

“**Restructuring Support Agreement**” has the meaning set forth in the Recitals.

“**Restructuring Transactions**” means, collectively, the transactions contemplated by the Restructuring Support Agreement.

“**Rights Offerings**” means the First Tranche Rights Offering and the Second Tranche Rights Offering.

“**Rights Offering Amount**” means an amount equal to \$300,000,000 (or, if there is a Rights Offering Increase, \$335,000,000).

“**Rights Offering Expiration Time**” means the time and the date on which the rights offering subscription forms must be duly delivered to the Rights Offering Subscription Agent in accordance with the Rights Offering Procedures, together with the applicable aggregate Per Share Purchase Price, if applicable.

“**Rights Offering Participants**” means all of the Initial Commitment Parties and the Second Tranche Rights Offering Participants.

“**Rights Offering Procedures**” means the procedures with respect to the Rights Offerings that are approved by the Bankruptcy Court pursuant to the Plan Solicitation Order, which procedures shall be in form and substance substantially as set forth on Exhibit B hereto, as may be modified in a manner that is reasonably acceptable to the Requisite Commitment Parties and the Company.

“**Rights Offering Shares**” means all of the First Tranche Rights Offering Shares and the Second Tranche Rights Offering Shares.

“**Rights Offering Subscription Agent**” means Prime Clerk or another subscription agent appointed by the Company and satisfactory to the Requisite Commitment Parties.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**SEC Disclosure**” has the meaning set forth in Article IV.

“**Second Tranche Available Shares**” means the Unsubscribed Shares that any Commitment Party fails to purchase as a result of a Commitment Party Default by such Commitment Party.

“**Second Tranche Backstop Commitment**” has the meaning set forth in Section 2.2(b).

“**Second Tranche Backstop Commitment Percentage**” means, with respect to any Commitment Party, such Commitment Party’s percentage of the Second Tranche Backstop Commitment as set forth opposite such Commitment Party’s name under the column titled “Second Tranche Backstop Commitment Percentage” on Schedule 1 to this Agreement. Any reference to “**Second Tranche Backstop Commitment Percentage**” in this Agreement means the Second Tranche Backstop Commitment Percentage in effect at the time of the relevant determination.

“**Second Tranche Commitment Party Default**” means the failure by any Commitment Party to (a) deliver and pay the aggregate Per Share Purchase Price for such Commitment Party’s Second Tranche Backstop Commitment Percentage of any Unsubscribed Shares by the Escrow Account Funding Date in accordance with Section 2.4(b) or (b) fully exercise all Second Tranche Subscription Rights that are issued to it pursuant to the Second Tranche Rights Offering and duly purchase all Second Tranche Rights Offering Shares issuable to it pursuant to such exercise, in accordance with this Agreement and the Plan.

“**Second Tranche Commitment Party Replacement**” has the meaning set forth in Section 2.3(b).

“**Second Tranche Commitment Party Replacement Period**” has the meaning set forth in Section 2.3(b).

“**Second Tranche Replacing Commitment Parties**” has the meaning set forth in Section 2.3(b).

“**Second Tranche Rights Offering**” means the rights offering that is backstopped by the Commitment Parties for the Second Tranche Rights Offering Amount in connection with the Restructuring Transactions substantially on the terms reflected in the Restructuring Support Agreement and this Agreement, and in accordance with the Rights Offering Procedures.

“**Second Tranche Rights Offering Shares**” means 27,500,000 Preferred Shares to be distributed pursuant to and in accordance with the Rights Offering Procedures in the Second Tranche Rights Offering.

“**Second Tranche Rights Offering Amount**” means an amount equal to \$240,000,000 (or, if there is a Rights Offering Increase, \$275,000,000).

“**Second Tranche Rights Offering Participants**” means those Persons who duly subscribe for Second Tranche Rights Offering Shares in accordance with the Rights Offering Procedures.

“**Second Tranche Subscription Rights**” means the subscription rights to purchase Second Tranche Rights Offering Shares.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Subscription Rights**” means all of the First Tranche Subscription Rights and the Second Tranche Subscription Rights.

“**Subsidiary**” means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other subsidiary), (a) owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests, (b) has the power to elect a majority of the board of directors or similar governing body, or (c) has the power to direct the business and policies.

“**Taxes**” means all taxes, assessments, duties, levies or other mandatory governmental charges paid to a Governmental Entity, including all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, excise, severance, windfall profits, stamp, payroll, social security, withholding and other taxes, assessments, duties, levies or other mandatory governmental charges of any kind whatsoever paid to a Governmental Entity (whether payable directly or by withholding and whether or not requiring the filing of a return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest thereon and shall include any liability for such amounts as a result of being a member of a combined, consolidated, unitary or affiliated group. For the avoidance of doubt, such term shall exclude any tax, penalties or interest thereon that result or have resulted from the non-payment of royalties.

“**Third Party**” means any Person other than the Company, the Commitment Parties or any of their respective Affiliates.

“**Transaction Agreements**” has the meaning set forth in Section 4.2(a).

“**Transfer**” means to sell, transfer, assign, pledge, hypothecate, participate, donate or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales or other transactions in which any Person receives the right to own or acquire any current or future interest in a Subscription Right, a Note Claim or a Rights Offering Share).

“**Transfer**” used as a noun has a correlative meaning.

“**Transition Services Agreement**” means the transition services and separation agreement by and between the LINN Debtors and the Debtors, as contemplated under the Plan, which shall be satisfactory in form and substance to the Requisite Commitment Parties.

“**Unfunded Pension Liability**” means the excess of a Company Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Company Plan’s assets, determined in accordance with the assumptions used for funding the Company Plan pursuant to Section 412 of the Code for the applicable plan year.

“**Unlegended Shares**” has the meaning set forth in Section 6.9.

“**Unsubscribed Shares**” means the Second Tranche Rights Offering Shares that have not been duly purchased in the Second Tranche Rights Offering in accordance with the Rights Offering Procedures and the Plan.

“**willful or intentional breach**” has the meaning set forth in Section 9.4(a).

“**Withdrawal Liability**” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Section 4203 of ERISA.

Section 1.2 Construction. In this Agreement, unless the context otherwise requires:

(a) references to Articles, Sections, Exhibits and Schedules are references to the articles and sections or subsections of, and the exhibits and schedules attached to, this Agreement;

(b) references in this Agreement to “writing” or comparable expressions include a reference to a written document transmitted by means of electronic mail in portable document format (pdf), facsimile transmission or comparable means of communication;

(c) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;

(d) the words “hereof”, “herein”, “hereto” and “hereunder”, and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits and Schedules attached to this Agreement, and not to any provision of this Agreement;

(e) the term “this Agreement” shall be construed as a reference to this Agreement as the same may have been, or may from time to time be, amended, modified, varied, novated or supplemented, and all Exhibits and Schedules hereto;

(f) “include”, “includes” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words;

(g) references to “day” or “days” are to calendar days;

(h) references to “the date hereof” means the date of this Agreement;

(i) unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder in effect from time to time; and

(j) references to “dollars” or “\$” refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II

BACKSTOP COMMITMENT

Section 2.1 The Rights Offering; Subscription Rights. On and subject to the terms and conditions hereof, including entry of the BCA Approval Order, the Company, on behalf of the Reorganized Company, shall conduct the Rights Offerings pursuant to and in accordance with the Rights Offering Procedures and the Plan Solicitation Order. If reasonably requested by the Requisite Commitment Parties, from time to time prior to the Rights Offering Expiration Time (and any extensions thereto), the Company shall notify, or cause the Rights Offering Subscription Agent to notify, within two (2) Business Days of receipt of such request by the Company, the Commitment Parties of the aggregate number of Second Tranche Subscription Rights known by the Company or the Rights Offering Subscription Agent to have been exercised pursuant to the Second Tranche Rights Offering as of the most recent practicable time before such request. The Rights Offerings and the offer and sale of the Unsubscribed Shares purchased by the Commitment Parties pursuant to this Agreement will be made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act or another available exemption from registration under the Securities Act (including, to the extent applicable, section 1145 of the Bankruptcy Code), and the Disclosure Statement shall include a statement to such effect.

Section 2.2 The Backstop Commitment.

(a) On and subject to the terms and conditions hereof, including entry of the BCA Approval Order, (i) each Initial Commitment Party agrees, severally and not jointly, to fully exercise all First Tranche Subscription Rights that are issued to it pursuant to the First Tranche Rights Offering and duly purchase all First Tranche Rights Offering Shares issuable to it pursuant to such exercise (such obligation to purchase, the “**First Tranche Backstop Commitment**”), and (ii) each Commitment Party agrees, severally and not jointly, to fully exercise all Second Tranche Subscription Rights that are issued to it pursuant to the Second

Tranche Rights Offering and duly purchase all Second Tranche Rights Offering Shares issuable to it pursuant to such exercise, in each case in accordance with the Rights Offering Procedures and the Plan; provided that any Defaulting Commitment Party shall be severally liable to each non-Defaulting Commitment Party, the Company and the Reorganized Company as a result of any breach of its obligations hereunder.

(b) On and subject to the terms and conditions hereof, including entry of the Confirmation Order, each Commitment Party agrees, severally and not jointly, to purchase, and the Reorganized Company shall sell to such Commitment Party, on the Closing Date for the applicable aggregate Per Share Purchase Price, the number of Unsubscribed Shares equal to (x) such Commitment Party's Second Tranche Backstop Commitment Percentage multiplied by (y) the aggregate number of Unsubscribed Shares (such obligation to purchase, the "**Second Tranche Backstop Commitment**"), rounded among the Commitment Parties solely to avoid fractional shares as the Requisite Commitment Parties may determine in their sole discretion (provided that in no event shall such rounding reduce the aggregate commitment of such Commitment Parties).

(c) No Commitment Party shall have any liability for the Backstop Commitment of any other Commitment Party except with respect to the obligation of an Initial Commitment Party that is not a Defaulting Commitment Party to purchase any First Tranche Available Shares pursuant to Section 2.3(a).

Section 2.3 Commitment Party Default.

(a) Upon the occurrence of a First Tranche Commitment Party Default, the Initial Commitment Party that is not the Defaulting Commitment Party shall, within three (3) Business Days after receipt of written notice from the Company to all Initial Commitment Parties of such First Tranche Commitment Party Default, which notice shall be given promptly following the occurrence of such First Tranche Commitment Party Default and to all Initial Commitment Parties concurrently (such three (3) Business Day period, the "**First Tranche Commitment Party Replacement Period**"), make arrangements for such Initial Commitment Party that is not a Defaulting Commitment Party to purchase, and shall purchase, all of the First Tranche Available Shares (any such purchase, and any purchase by Commitment Parties that are not Initial Commitment Parties pursuant to the last sentence of this paragraph, a "**First Tranche Commitment Party Replacement**," and such Initial Commitment Party, and any Commitment Parties that are not Initial Commitment Parties that purchase First Tranche Available Shares pursuant to the last sentence of this paragraph, the "**First Tranche Replacing Commitment Parties**") on the terms and subject to the conditions set forth in this Agreement. In the event the Initial Commitment Parties fail to purchase all of the First Tranche Available Shares pursuant to the foregoing provisions of this paragraph, the Company shall give prompt written notice thereof to each of the Commitment Parties that are not Initial Commitment Parties that have the right to purchase Second Tranche Available Shares pursuant to Section 2.3(b), and such Commitment Parties shall have the right, but not the obligation, to purchase all or any portion of the remaining First Tranche Available Shares on the same terms and conditions as if they were Second Tranche Available Shares under Section 2.3(b) within three (3) Business Days of receiving notice from the Company.

(b) Upon the occurrence of a Second Tranche Commitment Party Default, the Commitment Parties that are, or are Affiliated with, a Commitment Party (other than any Defaulting Commitment Party) shall have the right, but not the obligation, within three (3) Business Days after receipt of written notice from the Company to all Commitment Parties of such Second Tranche Commitment Party Default, which notice shall be given promptly following the occurrence of such Second Tranche Commitment Party Default and to all Commitment Parties concurrently (such three (3) Business Day period, the “**Second Tranche Commitment Party Replacement Period**” and, together with the First Tranche Commitment Party Replacement Period, the “**Commitment Party Replacement Period**”), to make arrangements for one or more of the Commitment Parties that is, or is Affiliated with, a Commitment Party (other than any Defaulting Commitment Party) to purchase all or any portion of the Second Tranche Available Shares (any such purchase, a “**Second Tranche Commitment Party Replacement**” and, together with the First Tranche Commitment Party Replacement, the “**Commitment Party Replacement**”) on the terms and subject to the conditions set forth in this Agreement and in such amounts as may be agreed upon by all of the Commitment Parties electing to purchase all or any portion of the Second Tranche Available Shares, or, if no such agreement is reached, based upon the relative applicable Second Tranche Backstop Commitment Percentages of any such Commitment Parties that are, or are Affiliated with, a Commitment Party (other than the Defaulting Commitment Party) (such Commitment Parties, the “**Second Tranche Replacing Commitment Parties**” and, together with the First Tranche Replacing Commitment Parties, the “**Replacing Commitment Parties**”).

(c) In the event that any Available Shares are available for purchase pursuant to Section 2.3(a) or Section 2.3(b) and Commitment Parties do not purchase all such Available Shares pursuant to the provisions thereof, the Company may, in its sole discretion, elect to utilize the Cover Transaction Period to consummate a Cover Transaction. As used herein, “**Cover Transaction**” means a circumstance in which the Company arranges for the sale of all or any portion of the Available Shares to any other Person, on the terms and subject to the conditions set forth in this Agreement, during the Cover Transaction Period, and “**Cover Transaction Period**” means the ten (10) Business Day period following expiration of the Commitment Party Replacement Period. For the avoidance of doubt, the Company’s election to pursue a Cover Transaction, whether or not consummated, shall not relieve any Commitment Party of its obligation to fulfill its Backstop Commitment.

(d) Any Available Shares purchased by a Replacing Commitment Party (and any commitment and applicable aggregate Per Share Purchase Price associated therewith) shall be included, among other things, in the determination of (x) the Unsubscribed Shares of such Replacing Commitment Party for all purposes hereunder, (y) the Backstop Commitment Percentage of such Replacing Commitment Party for purposes of Section 2.3(f), Section 2.4(b), Section 3.1 and Section 3.2 and (z) the Backstop Commitment of such Replacing Commitment Party for purposes of the definition of “Requisite Commitment Parties”. If a Commitment Party Default occurs, the Outside Date shall be delayed only to the extent necessary to allow for (i) the Commitment Party Replacement to be completed within the Commitment Party Replacement Period and/or (ii), if applicable, the Cover Transaction to be completed within the Cover Transaction Period.

(e) If a Commitment Party is a Defaulting Commitment Party, it shall not be entitled to any of the Commitment Premium hereunder.

(f) Nothing in this Agreement shall be deemed to require, (i) with respect to its obligations set forth in Section 2.2(a)(i), an Initial Commitment Party to purchase more than its First Tranche Backstop Commitment Percentage of the First Tranche Rights Offering Shares or (ii) with respect to the Unsubscribed Shares, a Commitment Party to purchase more than its Second Tranche Backstop Commitment Percentage of any Unsubscribed Shares.

(g) For the avoidance of doubt, notwithstanding anything to the contrary set forth in Section 9.4 but subject to Section 10.10, no provision of this Agreement shall relieve any Defaulting Commitment Party from liability hereunder, or limit the availability of the remedies set forth in Section 10.9, in connection with any such Defaulting Commitment Party's Commitment Party Default.

Section 2.4 Escrow Account Funding.

(a) Funding Notice. No later than the seventh (7th) Business Day following the Rights Offering Expiration Time, the Rights Offering Subscription Agent shall, on behalf of the Company, deliver to each Commitment Party a written notice (the "Funding Notice," and the date of such delivery, the "Funding Notice Date") setting forth (i) the number of Second Tranche Rights Offering Shares elected to be purchased by the Rights Offering Participants, and the aggregate Per Share Purchase Price therefor in each case; (ii) the aggregate number of Unsubscribed Shares, if any, and the aggregate Per Share Purchase Price therefor in each case; (iii) the aggregate number of Second Tranche Rights Offering Shares (based upon such Commitment Party's Second Tranche Backstop Commitment Percentage) to be issued and sold by the Reorganized Company to such Commitment Party on account of any Unsubscribed Shares and the aggregate Per Share Purchase Price therefor; (iv) if applicable, the number of First Tranche Rights Offering Shares and/or Second Tranche Rights Offering Shares, as applicable, such Commitment Party is subscribed for in the Rights Offerings and for which such Commitment Party had not yet paid to the Rights Offering Subscription Agent the aggregate Per Share Purchase Price therefor, together with such aggregate Per Share Purchase Price; and (v) subject to the last sentence of Section 2.4(b), the escrow account designated in escrow agreements satisfactory to the Requisite Commitment Parties and the Company, each acting reasonably, to which such Commitment Party shall deliver and pay the aggregate Per Share Purchase Price for such Commitment Party's Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares and the aggregate Per Share Purchase Price for the First Tranche Rights Offering Shares and/or Second Tranche Rights Offering Shares, as applicable, such Commitment Party has subscribed for in the Rights Offerings (the "Escrow Account"). The Company shall promptly direct the Rights Offering Subscription Agent to provide any written backup, information and documentation relating to the information contained in the applicable Funding Notice as any Commitment Party may reasonably request.

(b) Escrow Account Funding. On the date agreed with the Requisite Commitment Parties pursuant to escrow agreements satisfactory to the Requisite Commitment Parties and the Company, each acting reasonably (the "Escrow Account Funding Date"), each Commitment Party shall deliver and pay an amount equal to the sum of (i) the aggregate Per

Share Purchase Price for such Commitment Party's Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares, plus (ii) the aggregate Per Share Purchase Price for the Preferred Shares issuable pursuant to such Commitment Party's exercise of all the Subscription Rights issued to it in the Rights Offerings, by wire transfer of immediately available funds in U.S. dollars into the Escrow Account in satisfaction of such Commitment Party's Backstop Commitment and its obligation to fully exercise its Subscription Rights; provided, that in no event shall the Escrow Account Funding Date be less than four (4) Business Days after the Funding Notice Date or more than four (4) Business Days prior to the Effective Date. Notwithstanding the foregoing, all payments contemplated to be made by any Commitment Party to the Escrow Account pursuant to this Section 2.4 may instead be made, at the option of such Commitment Party, to a segregated bank account of the Rights Offering Subscription Agent designated by the Rights Offering Subscription Agent in the Funding Notice and shall be delivered and paid to such account on the Escrow Account Funding Date.

Section 2.5 Closing.

(a) Subject to Article VII, unless otherwise mutually agreed in writing between the Company and the Requisite Commitment Parties, the closing of the Backstop Commitments (the "Closing") shall take place at the offices of Kirkland & Ellis LLP, 601 Lexington Ave, New York, New York 10022, at 10:00 a.m., New York City time, on the date on which all of the conditions set forth in Article VII shall have been satisfied or waived in accordance with this Agreement (other than conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date on which the Closing actually occurs shall be referred to herein as the "Closing Date".

(b) At the Closing, the funds held in the Escrow Account (and any amounts paid to a Rights Offering Subscription Agent bank account pursuant to the last sentence of Section 2.4(b)) shall, as applicable, be released and utilized in accordance with the Plan.

(c) At the Closing, issuance of the Unsubscribed Shares will be made by the Reorganized Company to each Commitment Party (or to its designee in accordance with Section 2.6(a)) against payment of the aggregate Per Share Purchase Price for the Unsubscribed Shares purchased by such Commitment Party, in satisfaction of such Commitment Party's Second Tranche Backstop Commitment. Unless a Commitment Party requests delivery of a physical stock certificate, the entry of any Unsubscribed Shares to be delivered pursuant to this Section 2.5(c) into the account of a Commitment Party pursuant to the Reorganized Company's book entry procedures and delivery to such Commitment Party of an account statement reflecting the book entry of such Unsubscribed Shares shall be deemed delivery of such Unsubscribed Shares for purposes of this Agreement. Notwithstanding anything to the contrary in this Agreement, all Unsubscribed Shares will be delivered with all issue, stamp, transfer, sales and use, or similar transfer Taxes or duties that are due and payable (if any) in connection with such delivery duly paid by the Company on behalf of the Reorganized Company.

Section 2.6 Designation of Rights; Joinders.

(a) Each Commitment Party shall have the right to designate by written notice to the Company no later than two (2) Business Days prior to the Closing Date that some

or all of the Unsubscribed Shares that it is obligated to purchase hereunder be issued in the name of, and delivered to, one or more of its Affiliates or Affiliated Funds (other than any portfolio company of such Commitment Party or its Affiliates) (each, a “**Related Purchaser**”) upon receipt by the Company of payment therefor in accordance with the terms hereof, which notice of designation shall (i) be addressed to the Company and signed by such Commitment Party and each such Related Purchaser, (ii) specify the number of Unsubscribed Shares to be delivered to or issued in the name of such Related Purchaser and (iii) contain a confirmation by each such Related Purchaser of the accuracy of the representations set forth in Section 5.6 through Section 5.9 as applied to such Related Purchaser; provided, that no such designation pursuant to this Section 2.6(a) shall relieve such Commitment Party from its obligations under this Agreement.

(b) Each Commitment Party, severally and not jointly, agrees that it will not Transfer, at any time prior to the Closing Date or the earlier termination of this Agreement in accordance with its terms, any of its rights and obligations under this Agreement, including all or any portion of its Backstop Commitment, to any Person other than in accordance with Section 2.6(a); provided that such rights and obligations of a Commitment Party may be transferred with the consent of the Company and the Requisite Commitment Parties (which consent will not, in either case, unreasonably be withheld, but which consent shall not be required in the case of a transfer to an Affiliated Fund of a Commitment Party (provided that the following clauses (i) through (iii) are complied with)) to a Qualified Assignee who agrees to assume the rights and obligations of the transferring Commitment Party under this Agreement and the Restructuring Support Agreement, and who (i) is an “accredited investor” within the meaning of Rule 501(a) of the Securities Act or a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act, and shall have provided the Debtors evidence of the foregoing to the Debtors’ sole satisfaction, (ii) shall have delivered to the Debtors a duly executed joinder to this Agreement and a transfer agreement in connection with the Restructuring Support Agreement substantially in the forms attached as Exhibit C and Exhibit D hereto, respectively, and (iii) shall have deposited with an agent of the Debtors (or into an escrow account under arrangements satisfactory to the Debtors) funds sufficient to satisfy such transferee’s Backstop Commitment, unless the Debtors shall have determined, in their reasonable discretion, that such transferee is capable of fulfilling such obligations. After the Effective Date, nothing in this Agreement shall limit or restrict in any way the ability of any Commitment Party (or any permitted transferee thereof) to Transfer any of the Preferred Shares or any interest therein; provided, that any such Transfer shall be made pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements thereunder and pursuant to applicable securities Laws. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement, nothing contained in this Agreement shall prohibit or restrict the ability of any Commitment Party to Transfer its Notes at any time to any Person; provided, however, any Transfer of Notes by a Commitment Party shall be in accordance with the terms of the Restructuring Support Agreement.

ARTICLE III

BACKSTOP COMMITMENT PREMIUM AND EXPENSE REIMBURSEMENT

Section 3.1 Premium Payable by the Company. Subject to Section 3.2, in consideration for the Backstop Commitment and the other agreements of the Commitment Parties in this Agreement, the Debtors shall pay or cause to be paid a nonrefundable aggregate premium equal to \$23,450,000, which represents 7.0% of the Rights Offering Amount (if there is a Rights Offering Increase), payable in accordance with Section 3.2, to the Commitment Parties (including any Replacing Commitment Party, but excluding any Defaulting Commitment Party) or their designees based upon their respective Aggregate Backstop Commitment Percentages at the time such payment is made (the "Commitment Premium").

The provisions for the payment of the Commitment Premium and Expense Reimbursement, and the indemnification provided herein, are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement.

Section 3.2 Payment of Commitment Premium. The Commitment Premium shall be fully earned, nonrefundable and non-avoidable upon entry of the BCA Approval Order, and shall be paid by the Debtors, free and clear of any withholding or deduction for any applicable Taxes or any other claim, setoff, or reserve, on the Closing Date or, if the Commitment Premium becomes payable pursuant to Section 9.4(b), within the time specified therein. For the avoidance of doubt, the Commitment Premium will be payable as provided herein, irrespective of the amount of Unsubscribed Shares (if any) actually purchased. The Company (or the Reorganized Company, in the case of an issuance of Preferred Shares pursuant to this Section 3.2) shall satisfy its obligation to pay the Commitment Premium by delivering to each Commitment Party (including any Replacing Commitment Party, but excluding any Defaulting Commitment Party) or its designee, at or prior to the applicable payment deadline, its ratable share, based on the Commitment Parties' respective Aggregate Backstop Commitment Percentages on the date of such payment, of the following: (i) if the Commitment Premium is payable as a result of the Closing, the ratable portion of 2,345,000 additional Preferred Shares to the address specified in writing by such Commitment Party to the Company or (ii) if the Commitment Premium is payable pursuant to Section 9.4(b), the ratable portion of \$23,450,000 in cash, by wire transfer of immediately available funds in U.S. dollars to the account specified in writing by such Commitment Party to the Company; provided that the aggregate Commitment Premium payable pursuant to this Section 3.2 shall be reduced ratably (whether payable in Preferred Shares or in cash) upon a Commitment Party Default based on the Aggregate Backstop Commitment Percentage of the Defaulting Commitment Party; provided, further, that if a Commitment Party Replacement sufficient to cure all or a portion of the Commitment Party Default occurs within the Commitment Party Replacement Period, the Commitment Premium shall only be ratably reduced to the extent of the uncured Commitment Party Default, and such amount that would have otherwise been reduced shall be paid to the Replacing Commitment Parties. Other than with respect to a Defaulting Commitment Party, the Commitment Premium (i) will not be refundable under any circumstance or creditable against any other fee or other amount paid in connection with this Agreement (or any of the transactions contemplated hereby) or otherwise and (ii) shall be paid without setoff or recoupment and shall not be subject to

defense or offset on account of any claim, defense or counterclaim. The Debtors' obligations with respect to the Commitment Premium shall constitute an administrative expense of the Debtors under sections 503(b) and 507 of the Bankruptcy Code.

Section 3.3 Expense Reimbursement.

(a) In accordance with and subject to the BCA Approval Order, whether or not the transactions contemplated hereunder are consummated, the Debtors agree to pay, in accordance with Section 3.3(b) below, all reasonably incurred and documented fees and expenses of all of the attorneys, accountants, other professionals, advisors, and consultants incurred on behalf of the Ad Hoc Committee, whether incurred in connection with the Chapter 11 Cases or the preparation therefor, including the transactions contemplated by this Agreement and the Restructuring Support Agreement, including the fees and expenses of Quinn, Norton Rose and Houlihan Lokey (such payment obligations, the "**Expense Reimbursement**"). The Expense Reimbursement shall, pursuant to the BCA Approval Order, constitute allowed administrative expenses against each of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code.

(b) The Expense Reimbursement described in Section 3.3(a) shall be paid in accordance with the Restructuring Support Agreement. The Expense Reimbursement accrued through the date on which the BCA Approval Order is entered shall be paid in accordance with the BCA Approval Order upon its entry by the Bankruptcy Court and as promptly as reasonably practicable after the date of the entry of the BCA Approval Order. The Expense Reimbursement shall thereafter be payable on a monthly basis by the Debtors in accordance with the BCA Approval Order; provided, that the Debtors shall not owe Expense Reimbursements from and after the Closing or termination of this Agreement pursuant to Article IX, and the final payment thereof (for periods preceding the Closing or termination, as applicable) shall be made contemporaneously with the Closing or as promptly as reasonably practicable after termination. The Commitment Parties shall promptly provide summary copies of all invoices (redacted as necessary to protect privileges) to the Debtors and to the United States Trustee. Unless otherwise ordered by the Bankruptcy Court, no recipient of any payment hereunder shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except (i) as set forth in the corresponding section of the Company Disclosure Schedules or (ii) other than with respect to Section 4.7, as expressly disclosed on the face of Company SEC Documents filed with the SEC on or after December 31, 2015 and publicly available on the SEC's Electronic Data Gathering, Analysis and Retrieval system prior to November 1, 2016 (the "**SEC Disclosures**") (excluding the exhibits, annexes and schedules thereto, and disclosures contained in the "Forward-Looking Statements" or "Risk Factors" sections thereof, or any other statements that are similarly predictive, cautionary or forward looking in nature), provided that each Company Disclosure Schedule which incorporates any SEC Disclosure clearly identifies which SEC Disclosure is being incorporated, the Company

hereby represents and warrants to the Commitment Parties (unless otherwise set forth herein, as of the date of this Agreement and as of the Closing Date) as set forth below.

Section 4.1 Organization and Qualification. Each of the Debtors (a) is a duly organized and validly existing corporation, limited liability company or limited partnership, as the case may be, and, if applicable, in good standing (or the equivalent thereof) under the Laws of the jurisdiction of its incorporation or organization, (b) has the corporate or other applicable power and authority to own its property and assets and to transact the business in which it is currently engaged and presently proposes to engage (except requirements related to operating properties not currently operated by the Debtors) and (c) except where the failure to have such authority or qualification would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business as currently conducted requires such qualifications.

Section 4.2 Corporate Power and Authority.

(a) The Company has the requisite corporate power and authority (i) (A) subject to entry of the BCA Approval Order and the Confirmation Order, to enter into, execute and deliver this Agreement and to perform the BCA Approval Obligations and (B) subject to entry of the BCA Approval Order and the Confirmation Order, to perform each of its other obligations hereunder and (ii) subject to entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order, to consummate the transactions contemplated herein and in the Plan, to enter into, execute and deliver all agreements to which it will be a party as contemplated by this Agreement and the Plan (this Agreement, the Plan, the Disclosure Statement, the Restructuring Support Agreement, the Exit Facility, and such other agreements and any Plan supplements or documents referred to herein or therein or hereunder or thereunder, collectively, the “**Transaction Agreements**”) and to perform its obligations under each of the Transaction Agreements (other than this Agreement). Subject to the receipt of the foregoing Orders, as applicable, the execution and delivery of this Agreement and each of the other Transaction Agreements and the consummation of the transactions contemplated hereby and thereby have been or will be duly authorized by all requisite corporate action on behalf of the Company, and no other corporate proceedings on the part of the Company are or will be necessary to authorize this Agreement or any of the other Transaction Agreements or to consummate the transactions contemplated hereby or thereby.

(b) Notwithstanding the foregoing, the Company makes no express or implied representations or warranties with respect to actions (including in the foregoing) to be undertaken by the Reorganized Company, which such actions shall be governed by the Plan.

Section 4.3 Execution and Delivery; Enforceability. Subject to entry of the BCA Approval Order, this Agreement will have been, and subject to the entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order, each other Transaction Agreement will be, duly executed and delivered by the Company. Upon entry of the BCA Approval Order and assuming due and valid execution and delivery hereof by the Commitment Parties, the BCA Approval Obligations will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms,

subject to bankruptcy, insolvency, reorganization, moratorium and other similar Laws now or hereafter in effect relating to creditors' rights generally and subject to general principles of equity. Upon entry of the BCA Approval Order and assuming due and valid execution and delivery of this Agreement and the other Transaction Agreements by the Commitment Parties and, to the extent applicable, any other parties hereof and thereof, each of the obligations of the Company will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar Laws now or hereafter in effect relating to creditor's rights generally and subject to general principles of equity.

Section 4.4 Authorized and Issued Equity Interests. Except as set forth in this Agreement, as of the Closing Date, none of the Debtors will be party to or otherwise bound by or subject to any outstanding option, warrant, call, right, security, commitment, Contract, arrangement or undertaking (including any preemptive right) that (i) obligates any of the Debtors to issue, deliver, sell or transfer, or repurchase, redeem or otherwise acquire, or cause to be issued, delivered, sold or transferred, or repurchased, redeemed or otherwise acquired, any units or shares of capital stock of, or other equity or voting interests in, any of the Debtors or any security convertible or exercisable for or exchangeable into any units or shares of capital stock of, or other equity or voting interests in, any of the Debtors, (ii) obligates any of the Debtors to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking, (iii) restricts the Transfer of any units or shares of capital stock of, or other equity interests in, any of the Debtors or (iv) relates to the voting of any units or other equity interests in any of the Debtors.

Section 4.5 No Conflict. Assuming the consents described in clauses (a) through (g) of Section 4.6 are obtained, the execution and delivery by the Company of this Agreement, the Plan and the other Transaction Agreements, the compliance by the Company with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein will not (a) conflict with, or result in a breach, modification or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result, except to the extent specified in the Plan, in the acceleration of, or the creation of any Lien under, or cause any payment or consent to be required under any Contract to which any Debtor will be bound as of the Closing Date after giving effect to the Plan or to which any of the property or assets of any Debtor will be subject as of the Closing Date after giving effect to the Plan, (b) result in any violation of the provisions of any of the Debtors' organizational documents (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases or the Company's undertaking to implement the Restructuring Transactions through the Chapter 11 Cases), or (c) result in any violation of any Law or Order applicable to any Debtor or any of their properties, except in each of the cases described in clause (a) or (c) for any conflict, breach, modification, violation, default, acceleration or Lien which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.6 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over any of the Debtors or any of their properties (each, an "Applicable Consent") is required for the execution and delivery by the Company of this Agreement, the Plan and the

other Transaction Agreements, the compliance by the Company with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein, except for (a) the entry of the BCA Approval Order authorizing the Company to assume this Agreement and perform the BCA Approval Obligations, (b) entry of the Plan Solicitation Order, (c) entry by the Bankruptcy Court, or any other court of competent jurisdiction, of Orders as may be necessary in the Chapter 11 Cases from time-to-time; (d) the entry of the Confirmation Order, (e) filings, notifications, authorizations, approvals, consents, clearances or termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement, (f) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or “Blue Sky” Laws in connection with the purchase of the Unsubscribed Shares by the Commitment Parties, the issuance of the Subscription Rights, the issuance of the Rights Offering Shares pursuant to the exercise of the Subscription Rights, the issuance of Preferred Shares as payment of the Commitment Premium, and (g) any Applicable Consents that, if not made or obtained, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.7 Company SEC Documents and Disclosure Statement. Since December 31, 2015, the Company has filed all required Company SEC Documents with the SEC. No Company SEC Document that has been filed prior to the date this representation has been made, after giving effect to any amendments or supplements thereto and to any subsequently filed Company SEC Documents, in each case filed prior to the date this representation is made, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Disclosure Statement as approved by the Bankruptcy Court will contain “adequate information,” as such term is defined in section 1125 of the Bankruptcy Code, and will otherwise comply in all material respects with section 1125 of the Bankruptcy Code.

Section 4.8 Absence of Certain Changes. Since December 31, 2015 to the date of this Agreement, no Event has occurred or exists that constitutes, individually or in the aggregate, a Material Adverse Effect.

Section 4.9 No Violation; Compliance with Laws. None of the Debtors is in violation of its respective charter or bylaws, certificate of formation or limited liability company operating agreement or similar organizational document in any material respect. None of the Debtors is or has been at any time since January 1, 2014 in violation of any Law or Order, except for any such violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.10 Legal Proceedings. Other than the Chapter 11 Cases and any adversary proceedings or contested motions commenced in connection therewith, there are no material legal, governmental, administrative, judicial or regulatory investigations, audits, actions, suits, claims, arbitrations, demands, demand letters, claims, notices of noncompliance or violations, or proceedings (“**Legal Proceedings**”) pending or, to the Knowledge of the Company, threatened to which any of the Debtors is a party or to which any property of any of the Debtors is the subject, in each case that in any manner draws into question the validity or

enforceability of this Agreement, the Plan or the other Transaction Agreements or that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.11 Labor Relations. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) there are no strikes or other labor disputes pending or threatened against any of the Debtors; (b) the hours worked and payments made to employees of any of the Debtors have not been in violation of the Fair Labor Standards Act or any other applicable Law dealing with such matters; (c) all payments due from any of the Debtors or for which any claim may be made against any of the Debtors on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of any of the Debtors to the extent required by GAAP; and (d) the Debtors and all Affiliates thereof are in compliance with the Worker Adjustment and Retraining Notification Act and any similar Laws. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the consummation of the transactions contemplated by the Transaction Agreements will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to which any of the Debtors (or any predecessor) is a party or by which any of the Debtors (or any predecessor) is bound.

Section 4.12 Intellectual Property. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) each of the Debtors owns, or possesses the right to use, all of the patents, patent rights, trademarks, service marks, trade names, copyrights, mask works, domain names, and any and all applications or registrations for any of the foregoing (collectively, "**Intellectual Property Rights**") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, (b) to the Knowledge of the Company, none of the Debtors nor any Intellectual Property Right, proprietary right, product, process, method, substance, part, or other material now employed, sold or offered by or contemplated to be employed, sold or offered by such Person, is interfering with, infringing upon, misappropriating or otherwise violating any valid Intellectual Property Rights of any Person, and (c) no claim or litigation regarding any of the foregoing is pending or, to the Knowledge of the Company, threatened.

Section 4.13 Title to Real and Personal Property.

(a) Real Property. Each of the Debtors has good and defensible title to its respective Real Properties, in each case, except for Permitted Liens and except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes, and except where the failure (or failures) to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, however, the enforceability of such leased Real Properties may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally or general principles of equity, including the Chapter 11 Cases. To the Knowledge of the Company, all such properties and assets are free and clear of Liens, except for Permitted Liens and except for such Liens as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Leased Real Property. Each of the Debtors is in compliance with all obligations under all leases to which it is a party that have not been rejected in the Chapter 11 Cases, except where the failure to comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and none of the Debtors has received written notice of any good faith claim asserting that such leases are not in full force and effect, except leases in respect of which the failure to be in full force and effect would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each of the Debtors enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to materially interfere with its ability to conduct its business as currently conducted or have, individually or in the aggregate, a Material Adverse Effect.

(c) Personal Property. Each of the Debtors owns or possesses the right to use all Intellectual Property Rights and all licenses and rights with respect to any of the foregoing used in the conduct of their businesses, without any conflict (of which any of the Debtors has been notified in writing) with the rights of others, and free from any burdensome restrictions on the present conduct of the Debtors, as the case may be, except where such conflicts and restrictions would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.14 No Undisclosed Relationships. Other than Contracts or other direct or indirect relationships between or among any of the Debtors, there are no Contracts or other direct or indirect relationships existing as of the date hereof between or among any of the Debtors, on the one hand, and any director, officer or greater than five percent (5%) stockholder of any of the Debtors, on the other hand, that is required by the Exchange Act to be described in the Company's filings with the SEC and that is not so described, except for the transactions contemplated by this Agreement. Any Contract existing as of the date hereof between or among any of the Debtors, on the one hand, and any director, officer or greater than five percent (5%) stockholder of any of the Debtors, on the other hand, that is required by the Exchange Act to be described in the Company's filings with the SEC is filed as an exhibit to, or incorporated by reference as indicated in, the Annual Report on Form 10-K for the year ended December 31, 2015 that the Company filed on March 15, 2016, as amended on April 20, 2016, or any other Company SEC Document filed between March 15, 2016 and the date hereof.

Section 4.15 Licenses and Permits. The Debtors possess all licenses, certificates, permits and other authorizations issued by, have made all declarations and filings with and have maintained all financial assurances required by, the appropriate Governmental Entities that are necessary for the ownership or lease of their respective properties as currently operated and the conduct of the business, except where the failure to possess, make or give the same would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. None of the Debtors (i) has received notice of any revocation or modification of any such license, certificate, permit or authorization or (ii) has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except to the extent that any of the foregoing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.16 Environmental. Except as to matters disclosed on Part 3, Question 7 of the Company's Statement of Financial Affairs filed with the Bankruptcy Court in the Chapter 11 Cases and matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) no written notice, claim, demand, request for information, Order, complaint or penalty has been received by any of the Debtors, and there are no Legal Proceedings pending or, to the Knowledge of the Company, threatened which allege a violation of or liability under any Environmental Laws, in each case relating to any of the Debtors, (b) each Debtor has received (including timely application for renewal of the same), and maintained in full force and effect, all environmental permits, licenses and other approvals, and has maintained all financial assurances, in each case to the extent necessary for its operations to comply with all applicable Environmental Laws and is, and since January 1, 2014, has been, in compliance with the terms of such permits, licenses and other approvals and with all applicable Environmental Laws, (c) to the Knowledge of the Company, no Hazardous Material is located at, on or under any property currently or formerly owned, operated or leased by any of the Debtors that would reasonably be expected to give rise to any cost, liability or obligation of any of the Debtors under any Environmental Laws other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, (d) no Hazardous Material has been Released, generated, owned, treated, stored or handled by any of the Debtors, and no Hazardous Material has been transported to or Released at any location in a manner that would reasonably be expected to give rise to any cost, liability or obligation of any of the Debtors under any Environmental Laws other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, and (e) there are no agreements in which any of the Debtors has expressly assumed responsibility for any known obligation of any other Person arising under or relating to Environmental Laws that remains unresolved other than future costs, liabilities and obligations associated with remediation at the end of the productive life of a well, facility or pipeline that has produced, stored or transported hydrocarbons, which has not been made available to the Commitment Parties prior to the date hereof. Notwithstanding the generality of any other representations and warranties in this Agreement, the representations and warranties in this Section 4.16 constitute the sole and exclusive representations and warranties in this Agreement with respect to any environmental, health or safety matters, including any arising under or relating to Environmental Laws or Hazardous Materials.

Section 4.17 Tax Returns.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each of the Debtors has filed or caused to be filed all U.S. federal, state, provincial, local and non-U.S. Tax returns required to have been filed by it and (ii) taken as a whole, each such Tax return is true and correct;

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each of the Debtors has timely paid or caused to be timely paid all Taxes shown to be due and payable by it on the returns referred to in clause (a) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the date hereof (except Taxes or assessments that are being contested in good faith by

appropriate proceedings and for which the Debtors (as the case may be) has set aside on its books adequate reserves in accordance with GAAP or with respect to the Debtors only, except to the extent the non-payment thereof is permitted by the Bankruptcy Code), which Taxes, if not paid or adequately provided for, would reasonably be expected to be material to the Debtors taken as a whole; and

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, as of the date hereof, with respect to the Debtors, other than in connection with the Chapter 11 Cases and other than Taxes or assessments that are being contested in good faith and are not expected to result in significant negative adjustments that would be material to the Debtors taken as a whole, (i) no claims have been asserted in writing with respect to any Taxes, (ii) no presently effective waivers or extensions of statutes of limitation with respect to Taxes have been given or requested and (iii) no Tax returns are being examined by, and no written notification of intention to examine has been received from, the IRS or any other Governmental Entity.

Section 4.18 Employee Benefit Plans.

(a) Except for the filing and pendency of the Chapter 11 Cases or otherwise as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Company Plan and each Multiemployer Plan is in compliance with the applicable provisions of ERISA and the Code; (ii) no Reportable Event has occurred during the past six years (or is reasonably likely to occur); (iii) no Company Plan has any Unfunded Pension Liability in excess of \$2,000,000 with respect to any single Company Plan and in excess of \$3,000,000 with respect to all Company Plans in the aggregate; (iv) no ERISA Event has occurred or is reasonably expected to occur; (v) none of the Debtors has engaged in a “prohibited transaction” (as defined in Section 406 of ERISA and Section 4975 of the Code) in connection with any employee pension benefit plan (as defined in Section 3(2) of ERISA) that would subject any of the Debtors to Tax; (vi) no employee welfare plan (as defined in Section 3(1) of ERISA) maintained or contributed to by any of the Debtors provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA); and (vii) none of the Debtors or any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, none of the Debtors has established, sponsored or maintained, or has any liability with respect to, any employee pension benefit plan or other employee benefit plan, program, policy, agreement or arrangement governed by or subject to the Laws of a jurisdiction other than the United States of America.

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there are no pending, or to the Knowledge of the Company, threatened claims, sanctions, actions or lawsuits, asserted or instituted against any Company Plan or any Person as fiduciary or sponsor of any Company Plan, in each case other than claims for benefits in the normal course.

(d) Within the last six years, no Company Plan has been terminated, whether or not in a “standard termination” as that term is used in Section 4041(b)(1) of ERISA, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect nor has any Company Plan with Unfunded Pension Liabilities been transferred outside of the “controlled group” (within the meaning of Section 4001(a)(14) of ERISA).

(e) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all compensation and benefit arrangements of the Debtors comply and have complied in both form and operation with their terms and all applicable Laws and legal requirements, and none of the Debtors has any obligation to provide any individual with a “gross up” or similar payment in respect of any Taxes that may become payable under Section 409A or 4999 of the Code.

(f) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all liabilities (including all employer contributions and payments required to have been made by any of the Debtors) under or with respect to any compensation or benefit arrangement of any of the Debtors have been properly accounted for in the Company’s financial statements in accordance with GAAP.

(g) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each of the Debtors has complied and is currently in compliance with all Laws and legal requirements in respect of personnel, employment and employment practices; (ii) all service providers of each of the Debtors are correctly classified as employees, independent contractors or otherwise for all purposes (including any applicable tax and employment policies or law); and (iii) the Debtors have not and are not engaged in any unfair labor practice.

Section 4.19 Internal Control Over Financial Reporting. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company has established and maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and to the Knowledge of the Company, there are no weaknesses in the Company’s internal control over financial reporting as of the date hereof.

Section 4.20 Disclosure Controls and Procedures. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company maintains disclosure controls and procedures (within the meaning of Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) designed to ensure that information required to be disclosed by the Company in the reports that it files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including that information required to be disclosed by the Company in the reports that it files and submits under the Exchange Act is accumulated and communicated to management of the Company as appropriate to allow timely decisions regarding required disclosure.

Section 4.21 Material Contracts. Other than as a result of a rejection motion filed by any of the Debtors in the Chapter 11 Cases, all Material Contracts are valid, binding and enforceable by and against the Debtor party thereto and, to the Knowledge of the Company, each other party thereto (except where the failure to be valid, binding or enforceable does not constitute a Material Adverse Effect), and no written notice to terminate, in whole or part, any Material Contract has been delivered to any of the Debtors (except where such termination would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect). Other than as a result of the filing of the Chapter 11 Cases, none of the Debtors nor, to the Knowledge of the Company, any other party to any Material Contract, is in material default or breach under the terms thereof, in each case, except for such instances of material default or breach that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.22 No Unlawful Payments. Since January 1, 2014, none of the Debtors nor, to the Knowledge of the Company, any of their respective directors, officers or employees has in any material respect: (a) used any funds of any of the Debtors for any unlawful contribution, gift, entertainment or other unlawful expense, in each case relating to political activity; (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (c) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; or (d) made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment.

Section 4.23 Compliance with Money Laundering Laws. The operations of the Debtors are and, since January 1, 2014 have been at all times, conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the U.S. Currency and Foreign Transactions Reporting Act of 1970, the money laundering statutes of all jurisdictions in which the Debtors operate (and the rules and regulations promulgated thereunder) and any related or similar Laws (collectively, the “Money Laundering Laws”) and no material Legal Proceeding by or before any Governmental Entity or any arbitrator involving any of the Debtors with respect to Money Laundering Laws is pending or, to the Knowledge of the Company, threatened.

Section 4.24 Compliance with Sanctions Laws. None of the Debtors nor, to the Knowledge of the Company, any of their respective directors, officers, employees or other Persons acting on their behalf with express authority to so act is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department. The Company will not directly or indirectly use the proceeds of the Rights Offerings, or lend, contribute or otherwise make available such proceeds to any other Debtor, joint venture partner or other Person, for the purpose of financing the activities of any Person that, to the Knowledge of the Company, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

Section 4.25 No Broker’s Fees. None of the Debtors is a party to any Contract with any Person (other than this Agreement) that would give rise to a valid claim against the Commitment Parties for a brokerage commission, finder’s fee or like payment in connection with the Rights Offerings or the sale of the Unsubscribed Shares.

Section 4.26 Investment Company Act. None of the Debtors is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and this conclusion is based on one or more bases or exclusions other than Sections 3(c)(1) and 3(c)(7) of the Investment Company Act, including that none of the Debtors comes within the basic definition of ‘investment company’ under section 3(a)(1) of the Investment Company Act.

Section 4.27 Insurance. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) the Debtors have insured their properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses and have made available to the Commitment Parties a schedule of such insurance policies in force; (ii) all premiums due and payable in respect of insurance policies maintained by the Debtors have been paid; (iii) the Company reasonably believes that the insurance maintained by or on behalf of the Debtors is adequate in all respects; and (iv) as of the date hereof, to the Knowledge of the Company, none of the Debtors has received notice from any insurer or agent of such insurer with respect to any insurance policies of the Debtors of cancellation or termination of such policies, other than such notices which are received in the ordinary course of business or for policies that have expired in accordance with their terms.

Section 4.28 Alternative Transactions. As of the date hereof, the Company is not pursuing, or in discussions or negotiations regarding, any solicitation, offer, or proposal from any Person concerning any actual or proposed Alternative Transaction and, as applicable, has terminated any existing discussions or negotiations regarding any actual or proposed Alternative Transaction.

Section 4.29 No Registration Requirement. Assuming the accuracy of the representations and warranties of the Backstop Parties set forth in Section 5.8, the offer and issuance of the Unsubscribed Shares to the Commitment Parties pursuant to this Agreement does not require any registration of the Unsubscribed Shares under the Securities Act. None of the Company or any of its Subsidiaries nor any Person acting on its or their behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that could cause this offering of the Unsubscribed Shares to be integrated with any other offerings by the Company for purposes of the Securities Act, nor will the Company or its Affiliates take any action or steps that could cause the offering of the Unsubscribed Shares to be integrated with other offerings.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMMITMENT PARTIES

Each Commitment Party, severally and not jointly, represents and warrants as to itself only (unless otherwise set forth herein, as of the date of this Agreement and as of the Closing Date) as set forth below.

Section 5.1 Organization. Such Commitment Party is a legal entity duly organized, validly existing and, if applicable, in good standing (or the equivalent thereof) under the Laws of its jurisdiction of incorporation or organization.

Section 5.2 Organizational Power and Authority. Such Commitment Party has the requisite power and authority (corporate or otherwise) to enter into, execute and deliver this Agreement and each other Transaction Agreement to which such Commitment Party is a party and to perform its obligations hereunder and thereunder and has taken all necessary action (corporate or otherwise) required for the due authorization, execution, delivery and performance by it of this Agreement and the other Transaction Agreements.

Section 5.3 Execution and Delivery. This Agreement and each other Transaction Agreement to which such Commitment Party is a party (a) has been, or prior to its execution and delivery will be, duly and validly executed and delivered by such Commitment Party and (b) upon entry of the BCA Approval Order and assuming due and valid execution and delivery hereof and thereof by the Company, will constitute valid and legally binding obligations of such Commitment Party, enforceable against such Commitment Party in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar Laws limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 5.4 No Conflict. Assuming that the consents referred to in clauses (a) and (b) of Section 5.5 are obtained, the execution and delivery by such Commitment Party of this Agreement and each other Transaction Agreement to which such Commitment Party is a party, the compliance by such Commitment Party with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein (a) will not conflict with, or result in breach, modification, termination or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time or both), or result in the acceleration of, or the creation of any Lien under, any Contract to which such Commitment Party is party or is bound or to which any of the property or assets or such Commitment Party are subject, (b) will not result in any violation of the provisions of the certificate of incorporation or bylaws (or comparable constituent documents) of such Commitment Party and (c) will not result in any material violation of any Law or Order applicable to such Commitment Party or any of its properties, except in each of the cases described in clauses (a) or (c), for any conflict, breach, modification, termination, violation, default, acceleration or Lien which would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 5.5 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over such Commitment Party or any of its properties is required for the execution and delivery by such Commitment Party of this Agreement and each other Transaction Agreement to which such Commitment Party is a party, the compliance by such Commitment Party with the provisions hereof and thereof and the consummation of the transactions (including the purchase by such Commitment Party of its Second Tranche Backstop Commitment Percentage of the Unsubscribed Shares and its portion of the Rights Offering Shares)

contemplated herein and therein, except (a) any consent, approval, authorization, Order, registration or qualification which, if not made or obtained, would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement and each other Transaction Agreement to which such Commitment Party is a party and (b) filings, notifications, authorizations, approvals, consents, clearances or termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this Agreement.

Section 5.6 No Registration. Without limiting Section 6.7, such Commitment Party understands that (a) the Unsubscribed Shares have not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Commitment Party's representations as expressed herein or otherwise made pursuant hereto, and (b) the foregoing shares cannot be sold unless subsequently registered under the Securities Act or an exemption from registration is available.

Section 5.7 Purchasing Intent. Such Commitment Party is acquiring the Unsubscribed Shares for its own account or accounts or funds over which it holds voting discretion, not otherwise as a nominee or agent, and not otherwise with the view to, or for resale in connection with, any distribution thereof not in compliance with applicable securities Laws, and such Commitment Party has no present intention of selling, granting any other participation in, or otherwise distributing the same, except in compliance with applicable securities Laws.

Section 5.8 Sophistication; Investigation. Such Commitment Party has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its investment in the Unsubscribed Shares. Such Commitment Party is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act or a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act. Such Commitment Party understands and is able to bear any economic risks associated with such investment (including the necessity of holding such shares for an indefinite period of time). Except for the representations and warranties expressly set forth in this Agreement or any other Transaction Agreement, such Commitment Party has independently evaluated the merits and risks of its decision to enter into this Agreement and disclaims reliance on any representations or warranties, either express or implied, by or on behalf of any of the Debtors.

Section 5.9 No Broker's Fees. Such Commitment Party is not a party to any Contract with any Person (other than the Transaction Agreements and any Contract giving rise to the Expense Reimbursement hereunder) that would give rise to a valid claim against any of the Debtors for a brokerage commission, finder's fee or like payment in connection with the Rights Offerings or the sale of the Unsubscribed Shares.

Section 5.10 Sufficient Funds. Such Commitment Party has sufficient assets and the financial capacity to perform all of its obligations under this Agreement, including the ability to fully exercise all Subscription Rights that are issued to it pursuant to the Rights Offerings and fund such Commitment Party's Backstop Commitment.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.1 Orders Generally. The Company and the Reorganized Company shall support and make commercially reasonable efforts, consistent with the Restructuring Support Agreement and the Plan, to (a) obtain the entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order, and (b) cause the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order to become Final Orders (and request that such Orders become effective immediately upon entry by the Bankruptcy Court pursuant to a waiver of Rules 3020 and 6004(h) of the Bankruptcy Rules, as applicable), in each case, as soon as reasonably practicable, consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement, following the filing of the respective motion seeking entry of such Orders. The Company shall provide to each of the Commitment Parties and its counsel copies of the Backstop Agreement Motion and other proposed motions and any memoranda of points and authorities seeking entry of the BCA Approval Order, the Plan Solicitation Order, and the Confirmation Order (together with the proposed Plan Solicitation Order and the proposed BCA Approval Order), and a reasonable opportunity to review and comment on such motions and such Orders prior to such motions and such Orders being filed with the Bankruptcy Court (and in no event less than 48 hours prior to such filing), and such Orders must be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company. Any amendments, modifications, changes, or supplements to the BCA Approval Order, Plan Solicitation Order, and Confirmation Order, and any of the motions seeking entry of such Orders, shall be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

Section 6.2 Confirmation Order; Plan and Disclosure Statement. The Debtors shall use their commercially reasonable efforts to obtain entry of the Confirmation Order. The Company shall provide to each of the Commitment Parties and its counsel a copy of the proposed Plan and the Disclosure Statement and any proposed amendment, modification, supplement or change to the Plan or the Disclosure Statement, and a reasonable opportunity to review and comment on such documents (and in no event less than 48 hours prior to filing the Plan and/or the Disclosure Statement, as applicable, with the Bankruptcy Court), and each such amendment, modification, supplement or change to the Plan or the Disclosure Statement must be in form and substance reasonably satisfactory to each of the Requisite Commitment Parties and the Company. The Company shall provide to each of the Commitment Parties and its counsel a copy of the proposed Confirmation Order (together with copies of any briefs, pleadings and motions related thereto), and a reasonable opportunity to review and comment on such Order, briefs, pleadings and motions prior to such Order, briefs, pleadings and motions being filed with the Bankruptcy Court (and in no event less than 48 hours prior to a filing of such Order, briefs, pleadings or motions with the Bankruptcy Court), and such Order, briefs, pleadings and motions must be in form and substance reasonably satisfactory to each of the Requisite Commitment Parties and the Company.

Section 6.3 Conduct of Business. Except (u) as expressly set forth in this Agreement, the Restructuring Support Agreement or the Plan, (w) with the prior written consent of Arthur (Trem) Smith on behalf of the Requisite Commitment Parties (which request

for written consent shall be deemed given by the Company if delivered in writing to Arthur (Trem) Smith), (x) as otherwise required by Laws, (y) for properties operated by Third Parties (to the extent the Company does not have the ability to Control such third party operator), and (z) as ordered by the Bankruptcy Court or limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors, during the period from the date of this Agreement to the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with its terms (the “**Pre-Closing Period**”):

(a) the Company shall:

(i) use commercially reasonable efforts, taking into account the Company’s status as debtor in possession, to maintain and operate the Company’s assets as a reasonably prudent operator or cause such assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) use commercially reasonable efforts, taking into account the Company’s status as debtor in possession and any Orders entered by the Bankruptcy Court, to pay or cause to be paid all bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Company’s assets except (A) royalties held in suspense as a result of title issues and that do not give any Third Party a right to cancel an interest in any of the Company’s assets, and (B) expenses or royalties being contested in good faith, unless the nonpayment of such contested expenses or royalties could result in the termination of a lease or mineral interest, in which case the Company will obtain the approval of the Required Commitment Parties prior to withholding such payment;

(iii) maintain books, accounts and records relating to the Company’s assets in accordance with past custom and practice;

(iv) maintain the personal property comprising the Company’s assets in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear; and

(v) file Company SEC Documents within the time periods required under the Exchange Act, in each case in accordance with ordinary course practices.

(b) The Company shall not:

(i) abandon any of the Company’s assets (except any abandonment of leases to the extent any such leases terminate pursuant to their terms and plugging and abandonment of wells in the ordinary course of business);

(ii) commence, propose, or agree to participate in any single operation with respect to the Company’s wells, leases and mineral interests with an anticipated cost in excess of \$250,000 net to the interest of the Company, except for (A) emergency operations taken in the face of risk to life, injury, property or the environment, (B) operations scheduled and listed on Exhibit E hereto, or (C) operations required by any Governmental Entity (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel or materially amend or modify any Material Contract; provided that the Company may, in good faith and in accordance with

historical business practices, renew or replace any Contract that is a hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining or similar Contract with respect to hydrocarbons from the Company's assets for a term not to exceed twelve (12) months;

(iv) sell, lease, encumber, or otherwise dispose of all or any portion of any of the Company's assets, other than (A) transactions in the ordinary course of business that are consistent with prior business practices of the Debtors, (B) other transactions after prior notice to the Commitment Parties to implement tax planning which transactions are not reasonably expected to materially adversely affect the Company or any Commitment Party and (C) transactions expressly contemplated by the Transaction Agreements; or

(v) enter into any agreement or commitment to take any action prohibited by this Section 6.3.

Following a request for consent of the Requisite Commitment Parties under this Section 6.3 by or on behalf of the Debtors, if the consent of Arthur (Trem) Smith, acting on behalf of the Requisite Commitment Parties, is not obtained or declined within forty eight (48) hours following the date such request is made, such consent shall be deemed to have been granted by the Requisite Commitment Parties; provided, however, that, for the avoidance of doubt, in the case of Third Party proposals received by the Company to which the Requisite Commitment Parties are deemed to consent pursuant to this sentence, the receipt of such consent shall not be deemed to require that the Company undertake any action related to such Third Party proposal. Except as otherwise provided in this Agreement, nothing in this Agreement shall give the Commitment Parties, directly or indirectly, any right to control or direct the operations of the Debtors. Prior to the Closing Date, the Debtors shall exercise, consistent with the terms and conditions of this Agreement, the other Transaction Agreements, Law and any Orders of the Bankruptcy Court, control and supervision of the business of the Debtors.

Section 6.4 Access to Information; Confidentiality.

(a) Subject to applicable Law and Section 6.4(b), upon reasonable notice during the Pre-Closing Period, the Debtors shall afford the Commitment Parties and their Representatives upon request reasonable access, during normal business hours and without unreasonable disruption or interference with the Debtors' business or operations, to the Debtors' employees, properties, books, Contracts and records and, during the Pre-Closing Period, the Debtors shall furnish promptly to such parties all reasonable information concerning the Debtors' business, properties and personnel as may reasonably be requested by any such party; provided that the foregoing shall not require the Company to (i) permit any inspection, or to disclose any information, that in the reasonable judgment of the Company, would cause any of the Debtors to violate any of their or their Affiliates' respective obligations with respect to confidentiality to a third party if the Company shall have used its commercially reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure, or to disclose confidential information of a Debtor's Affiliate, (ii) disclose any legally privileged information of any of the Debtors or (iii) violate any applicable Laws or Orders. All requests for information and access made in accordance with this Section 6.4 shall be directed to a Person to be designated by the Company in writing from time to time during the Pre-Closing Period; provided that if no such Person is so designated at the time of a request or if

no response is received from the designated Person within forty eight (48) hours, such request may be designated to any executive officer of the Company (which in no event shall include the Chief Transition Officer).

(b) From and after the date hereof until the date that is one (1) year after the expiration of the Pre-Closing Period, each Commitment Party shall, and shall cause its Representatives to, (i) keep confidential and not provide or disclose to any Person any documents or information received or otherwise obtained by such Commitment Party or its Representatives pursuant to Section 6.4(a), Section 6.5 or in connection with a request for approval pursuant to Section 6.3 (except that provision or disclosure may be made to any Affiliate or Representative of such Commitment Party who needs to know such information for purposes of this Agreement or the other Transaction Agreements and who agrees to observe the terms of this Section 6.4(b) (and such Commitment Party will remain liable for any breach of such terms by any such Affiliate or Representative)), and (ii) not use such documents or information for any purpose other than in connection with this Agreement or the other Transaction Agreements or the transactions contemplated hereby or thereby. Notwithstanding the foregoing, the immediately preceding sentence shall not apply in respect of documents or information that (A) is now or subsequently becomes generally available to the public through no violation of this Section 6.4(b), (B) becomes available to a Commitment Party or its Representatives on a non-confidential basis from a source other than any of the Debtors or any of their respective Representatives, (C) becomes available to a Commitment Party or its Representatives through document production or discovery in connection with the Chapter 11 Cases or other judicial or administrative process, but subject to any confidentiality restrictions imposed by the Chapter 11 Cases or other such process, or (D) such Commitment Party or any Representative thereof is required to disclose pursuant to judicial or administrative process or pursuant to applicable Law or applicable securities exchange rules; provided, that, such Commitment Party or such Representative shall provide the Company with prompt written notice of such legal compulsion and cooperate with the Company to obtain a protective Order or similar remedy to cause such information or documents not to be disclosed, including interposing all available objections thereto, at the Company's sole cost and expense; provided, further, that, in the event that such protective Order or other similar remedy is not obtained, the disclosing party shall furnish only that portion of such information or documents that is legally required to be disclosed and shall exercise its commercially reasonable efforts (at the Company's sole cost and expense) to obtain assurance that confidential treatment will be accorded such disclosed information or documents. The provisions of this Section 6.4(b) shall not apply to any Initial Commitment Party that, as of the date hereof, is party to a confidentiality or non-disclosure agreement with the Debtors, for so long as such agreement remains in full force and effect.

Section 6.5 Financial Information. During the Pre-Closing Period, the Company shall deliver to the counsel and financial advisors to the Ad Hoc Committee, and to each Commitment Party that so requests, all statements and reports the Company is required to deliver to the Administrative Agent pursuant to Section 11(b)(v) of the Final Cash Collateral Order (as in effect on the date hereof) (the "**Financial Reports**"). Neither any waiver by the parties to the Final Cash Collateral Order of their right to receive the Financial Reports nor any amendment or termination of the Credit Agreement shall affect the Company's obligation to deliver the Financial Reports to the Commitment Parties in accordance with the terms of this

Agreement; provided, however, (a) the parties to the Final Cash Collateral Order may extend the date of delivery of any Financial Report by no more than ten (10) Business Days and such extension shall be deemed binding on the Commitment Parties for all purposes hereunder and (b) delivery of the applicable Financial Report within such extension period shall be deemed in compliance with this Agreement.

Section 6.6 Commercially Reasonable Efforts.

(a) Without in any way limiting any other respective obligation of the Company or any Commitment Party in this Agreement, each Party shall use commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Plan, including using commercially reasonable efforts in:

(i) timely preparing and filing all documentation reasonably necessary to effect all necessary notices, reports and other filings of such Person and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or Governmental Entity;

(ii) defending any Legal Proceedings in any way challenging (A) this Agreement, the Plan, the Registration Rights Agreement or any other Transaction Agreement, (B) the BCA Approval Order, the Plan Solicitation Order or the Confirmation Order or (C) the consummation of the transactions contemplated hereby and thereby, including seeking to have any stay or temporary restraining Order entered by any Governmental Entity vacated or reversed; and

(iii) working together in good faith to finalize the Reorganized Company Organizational Documents, Transaction Agreements, the Registration Rights Agreement and all other documents relating thereto for timely inclusion in the Plan and filing with the Bankruptcy Court.

(b) Subject to Laws or applicable rules relating to the exchange of information, and in accordance with the Restructuring Support Agreement, the Commitment Parties and the Company shall have the right to review in advance, and to the extent practicable each will consult with the other on all of the information relating to Commitment Parties or the Company, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any Governmental Entity in connection with the transactions contemplated by this Agreement or the Plan; provided, however, that the Commitment Parties are not required to provide for review in advance declarations or other evidence submitted in connection with any filing with the Bankruptcy Court. In exercising the foregoing rights, the Parties shall act as reasonably and as promptly as practicable.

(c) Without limitation to Section 6.1 or Section 6.2, to the extent exigencies permit, the Company shall provide or cause to be provided to the Commitment Parties a draft of all motions, applications, pleadings, schedules, Orders, reports or other material papers

(including all material memoranda, exhibits, supporting affidavits and evidence and other supporting documentation) in the Chapter 11 Cases relating to or affecting the Transaction Agreements or the Registration Rights Agreement in accordance with the Restructuring Support Agreement and in no event less than 48 hours before such motions, applications, pleadings, schedules, Orders, reports or other material papers are filed with the Bankruptcy Court. All such motions, applications, pleadings, schedules, Orders, reports and other material papers shall be in form and substance reasonably satisfactory to the Requisite Commitment Parties and the Company.

(d) Nothing contained in this Section 6.6 shall limit the ability of any Commitment Party to consult with the Debtors, to appear and be heard, or to file objections, concerning any matter arising in the Chapter 11 Cases to the extent not inconsistent with the Restructuring Support Agreement.

Section 6.7 Registration Rights Agreement; Reorganized Company Organizational Documents.

(a) The Plan will provide that from and after the Effective Date each Commitment Party and each other Noteholder entitled to receive at least ten percent (10%) or more of the Common Shares issuable upon conversion of the Preferred Shares issued under the Plan and/or the Rights Offerings or that cannot sell its Common Shares issuable upon conversion of the Preferred Shares under Rule 144 of the Securities Act without volume or manner of sale restrictions shall be entitled to registration rights for the Preferred Shares, the Common Shares, and the Common Shares into which the Preferred Shares are convertible that are customary for a transaction of this nature, pursuant to a registration rights agreement to be entered into as of the Effective Date, which agreement shall be in form and substance consistent reasonably acceptable to the Requisite Commitment Parties and the Company (the “**Registration Rights Agreement**”). A form of the Registration Rights Agreement shall be filed with the Bankruptcy Court as part of the Plan Supplement or an amendment thereto.

(b) The Plan will provide that on the Effective Date, the Reorganized Company Organizational Documents will be duly authorized, approved, adopted and in full force and effect. Forms of the Reorganized Company Organizational Documents shall be filed with the Bankruptcy Court as part of the Plan Supplement or an amendment thereto.

(c) From the date hereof through the Effective Date, the Company shall cooperate in good faith with the Commitment Parties to prepare a prospectus to be included in a registration statement on Form S-1 to be filed by the Reorganized Company as soon as practicable.

Section 6.8 Blue Sky. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the offer and sale of the Unsubscribed Shares to the Commitment Parties pursuant to this Agreement under applicable securities and “Blue Sky” Laws of the states of the United States (or to obtain an exemption from such qualification) and any applicable foreign jurisdictions, and shall provide evidence of any such action so taken to the Commitment Parties on or prior to the Closing Date. The Reorganized Company shall timely make all filings

and reports relating to the offer and sale of the Unsubscribed Shares issued hereunder required under applicable securities and “Blue Sky” Laws of the states of the United States following the Closing Date. The Company or the Reorganized Company, as applicable, shall pay all fees and expenses in connection with satisfying its obligations under this Section 6.8.

Section 6.9 DTC Eligibility. Unless otherwise requested by the Requisite Commitment Parties, the Reorganized Company shall use commercially reasonable efforts to promptly make, when applicable from time to time after the Closing, all Unlegended Shares eligible for deposit with The Depository Trust Company. “Unlegended Shares” means any Preferred Shares acquired by the Commitment Parties and their respective Affiliates (including any Related Purchaser in respect thereof) pursuant to this Agreement and the Plan, including all shares issued to the Commitment Parties and their respective Affiliates in connection with the Rights Offerings, that do not require, or are no longer subject to, the Legend.

Section 6.10 Use of Proceeds. The Reorganized Company will utilize the proceeds from the exercise of the Subscription Rights and the sale of the Unsubscribed Shares (together with the Exit Facility and the Common Shares) to purchase the Debtors’ assets (other than LAC’s membership interests in Berry) in a transaction that is intended to be taxable from a U.S. federal income tax perspective. The Debtors will apply the proceeds from the exercise of the Subscription Rights and the sale of the Unsubscribed Shares (together with the Exit Facility and the Common Shares received) for the purposes identified in the Disclosure Statement and the Plan.

Section 6.11 Share Legend. Each certificate evidencing Unsubscribed Shares issued hereunder, and each certificate issued in exchange for or upon the Transfer of any such shares, shall be stamped or otherwise imprinted with a legend (the “Legend”) in substantially the following form:

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

In the event that any such shares are uncertificated, such shares shall be subject to a restrictive notation substantially similar to the Legend in the stock ledger or other appropriate records maintained by the Reorganized Company or agent and the term “Legend” shall include such restrictive notation. The Reorganized Company shall remove the Legend (or restrictive notation, as applicable) set forth above from the certificates evidencing any such shares (or the share register or other appropriate Reorganized Company records, in the case of uncertified shares), upon request, at any time after the restrictions described in such Legend cease to be applicable, including, as applicable, when such shares may be sold under Rule 144 of the Securities Act. The Reorganized Company may reasonably request such opinions, certificates or other evidence that such restrictions no longer apply as a condition to removing the Legend.

Section 6.12 Antitrust Approval.

(a) Each Party agrees to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective the transactions contemplated by this Agreement, the Plan and the other Transaction Agreements, including (i) if applicable, filing, or causing to be filed, the Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by this Agreement with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission and any filings (or, if required by any Antitrust Authority, any drafts thereof) under any other Antitrust Laws that are necessary to consummate and make effective the transactions contemplated by this Agreement as soon as reasonably practicable (and with respect to any filings required pursuant to the HSR Act, no later than fifteen (15) Business Days following the date hereof) and (ii) promptly furnishing any documents or information reasonably requested by any Antitrust Authority.

(b) The Company and each Commitment Party subject to an obligation pursuant to the Antitrust Laws to notify any transaction contemplated by this Agreement, the Plan or the other Transaction Agreements that has notified the Company in writing of such obligation (each such Commitment Party, a "**Filing Party**") agree to reasonably cooperate with each other as to the appropriate time of filing such notification and its content. The Company and each Filing Party shall, to the extent permitted by applicable Law: (i) promptly notify each other of, and if in writing, furnish each other with copies of (or, in the case of material oral communications, advise each other orally of) any material communications from or with an Antitrust Authority; (ii) not participate in any meeting with an Antitrust Authority unless it consults with each other Filing Party and the Company, as applicable, in advance and, to the extent permitted by the Antitrust Authority and applicable Law, give each other Filing Party and the Company, as applicable, a reasonable opportunity to attend and participate thereat; (iii) furnish each other Filing Party and the Company, as applicable, with copies of all material correspondence and communications between such Filing Party or the Company and the Antitrust Authority; (iv) furnish each other Filing Party with such necessary information and reasonable assistance as may be reasonably necessary in connection with the preparation of necessary filings or submission of information to the Antitrust Authority; and (v) not withdraw its filing, if any, under the HSR Act without the prior written consent of the Requisite Commitment Parties and the Company.

(c) Should a Filing Party be subject to an obligation under the Antitrust Laws to jointly notify with one or more other Filing Parties (each, a "**Joint Filing Party**") any transaction contemplated by this Agreement, the Plan or the other Transaction Agreements, such Joint Filing Party shall promptly notify each other Joint Filing Party of, and if in writing, furnish each other Joint Filing Party with copies of (or, in the case of material oral communications, advise each other Joint Filing Party orally of) any communications from or with an Antitrust Authority.

(d) The Company and each Filing Party shall use their commercially reasonable efforts to obtain all authorizations, approvals, consents, or clearances under any applicable Antitrust Laws or to cause the termination or expiration of all applicable waiting periods under any Antitrust Laws in connection with the transactions contemplated by this

Agreement at the earliest possible date after the date of filing. The communications contemplated by this Section 6.12 may be made by the Company or a Filing Party on an outside counsel-only basis or subject to other agreed upon confidentiality safeguards. The obligations in this Section 6.12 shall not apply to filings, correspondence, communications or meetings with Antitrust Authorities unrelated to the transactions contemplated by this Agreement, the Plan or the other Transaction Agreements.

Section 6.13 Alternative Transactions. The Company shall not seek, solicit, or support any Alternative Transaction, and shall not cause or allow any of their Affiliates, insiders, agents or representatives to solicit any agreements relating to an Alternative Transaction; provided, however, that nothing in this Section 6.13 shall limit (i) the Parties' ability to engage in marketing efforts, discussions, and/or negotiations with any party regarding refinancing of the Exit Facility to be consummated following the Effective Date or transactions involving the disposition of assets by the Company; provided that any marketing efforts, discussions, and/or negotiations related to the disposition of assets by the Company shall require the prior written consent of the Requisite Commitment Parties, or (ii) the Company's board of directors' fiduciary duties consistent with Section 8 of the Restructuring Support Agreement.

Section 6.14 Hedging Arrangements. The Company will consult with the Requisite Commitment Parties in its implementation of its hedging program; provided, that the Company will obtain the consent (which consent may be verbal or written and not to be unreasonably withheld) of an Initial Commitment Party prior to its implementation of hedging transactions. For the avoidance of doubt, if the Company does not implement a hedging transaction because (i) no Initial Commitment Party provided consent in accordance with this Section 6.14 or (ii) an Initial Commitment Party expressly declined to give such consent, the Parties acknowledge and agree that neither the Company nor any of its Representatives shall be liable in connection therewith and that such failure to implement a hedging transaction shall not contribute to a determination of a Material Adverse Effect hereunder or be a breach of any provision of this Agreement (including, without limitation, Section 6.3).

Section 6.15 Reorganized Company.

(a) The Requisite Commitment Parties have the right at any time prior to the Disclosure Statement hearing to elect to require that the Reorganized Company be organized as a Delaware limited liability company instead of a Delaware corporation.

(b) The Debtors shall use reasonably best efforts to cause the Reorganized Company to be registered under Section 12 of the Exchange Act on the Effective Date or as promptly as practicable thereafter.

(c) The Requisite Commitment Parties shall cause the Reorganized Company to be formed by a non-Debtor, non-Commitment Party third party. In all cases, (i) the Debtors shall conduct the Rights Offering, (ii) the Reorganized Company shall be a successor to the Company under the Plan and the Rights Offerings will be exempt from registration under the Securities Act pursuant to Section 1145 of the Bankruptcy Code or Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder and (iii) the Reorganized Company Organizational Documents will provide that the Reorganized Company's initial board of

directors will be constituted on the Effective Date pursuant to the Plan and will be the continuing directors and will adopt resolutions authorizing the Reorganized Company to do all actions required to consummate the Rights Offerings and the Plan.

(d) On the Effective Date, all rights and obligations of the Company under this Agreement shall vest in the Reorganized Company, and the Plan shall include language to such effect. From and after the Effective Date, the Reorganized Company shall be deemed to be a party to this Agreement as the successor to all rights and obligations of the Company hereunder.

(e) On the Effective Date and subject to the Confirmation Order, the Reorganized Company shall issue (a) 40,000,000 Common Shares pursuant to the terms of the Plan and (b) assuming there is no uncured Commitment Party Default hereunder, 32,100,000 Preferred Shares (or, if there is a Rights Offering Increase, 35,845,000 Preferred Shares) pursuant to the terms of the Plan and this Agreement.

Section 6.16 Rights Offering Amount. If the Debtors and the Commitment Parties mutually agree after the date hereof that additional cash is required to fund the Plan, or if the Bankruptcy Court determines that the Plan is not feasible without additional funds in order to fund the Berry GUC Cash Distribution Pool, the Second Tranche Rights Offering Amount shall be increased by \$35,000,000 (the "Rights Offering Increase").

ARTICLE VII

CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to the Obligations of the Commitment Parties. The obligations of each Commitment Party to consummate the transactions contemplated hereby shall be subject to (unless waived in accordance with Section 7.2) the satisfaction of the following conditions prior to or at the Closing:

(a) BCA Approval Order. The Bankruptcy Court shall have entered the BCA Approval Order in form and substance reasonably acceptable to the Requisite Commitment Parties, and such Order shall be a Final Order.

(b) Restructuring Support Agreement. The Restructuring Support Agreement shall not have been terminated and shall be in full force and effect.

(c) Plan Solicitation Order. The Bankruptcy Court shall have entered the Plan Solicitation Order in form and substance reasonably acceptable to the Requisite Commitment Parties, and such Order shall be a Final Order.

(d) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Requisite Commitment Parties, and such Order shall be a Final Order.

(e) Plan. The Company shall have substantially complied with the terms of the Plan (as amended or supplemented from time to time) that are to be performed by the

Company and the Reorganized Company on or prior to the Effective Date and the conditions to the occurrence of the Effective Date (other than any conditions relating to occurrence of the Closing) set forth in the Plan shall have been satisfied or waived in accordance with the terms of the Plan.

(f) Rights Offerings. Each of the Rights Offerings shall have been conducted in accordance with the Plan Solicitation Order and this Agreement.

(g) Effective Date. The Effective Date shall have occurred, or shall be deemed to have occurred concurrently with the Closing, as applicable, in accordance with the terms and conditions in the Plan and in the Confirmation Order.

(h) Registration Rights Agreement; Reorganized Company Organizational Documents.

(i) The Registration Rights Agreement shall have been executed and delivered by the Reorganized Company, shall otherwise have become effective with respect to the Commitment Parties and the other parties thereto, and shall be in full force and effect.

(ii) The Reorganized Company Organizational Documents shall have been duly approved and adopted and shall be in full force and effect.

(i) Expense Reimbursement. The Debtors shall have paid all Expense Reimbursements accrued through the Closing Date pursuant to Section 3.3.

(j) Governmental Approvals. All waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by this Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws or otherwise required by any Governmental Entity in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(k) No Legal Impediment to Issuance. No Law or Order shall have become effective or been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or the transactions contemplated by this Agreement;

(l) Representations and Warranties.

(i) The representations and warranties of the Debtors contained in Section 4.8 shall be true and correct in all respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(ii) The representations and warranties of the Debtors contained in Section 4.2, Section 4.3, Section 4.4 and Section 4.5(b) shall be true and correct in all material respects on and as of the Closing Date after giving effect to the Plan

with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(iii) The representations and warranties of the Debtors contained in this Agreement other than those referred to in clauses (i) and (ii) above shall be true and correct (disregarding all materiality or Material Adverse Effect qualifiers) on and as of the Closing Date after giving effect to the Plan with the same effect as if made on and as of the Closing Date after giving effect to the Plan (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date), except where the failure to be so true and correct does not constitute, individually or in the aggregate, a Material Adverse Effect.

(m) Covenants. The Debtors shall have performed and complied, in all material respects, with all of their respective covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing Date.

(n) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred, and there shall not exist, any Event that constitutes, individually or in the aggregate, a Material Adverse Effect.

(o) Officer's Certificate. The Commitment Parties shall have received on and as of the Closing Date a certificate of the chief executive officer or chief financial officer of the Company confirming that the conditions set forth in Section 7.1(l), Section 7.1(m), and Section 7.1(n) have been satisfied.

(p) Funding Notice. The Noteholders shall have received the Funding Notice.

(q) Exit Facility. The Exit Facility shall have become effective and shall otherwise be in form and substance substantially in accordance with the Exit Facility Term Sheet.

(r) Pre-Hearing Letter Agreement. The Pre-Hearing Letter Agreement shall have been executed and delivered by the Company, shall otherwise have become effective with respect to the Commitment Parties, and shall be in full force and effect.

(s) Transition Services Agreement. The Transition Services Agreement shall have become effective.

Section 7.2 Waiver of Conditions to Obligations of Commitment Parties. All or any of the conditions set forth in Section 7.1 may only be waived in whole or in part with respect to all Commitment Parties by a written instrument executed by the Requisite Commitment Parties in their sole discretion and if so waived, all Commitment Parties shall be bound by such waiver; provided, however, that the conditions set forth in subsections (d), (g), (j),

(k) and (m) of Section 7.1 shall not be subject to waiver except by a written instrument executed by all Commitment Parties.

Section 7.3 Conditions to the Obligations of the Debtors. The obligations of the Debtors to consummate the transactions contemplated hereby with the Commitment Parties is subject to (unless waived by the Company) the satisfaction of each of the following conditions:

(a) BCA Approval Order. The Bankruptcy Court shall have entered the BCA Approval Order and such Order shall be a Final Order.

(b) Restructuring Support Agreement. The Restructuring Support Agreement shall not have been terminated and shall be in full force and effect.

(c) Plan Solicitation Order. The Bankruptcy Court shall have entered the Plan Solicitation Order, and such Order shall be a Final Order.

(d) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order, and such Order shall be a Final Order.

(e) [Reserved].

(f) Effective Date. The Effective Date shall have occurred, or shall be deemed to have occurred concurrently with the Closing, as applicable, in accordance with the terms and conditions in the Plan and in the Confirmation Order.

(g) Governmental Approvals. All waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by this Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws or otherwise required by any Governmental Entity in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(h) No Legal Impediment to Issuance. No Law or Order shall have become effective or been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or the transactions contemplated by this Agreement.

(i) Representations and Warranties.

(i) The representations and warranties of the Commitment Parties contained in this Agreement that are qualified by “materiality” or “material adverse effect” or words or similar import shall be true and correct in all respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct in all respects only as of the specified date).

(ii) The representations and warranties of the Commitment Parties contained in this Agreement that are not qualified by “materiality” or “material adverse effect” or words or similar import shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(j) Covenants. The Commitment Parties shall have performed and complied, in all material respects, with all of their covenants and agreements contained in this Agreement and in any other document delivered pursuant to this Agreement.

(k) Exit Facility. The Exit Facility shall have become effective and shall otherwise be in form and substance substantially in accordance with the Exit Facility Term Sheet.

(l) Pre-Hearing Letter Agreement. The Pre-Hearing Letter Agreement shall have been executed and delivered by the Commitment Parties, shall otherwise have become effective with respect to the Company, and shall be in full force and effect.

(m) Transition Services Agreement. The Transition Services Agreement shall have become effective.

ARTICLE VIII

INDEMNIFICATION AND CONTRIBUTION

Section 8.1 Indemnification Obligations. Following the entry of the BCA Approval Order, the Company and the Reorganized Company (the “**Indemnifying Parties**” and each, an “**Indemnifying Party**”) shall, jointly and severally, indemnify and hold harmless each Commitment Party and its Affiliates, equity holders, members, partners, general partners, managers and its and their respective Representatives and controlling persons (each, an “**Indemnified Person**”) from and against any and all losses, claims, damages, liabilities and costs and expenses (other than Taxes of the Commitment Parties except to the extent otherwise provided for in this Agreement) arising out of a claim asserted by a third-party (collectively, “**Losses**”) that any such Indemnified Person may incur or to which any such Indemnified Person may become subject arising out of or in connection with this Agreement, the Plan and the transactions contemplated hereby and thereby, including the Backstop Commitment, the Rights Offerings, the payment of the Commitment Premium or the use of the proceeds of the Rights Offerings, or any claim, challenge, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, whether or not such proceedings are brought by the Company, the Reorganized Company, their respective equity holders, Affiliates, creditors or any other Person, and regardless of whether any such Loss arises in whole or in part out of the sole, contributory, comparative, or other negligence of any Indemnified Party, and reimburse each Indemnified Person upon demand for reasonable documented (with such documentation subject to redaction to preserve attorney client and work product privileges) legal or other third-party expenses incurred in connection with investigating,

preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including in connection with the enforcement of the indemnification obligations set forth herein), irrespective of whether or not the transactions contemplated by this Agreement or the Plan are consummated or whether or not this Agreement is terminated; provided, that the foregoing indemnity will not, as to any Indemnified Person, apply to Losses (a) as to a Defaulting Commitment Party, its Related Parties or any Indemnified Person related thereto, caused by a Commitment Party Default by such Commitment Party, or (b) to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the bad faith, fraud, willful misconduct or gross negligence of such Indemnified Person. Notwithstanding Section 8.6, the Indemnifying Parties' obligations under this Section 8.1 shall survive the Closing Date indefinitely.

Section 8.2 Indemnification Procedure. Promptly after receipt by an Indemnified Person of notice of the commencement of any claim, challenge, litigation, investigation or proceeding (an "**Indemnified Claim**"), such Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, notify the Indemnifying Party in writing of the commencement thereof; provided, that (a) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and (b) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have to such Indemnified Person otherwise than on account of this Article VIII. In case any such Indemnified Claims are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, at its election by providing written notice to such Indemnified Person, the Indemnifying Party will be entitled to assume the defense thereof, with counsel reasonably acceptable to such Indemnified Person; provided, that if the parties (including any impleaded parties) to any such Indemnified Claims include both such Indemnified Person and the Indemnifying Party and based on advice of such Indemnified Person's counsel there are legal defenses available to such Indemnified Person that are different from or additional to those available to the Indemnifying Party, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Indemnified Claims. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election to so assume the defense of such Indemnified Claims with counsel reasonably acceptable to the Indemnified Person, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof or participation therein (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel (in addition to any local counsel) in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel representing the Indemnified Persons who are parties to such Indemnified Claims (in addition to one local counsel in each jurisdiction in which local counsel is required)), (ii) the Indemnifying Party shall not have employed counsel reasonably acceptable to such Indemnified Person to represent such Indemnified Person within a reasonable time after the Indemnifying Party has received notice of commencement of the Indemnified Claims from, or delivered on behalf of, the Indemnified Person, (iii) after the Indemnifying Party assumes the defense of the Indemnified

Claims, the Indemnified Person determines in good faith that the Indemnifying Party has failed or is failing to defend such claim and provides written notice of such determination and the basis for such determination, and such failure is not reasonably cured within ten (10) Business Days of receipt of such notice, or (iv) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person. Notwithstanding anything herein to the contrary, the Debtors shall have sole control over any Tax controversy or Tax audit and shall be permitted to settle any liability for Taxes of the Debtors.

Section 8.3 Settlement of Indemnified Claims. In connection with any Indemnified Claim for which an Indemnified Person is assuming the defense in accordance with this Article VIII, the Indemnifying Party shall not be liable for any settlement of any Indemnified Claims effected by such Indemnified Person without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed). If any settlement of any Indemnified Claims is consummated with the written consent of the Indemnifying Party or if there is a final judgment for the plaintiff in any such Indemnified Claims, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or judgment to the extent such Losses are otherwise subject to indemnification by the Indemnifying Party hereunder in accordance with, and subject to the limitations of, this Article VIII. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall be granted or withheld, conditioned or delayed in the Indemnified Person's sole discretion), effect any settlement of any pending or threatened Indemnified Claims in respect of which indemnity or contribution has been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person in form and substance satisfactory to such Indemnified Person from all liability on the claims that are the subject matter of such Indemnified Claims and (ii) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

Section 8.4 Contribution. If for any reason the foregoing indemnification is unavailable to any Indemnified Person or insufficient to hold it harmless from Losses that are subject to indemnification pursuant to Section 8.1, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Person as a result of such Loss in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, but also the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, as well as any relevant equitable considerations. It is hereby agreed that the relative benefits to the Indemnifying Party, on the one hand, and all Indemnified Persons, on the other hand, shall be deemed to be in the same proportion as (a) the total value received or proposed to be received by the Company and the Reorganized Company pursuant to the issuance and sale of the Unsubscribed Shares and the First Tranche Rights Offering Shares in the Rights Offerings contemplated by this Agreement and the Plan bears to (b) the Commitment Premium paid or proposed to be paid to the Commitment Parties. The Indemnifying Parties also agree that no Indemnified Person shall have any liability based on their comparative or contributory negligence or otherwise to the Indemnifying Parties, any Person asserting claims on behalf of or in right of any of the Indemnifying Parties, or any other Person in connection with an Indemnified Claim.

Section 8.5 Treatment of Indemnification Payments. All amounts paid by an Indemnifying Party to an Indemnified Person under this Article VIII shall, to the extent permitted by applicable Law, be treated as adjustments to the Per Share Purchase Price for all Tax purposes. The provisions of this Article VIII are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement. The BCA Approval Order shall provide that the obligations of the Company and the Reorganized Company under this Article VIII shall constitute allowed administrative expenses of the Debtors' estate under sections 503(b) and 507 of the Bankruptcy Code and are payable without further Order of the Bankruptcy Court, and that the Company and the Reorganized Company may comply with the requirements of this Article VIII without further Order of the Bankruptcy Court.

Section 8.6 No Survival. All representations, warranties, covenants and agreements made in this Agreement shall not survive the Closing Date except for covenants and agreements that by their terms are to be satisfied after the Closing Date, which covenants and agreements shall survive until satisfied in accordance with their terms.

ARTICLE IX

TERMINATION

Section 9.1 Consensual Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date by mutual written consent of the Company and the Requisite Commitment Parties.

Section 9.2 Automatic Termination. Notwithstanding anything to the contrary in this Agreement, unless and until there is an unstayed Order of the Bankruptcy Court providing that the giving of notice under and/or termination of this Agreement in accordance with its terms is not prohibited by the automatic stay imposed by section 362 of the Bankruptcy Code, and except as otherwise provided in this Section 9.2, at which point this Agreement may be terminated by the Requisite Commitment Parties upon written notice to the Company upon the occurrence of any of the following Events, this Agreement shall terminate automatically without any further action or notice by any Party at 5:00 p.m., New York City time on the fifth (5th) Business Day following the occurrence of any of the following Events; provided that the Requisite Commitment Parties may waive such termination or extend any applicable dates in accordance with Section 10.7:

(a) the Closing Date has not occurred by 11:59 p.m., New York City time on March 1, 2017 (as may be extended pursuant to Section 2.3(d) or the following proviso, the "**Outside Date**"), unless prior thereto the Effective Date occurs and each Rights Offering has been consummated; provided, that the Outside Date may be waived or extended (but not beyond 5:00 p.m., New York City time on May 1, 2017) with the prior written consent of the Requisite Commitment Parties;

(b) the obligations of the Consenting Noteholders under the Restructuring Support Agreement are terminated in accordance with the terms of the Restructuring Support Agreement;

(c) [Reserved].

(d) (i) the Company shall have breached any representation, warranty, covenant or other agreement made by the Company in this Agreement or any such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition set forth in Section 7.1(l), Section 7.1(m), or Section 7.1(n) not to be satisfied, (ii) the Commitment Parties shall have delivered written notice of such breach or inaccuracy to the Company, (iii) such breach or inaccuracy is not cured by the Company by the tenth (10th) Business Day after receipt of such notice, and (iv) as a result of such failure to cure, any condition set forth in Section 7.1(l), Section 7.1(m), or Section 7.1(n) is not capable of being satisfied; provided, that, this Agreement shall not terminate automatically pursuant to this Section 9.2(d) if the Commitment Parties are then in willful or intentional breach of this Agreement;

(e) any Law or final and non-appealable Order shall have been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or any Rights Offering or the transactions contemplated by this Agreement, the other Transaction Agreements or the Registration Rights Agreement in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(f) (i) the Debtors have materially breached their obligations under Section 6.13; (ii) the Bankruptcy Court approves or authorizes an Alternative Transaction; or (iii) any of the Debtors enters into any Contract providing for the consummation of any Alternative Transaction;

(g) [Reserved];

(h) the Company (i) materially and adversely (to the Commitment Parties) amends or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement without the consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties or (ii) publicly announces its intention to take any such action listed in sub-clauses (i) of this subsection;

(i) the BCA Approval Order, Plan Solicitation Order, or Confirmation Order is terminated, reversed, stayed, dismissed, vacated, or reconsidered, or any such Order is modified or amended after entry without the prior acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Requisite Commitment Parties in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(j) any of the Orders approving the Exit Facility, the Backstop Commitment Agreement, the Rights Offering Procedures, the Plan or the Disclosure Statement, or the Confirmation Order are reversed, stayed, dismissed, vacated or reconsidered or modified or amended without the acquiescence or written consent (not to be unreasonably withheld,

conditioned or delayed) of the Requisite Commitment Parties (and such action has not been reversed or vacated within thirty (30) calendar days after its issuance) in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties; or

(k) the Parties have not entered into the Pre-Hearing Letter Agreement on or prior to January 6, 2017.

Section 9.3 Termination by the Company.

This Agreement may be terminated by the Company upon written notice to each Commitment Party upon the occurrence of any of the following Events, subject to the rights of the Company to fully and conditionally waive, in writing, on a prospective or retroactive basis the occurrence of such Event (each, a “**Berry Termination Event**”):

(a) any Law or final and non-appealable Order shall have been enacted, adopted or issued by any Governmental Entity that prohibits the implementation of the Plan or any Rights Offering or the transactions contemplated by this Agreement, the other Transaction Agreements or the Registration Rights Agreement in a way that cannot be remedied by the Debtors subject to the reasonable satisfaction of the Requisite Commitment Parties;

(b) subject to the right of the Commitment Parties to arrange a Commitment Party Replacement in accordance with Section 2.3(a) or Section 2.3(b) (which will be deemed to cure any breach by the replaced Commitment Party pursuant to this subsection (b)), (i) any Commitment Party shall have breached any representation, warranty, covenant or other agreement made by such Commitment Party in this Agreement or any such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition set forth in Section 7.3(i) or Section 7.3(j) not to be satisfied, (ii) the Company shall have delivered written notice of such breach or inaccuracy to such Commitment Party, (iii) such breach or inaccuracy is not cured by such Commitment Party by the tenth (10th) Business Day after receipt of such notice, and (iv) as a result of such failure to cure, any condition set forth in Section 7.3(i) or Section 7.3(j) is not capable of being satisfied; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.3(b) if it is then in willful or intentional breach of this Agreement;

(c) the BCA Approval Order, Plan Solicitation Order, or Confirmation Order is terminated, reversed, stayed, dismissed, vacated, or reconsidered, or any such Order is modified or amended after entry without the prior acquiescence or written consent (not to be unreasonably withheld, conditioned or delayed) of the Company in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Commitment Parties subject to the reasonable satisfaction of the Debtors;

(d) any of the Orders approving the Exit Facility, the Backstop Commitment Agreement, the Rights Offering Procedures, the Plan or the Disclosure Statement, or the Confirmation Order are reversed, stayed, dismissed, vacated or reconsidered or modified or

amended without the acquiescence or consent (not to be unreasonably withheld, conditioned or delayed) of the Company (and such action has not been reversed or vacated within thirty (30) calendar days after its issuance) in a manner that prevents or prohibits the consummation of the Restructuring Transactions contemplated in this Agreement or any of the Definitive Documents in a way that cannot be remedied by the Commitment Parties subject to the reasonable satisfaction of the Debtors;

(e) solely if the Bankruptcy Court has entered the BCA Approval Order but has not yet entered the Confirmation Order, the board of directors of the Company determines that continued performance under this Agreement (including taking any action or refraining from taking any action and including, without limitation, the Plan or solicitation of the Plan) would be inconsistent with the exercise of its fiduciary duties (as reasonably determined by such entity in good faith after consultation with outside legal counsel and based on the advice of such counsel);

(f) the Restructuring Support Agreement is terminated in accordance with its terms;

(g) the Closing Date has not occurred by the Outside Date (as the same may be extended pursuant to Section 9.2(a) or Section 2.3(d)), unless prior thereto the Effective Date occurs and each Rights Offering has been consummated; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.3(g) if it is then in willful or intentional breach of this Agreement; or

(h) the Parties have not entered into the Pre-Hearing Letter Agreement on or prior to January 6, 2017.

Section 9.4 Effect of Termination.

(a) Upon termination of this Agreement pursuant to this Article IX, this Agreement shall forthwith become void and there shall be no further obligations or liabilities on the part of the Parties; provided, that (i) the obligations of the Debtors to pay the Expense Reimbursement pursuant to Article III and to satisfy their indemnification obligations pursuant to Article VIII and to pay the Commitment Premium pursuant to Section 9.4(b) shall survive the termination of this Agreement and shall remain in full force and effect, in each case, until such obligations have been satisfied, (ii) the provisions set forth in Article VIII, this Section 9.4 and Article X shall survive the termination of this Agreement in accordance with their terms and (iii) subject to Section 10.10, nothing in this Section 9.4 shall relieve any Party from liability for its gross negligence or any willful or intentional breach of this Agreement. For purposes of this Agreement, “**willful or intentional breach**” means a breach of this Agreement that is a consequence of an act undertaken by the breaching Party with the knowledge that the taking of such act would, or would reasonably be expected to, cause a breach of this Agreement.

(b) If this Agreement is terminated for any reason other than by the Company under Section 9.3(b), the Debtors shall, promptly after the date of such termination, pay the Commitment Premium entirely in cash to the Commitment Parties or their designees, in accordance with Section 3.2. To the extent that all amounts due in respect of the Commitment

Premium pursuant to this Section 9.4(b) have actually been paid by the Debtors to the Commitment Parties in connection with a termination of this Agreement, the Commitment Parties shall not have any additional recourse against the Debtors for any obligations or liabilities relating to or arising from this Agreement, except for liability for gross negligence or willful or intentional breach of this Agreement pursuant to Section 9.4(a). Except as set forth in this Section 9.4(b), the Commitment Premium shall not be payable upon the termination of this Agreement. The Commitment Premium shall, pursuant to the BCA Approval Order, constitute allowed administrative expenses of the Debtors' estate under sections 503(b) and 507 of the Bankruptcy Code.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via electronic facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the Parties at the following addresses (or at such other address for a Party as may be specified by like notice):

- (a) If to the Company:

Berry Petroleum Company, LLC
JPMorgan Chase Tower
600 Travis, Suite 5100
Houston, Texas 77002
Tel: (281) 840-4000
Fax: (832) 426-5956
Attn: Candice Wells
Email: cwells@linnenergy.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022,
Tel: (212) 446-4800
Fax: (212) 446-4900
Attn: Paul Basta, P.C.; Stephen E. Hessler, P.C.; Brian Lennon, Esq.
E-mail: paul.basta@kirkland.com;
stephen.hessler@kirkland.com;
brian.lennon@kirkland.com

and

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Tel: (312) 862-2000
Fax: (312) 862-2200
Attn: Alexandra Schwarzman, Esq.
Email: alexandra.schwarzman@kirkland.com

(b) If to the Commitment Parties:

To each Commitment Party at the addresses or e-mail addresses set forth below the Commitment Party's signature in its signature page to this Agreement.

with a copy (which shall not constitute notice) to:

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010
Attn: Benjamin Finestone, Esq., K. John Shaffer, Esq.
Daniel Holzman, Esq.
Email: benjaminfinestone@quinnemanuel.com
Email: johnshaffer@quinnemanuel.com
Email: danielholzman@quinnemanuel.com

and

Norton Rose Fulbright US LLP
1301 McKinney, Suite 5100
Houston, TX 77010
Attn: William Greendyke, Esq., Glen Hettinger, Esq.
Email address: william.greendyke@nortonrosefulbright.com
Email address: glen.hettinger@nortonrosefulbright.com

Copies of any such notices and other communications made to the Company and the Commitment Parties under this Section 10.1 shall also be delivered (either by mail, electronic facsimile, electronic mail, or personal delivery) to counsel to the administrative agent on behalf of Berry's prepetition first lien lenders at the following address:

Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
Attn: James Donnell, Esq.
Email address: james.donnell@bakermckenzie.com

and

Baker & McKenzie LLP
300 East Randolph Street
Chicago, IL 60601
Attn: Garry Jaunal, Esq.
Email address: garry.jaunal@bakermckenzie.com

Section 10.2 Assignment; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the Company and the Requisite Commitment Parties, other than an assignment by a Commitment Party expressly permitted by Section 2.6(a) and any purported assignment in violation of this Section 10.2 shall be void *ab initio*. Except as provided in Article VIII with respect to the Indemnified Persons, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person any rights or remedies under this Agreement other than the Parties.

Section 10.3 Prior Negotiations; Entire Agreement.

(a) This Agreement (including the agreements attached as Exhibits to and the documents and instruments referred to in this Agreement) constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements or understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement, except that the Parties hereto acknowledge that any confidentiality agreements heretofore executed among the Parties and the Restructuring Support Agreement will each continue in full force and effect.

(b) Notwithstanding anything to the contrary in the Plan (including any amendments, supplements or modifications thereto) or the Confirmation Order (and any amendments, supplements or modifications thereto) or an affirmative vote to accept the Plan submitted by any Commitment Party, nothing contained in the Plan (including any amendments, supplements or modifications thereto) or Confirmation Order (including any amendments, supplements or modifications thereto) shall alter, amend or modify the rights of the Commitment Parties under this Agreement unless such alteration, amendment or modification has been made in accordance with Section 10.7.

Section 10.4 Governing Law; Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO SUCH STATE'S CHOICE OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES FOR ITSELF THAT ANY LEGAL ACTION, SUIT, OR PROCEEDING AGAINST IT WITH RESPECT TO ANY MATTER ARISING UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RENDERED IN ANY SUCH ACTION, SUIT, OR PROCEEDING, MAY BE BROUGHT IN THE BANKRUPTCY COURT, AND BY EXECUTING AND DELIVERING THIS

AGREEMENT, EACH OF THE PARTIES IRREVOCABLY ACCEPTS AND SUBMITS ITSELF TO THE EXCLUSIVE JURISDICTION OF SUCH COURT, GENERALLY AND UNCONDITIONALLY, WITH RESPECT TO ANY SUCH ACTION, SUIT OR PROCEEDING. THE PARTIES HEREBY AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING TO AN ADDRESS PROVIDED IN WRITING BY THE RECIPIENT OF SUCH MAILING, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF AND HEREBY WAIVE ANY OBJECTIONS TO SERVICE ACCOMPLISHED IN THE MANNER HEREIN PROVIDED.

Section 10.5 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY JURISDICTION IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE AMONG THE PARTIES UNDER THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE.

Section 10.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including via facsimile or other electronic transmission), it being understood that each Party need not sign the same counterpart.

Section 10.7 Waivers and Amendments; Rights Cumulative; Consent. This Agreement may be amended, restated, modified or changed only by a written instrument signed by the Company and the Requisite Commitment Parties; provided, that (a) any Commitment Party's prior written consent shall be required for any amendment that would, directly or indirectly: (i) modify such Commitment Party's Backstop Commitment Percentage, (ii) increase the Per Share Purchase Price, (iii) decrease the Commitment Premium or adversely modify in any material respect the method of payment thereof, (iv) increase the Backstop Commitment of such Commitment Party or (v) have a materially adverse and disproportionate effect on such Commitment Party; (b) the prior written consent of each Initial Commitment Party shall be required for any amendment to the definition of "Requisite Commitment Parties"; and (c) no amendment or modification of the rights or obligations of the Commitment Parties or the terms of the Rights Offerings as set forth under this Agreement may be made unless either (i) such amendments or modifications are applied to the rights or obligations of each of the Initial Commitment Parties and the other Commitment Parties *mutatis mutandis*, or applied to the terms of the First Tranche Rights Offering and the Second Tranche Rights Offering *mutatis mutandis*, as applicable or (ii) each of the Requisite Commitment Parties consent to such amendment or modification. Notwithstanding the foregoing, the Backstop Commitment Schedule shall be revised as necessary without requiring a written instrument signed by the Company and the Requisite Commitment Parties to reflect changes in the composition of the Commitment Parties and Backstop Commitment Percentages as a result of joinders or assignments permitted in accordance with the terms and conditions of this Agreement. The terms and conditions of this Agreement (other than the conditions set forth in Section 7.1 and Section 7.3, the waiver of which shall be governed solely by Article VII) may be waived (A) by the Debtors only by a written instrument executed by the Company and (B) by the Requisite Commitment Parties only by a written instrument executed by the Requisite Commitment Parties. No delay on the part of any Party in exercising any right, power or privilege pursuant to this Agreement will operate as a

waiver thereof, nor will any waiver on the part of any Party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement.

Section 10.8 Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 10.9 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

Section 10.10 Damages. Notwithstanding anything to the contrary in this Agreement, none of the Parties will be liable for, and none of the Parties shall claim or seek to recover, any punitive, special, indirect or consequential damages or damages for lost profits.

Section 10.11 No Reliance. No Commitment Party or any of its Related Parties shall have any duties or obligations to the other Commitment Parties in respect of this Agreement, the Plan or the transactions contemplated hereby or thereby, except those expressly set forth herein. Without limiting the generality of the foregoing, (a) no Commitment Party or any of its Related Parties shall be subject to any fiduciary or other implied duties to the other Commitment Parties, (b) no Commitment Party or any of its Related Parties shall have any duty to take any discretionary action or exercise any discretionary powers on behalf of any other Commitment Party, (c) no Commitment Party or any of its Related Parties shall have any duty to the other Commitment Parties to obtain, through the exercise of diligence or otherwise, to investigate, confirm, or disclose to the other Commitment Parties any information relating to the Company or any of its Subsidiaries that may have been communicated to or obtained by such Commitment Party or any of its Affiliates in any capacity, (d) no Commitment Party may rely, and each Commitment Party confirms that it has not relied, on any due diligence investigation that any other Commitment Party or any Person acting on behalf of such other Commitment Party may have conducted with respect to the Company or any of its Affiliates or any of their respective securities, and (e) each Commitment Party acknowledges that no other Commitment Party is acting as a placement agent, initial purchaser, underwriter, broker or finder with respect to its Unsubscribed Shares or Backstop Commitment Percentage of its Backstop Commitment.

Section 10.12 Publicity. At all times prior to the Closing Date or the earlier termination of this Agreement in accordance with its terms, the Company and the Commitment Parties shall consult with each other prior to issuing any press releases (and provide each other a reasonable opportunity to review and comment upon such release) or otherwise making public announcements with respect to the transactions contemplated by this Agreement,

it being understood that nothing in this Section 10.12 shall prohibit any Party from making any public announcement or statement required by Law or the rules of the New York Stock Exchange or another national securities exchange, subject to the preceding requirements, or filing any motions or other pleadings or documents with the Bankruptcy Court in connection with the Chapter 11 Cases.

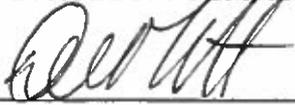
Section 10.13 Settlement Discussions. This Agreement and the transactions contemplated herein are part of a proposed settlement of a dispute between the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Section 408 of the U.S. Federal Rules of Evidence and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any Legal Proceeding, except to the extent filed with, or disclosed to, the Bankruptcy Court in connection with the Chapter 11 Cases (other than a Legal Proceeding to approve or enforce the terms of this Agreement).

Section 10.14 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, and notwithstanding the fact that certain of the Parties may be partnerships or limited liability companies, each Party covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any Party's Affiliates, or any of such Party's Affiliates' or respective Related Parties in each case other than the Parties to this Agreement and each of their respective successors and permitted assignees under this Agreement, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of the Related Parties, as such, for any obligation or liability of any Party under this Agreement or any documents or instruments delivered in connection herewith for any claim based on, in respect of or by reason of such obligations or liabilities or their creation; provided, however, nothing in this Section 10.14 shall relieve or otherwise limit the liability of any Party hereto or any of their respective successors or permitted assigns for any breach or violation of its obligations under this Agreement or such other documents or instruments. For the avoidance of doubt, none of the Parties will have any recourse, be entitled to commence any proceeding or make any claim under this Agreement or in connection with the transactions contemplated hereby except against any of the Parties or their respective successors and permitted assigns, as applicable.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned Parties have duly executed this Agreement as of the date first above written.

BERRY PETROLEUM COMPANY, LLC

By: 
Name: David B. Rottino
Title: Executive Vice President and Chief Financial Officer

LINN ACQUISITION COMPANY, LLC

By: 
Name: David B. Rottino
Title: Executive Vice President and Chief Financial Officer

Commitment Party Signature Pages

[Redacted]

Schedule 1

Backstop Commitment Percentage Schedule

[Redacted]

Exhibit A

Terms of Preferred Shares

Ranking

Preferred Shares will have a preference in liquidation, change of control, or upon a sale of all or substantially all of the assets of the Reorganized Company, relative to all other ownership interests in the Company, equal to the Per Share Purchase Price, along with an amount equal to all dividends that have not been previously paid in cash or in kind (including accrued dividends).

Dividend Rate

The Preferred Shares will receive a cumulative dividend of 6% of the Per Share Purchase Price per annum, payable quarterly in arrears in kind or, at the Reorganized Company's option, in cash provided that payment of cash dividends may be limited by the terms of the Reorganized Company's financing arrangements.

Conversion

Optional Conversion: Holders of Preferred Shares may convert their Preferred Shares into Common Shares at any time based on an initial conversion rate of one Common Share per one Preferred Share subject to adjustment as described under "Anti-Dilution" below.

Forced Conversion: At any time after the fourth (4th) anniversary of the Effective Date, the Reorganized Company may force holders of Preferred Shares to convert all or a portion of their Preferred Shares into Common Shares at the then-current conversion ratio if (i) the value of the Common Shares into which such Preferred Shares are convertible is equal to or greater than 150% of the Per Share Purchase Price, based on the volume-weighted average price for any 20 trading day period during the 30 trading days preceding conversion, (ii) the number of Common Shares issuable upon conversion in any 30-day period does not exceed 20% of the cumulative volume of the Common Shares for the 30 trading days preceding conversion, (iii) such Common Shares are quoted on either the NYSE or NASDAQ and (iv) there is an effective registration statement on file covering resales of all of the Common Shares to be received upon conversion; provided, that the volume limitations in clause (ii) will not apply if the Reorganized Company arranges a firm commitment public underwritten offering of such as converted Common Shares providing for the sale of such Common Shares at a price to the public equal to or greater than 150% of the Per Share Purchase Price.

Anti-Dilution: The initial conversion rate of the Preferred Shares shall be adjusted proportionately for any subdivisions (whether by split, reclassification, reorganization, recapitalization or otherwise) or combinations (whether by reverse split, reclassification, reorganization, recapitalization or otherwise) of the Common Shares.

Exhibit B

Rights Offering Procedures

**BERRY PETROLEUM COMPANY, LLC AND LINN ACQUISITION COMPANY, LLC
(COLLECTIVELY, THE “COMPANY”),
ON BEHALF OF AN ENTITY TO BE FORMED LATER**

BERRY RIGHTS OFFERING PROCEDURES

Each Rights Offering Share (as defined below) is being distributed and issued by the Debtors without registration under the Securities Act of 1933, as amended (the “Securities Act”)¹, in reliance upon the exemptions provided in Section 1145 of the Bankruptcy Code and, to the extent not applicable, Section 4(a)(2) of the Securities Act. None of the Berry Rights or the Rights Offering Shares issuable upon exercise of such rights distributed pursuant to these Berry Rights Offering Procedures have been or will be registered under the Securities Act at the Subscription Expiration Deadline, nor any state or local law requiring registration for offer and sale of a security. However, there is a covenant in the Berry Backstop Agreement that the Company shall cooperate in good faith with the Commitment Parties to prepare a prospectus to be included in a registration statement on Form S-1 covering the Rights Offering Shares to be filed by the Reorganized Company as soon as reasonably practicable. There is no certainty that such registration statement will be filed or effective at the time the Rights Offering Shares are issued.

The Berry Rights are not transferable, except as permitted by the Berry Backstop Agreement (with respect to the Berry Backstop Parties) or as agreed to by the Company and the Requisite Commitment Parties.

The Disclosure Statement (as defined below) has previously been distributed in connection with the Debtors’ solicitation of votes to accept or reject the Plan and that document sets forth important information, including risk factors, that should be carefully read and considered by each Berry Rights Offering Participants (as defined below) prior to making a decision to participate in the Berry Rights Offerings (as defined below). Additional copies of the Disclosure Statement are available upon request from the Subscription Agent.

The Berry Rights Offerings are being conducted by the Company on behalf of New Berry in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of

¹ Terms used and not defined herein shall have the meaning assigned to them in the *Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC* (as may be amended, modified, or supplemented from time to time, the “Plan”).

such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

Berry Rights Offerings Participants should note the following times relating to the Berry Rights Offerings:

Date	Calendar Date	Event
Berry Rights Offerings Record Date.....	December 16, 2016	The date and time fixed by the Company for the determination of the holders eligible to participate in the Berry Rights Offerings.
Subscription Commencement Date ..	December 23, 2016	Commencement of the Berry Rights Offerings.
Subscription Expiration Deadline ...	4:00 p.m. Central Time on January 16, 2017	<p>The deadline for Berry Rights Offering Participants to subscribe for Rights Offering Shares. An Eligible Unsecured Holder’s applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by the Eligible Unsecured Holder’s Nominee (as defined below) in sufficient time to allow such Nominee to deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline.</p> <p>Berry Rights Offering Participants who are not Berry Backstop Parties must deliver the aggregate Purchase Price (as defined below) by the Subscription Expiration Deadline.</p> <p>Berry Rights Offering Participants who are Berry</p>

Backstop Parties must deliver the aggregate Purchase Price no later than the deadline specified in the Funding Notice (as defined below) in accordance with the terms of the Berry Backstop Agreement.

To Berry Rights Offering Participants and Nominees of Berry Rights Offering Participants:

On December 20, 2016, the Debtors filed the Plan with the United States Bankruptcy Court for the Southern District of Texas, Victoria Division, and the *Disclosure Statement for the Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC* (as may be amended from time to time in accordance with its terms, the “Disclosure Statement”). Pursuant to the Plan, each Berry Initial Backstop Party (as defined in the Plan) has a right to participate in the Berry First Tranche Rights Offering (as defined below), and each holder of Berry Unsecured Notes (collectively with the Berry Initial Backstop Parties, the “Eligible Unsecured Holders” and each such holder, an “Eligible Unsecured Holder”) has a right to participate in the Berry Second Tranche Rights Offering (as defined below), in each case, in accordance with the terms and conditions of these Berry Rights Offering Procedures. The Berry First Tranche Rights Offering and the Berry Second Tranche Rights Offering are collectively referred to herein as the “Berry Rights Offerings”.

Pursuant to the Plan, each Berry Initial Backstop Party will receive rights to subscribe for its agreed upon portion of a rights offering of the New Berry Preferred Stock in an aggregate amount of \$60,000,000 (the “Berry First Tranche Rights Offering,” and such shares, the “First Tranche Rights Offering Shares”), provided that it timely and properly executes and delivers its applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent in advance of the Subscription Expiration Deadline.

Pursuant to the Plan, each Eligible Unsecured Holder will receive rights to subscribe for its *pro rata* portion of a rights offering of the New Berry Preferred Stock in an aggregate amount of \$240,000,000 (the “Berry Second Tranche Rights Offering,” and such shares, the “Second Tranche Rights Offering Shares” and, together with the First Tranche Rights Offering Shares, the “Rights Offering Shares”), provided that it timely and properly executes and delivers its applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, in advance of the Subscription Expiration Deadline. Each such Nominee will receive a Master Subscription Form which it shall use to summarize the Berry Rights exercised by each Eligible Unsecured Holder that timely returns the applicable properly filled out Beneficial Holder Subscription Form(s) to such Nominee. Beneficial Holder Subscription Forms should only be returned directly to the Subscription Agent if the Eligible Unsecured Holder is the direct holder of record on the books of the applicable indenture trustee and does not hold its Berry Unsecured Notes Claim through a Nominee.

Please note that all Beneficial Holder Subscription Forms (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be returned to the applicable Nominee in sufficient time to allow such Nominee to process and deliver the Master Subscription Form and copies of all Beneficial Holder Subscription Forms, and the accompanying IRS Forms prior to the Subscription Expiration Deadline. To the extent of any discrepancy between the Master Subscription Form and the Beneficial Holder Subscription Form(s) regarding the Eligible Unsecured Holder’s principal amount, the Master Subscription

Form shall govern. While the amount of time necessary for a Nominee to process and deliver the Master Subscription Form to the Subscription Agent will vary from Nominee to Nominee, Eligible Unsecured Holders are urged to consult with their Nominees to determine the necessary deadline to return their Beneficial Holder Subscription Forms. Failure to submit such Beneficial Holder Subscription Forms on a timely basis will result in forfeiture of an Eligible Unsecured Holder's rights to participate in the Berry Second Tranche Rights Offering. None of the Company, the Subscription Agent or any of the Berry Backstop Parties will have any liability for any such failure.

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

In order to participate in the Berry Rights Offerings, the Berry Rights Offering Participant desiring to participate must complete all of the steps outlined below. If all of the steps outlined below are not completed by the Subscription Expiration Deadline or the Backstop Funding Deadline, as applicable, the applicable Berry Rights Offering Participant shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the Berry Rights Offerings.

1. Berry Rights Offerings

Each Berry Initial Backstop Party has agreed to participate in the Berry First Tranche Rights Offering, and Eligible Unsecured Holders have the right, but not the obligation, to participate in the Berry Second Tranche Rights Offering.

The Berry Initial Backstop Parties shall receive rights to subscribe for their agreed upon portion of the First Tranche Rights Offering Shares, and Berry Rights Offerings Participants shall receive rights to subscribe for their pro rata portion of the Second Tranche Rights Offering Shares.

Subject to the terms and conditions set forth in the Plan and these Berry Rights

Offering Procedures, each Berry Initial Backstop Party is entitled to subscribe for up to the number of First Tranche Rights Offering Shares as determined under the Backstop Commitment Agreement at a purchase price of \$10.00 per share (the “Purchase Price”).

Subject to the terms and conditions set forth in the Plan and these Berry Rights Offering Procedures, each Eligible Unsecured Holder is entitled to subscribe for up to:

- 33.5518181 Second Tranche Rights Offering Shares per \$1,000 of Principal Amount of the 6.750% Senior Notes due 2020; or
- 32.7215301 Second Tranche Rights Offering Shares per \$1,000 of Principal Amount of the 6.375% Senior Notes due 2022;

in each case at the Purchase Price. **The difference in the number of Second Tranche Rights Offering Shares that an Eligible Unsecured Holder is entitled to subscribe for with respect to each series of Berry Unsecured Notes is to take into account the differing amounts of pre-petition accrued and unpaid interest thereon.**

There will be no over-subscription privilege in the Berry Rights Offerings. Any Rights Offering Shares that are unsubscribed by the Berry Rights Offering Participants entitled thereto will not be offered to other Berry Rights Offering Participants but will be purchased by the applicable Berry Backstop Parties in accordance with the Berry Backstop Agreement. Subject to the terms and conditions of the Berry Backstop Agreement, each Berry Backstop Party is obligated to purchase its *pro rata* portion of the applicable Rights Offering Shares.

Any Berry Rights Offering Participant that subscribes for Rights Offering Shares and is deemed to be an “underwriter” under Section 1145(b) of the Bankruptcy Code or subscribes for Rights Offering Shares pursuant to Section 4(a)(2) of the Securities Act will be subject to restrictions under the Securities Act on its ability to resell those securities. Resale restrictions are discussed in more detail in Article XII of the Disclosure Statement, entitled “Certain Securities Law Matters.”

SUBJECT TO THE TERMS AND CONDITIONS OF THE BERRY RIGHTS OFFERING PROCEDURES AND THE BERRY BACKSTOP AGREEMENT IN THE CASE OF ANY BERRY BACKSTOP PARTY, ALL SUBSCRIPTIONS SET FORTH IN THE APPLICABLE BENEFICIAL HOLDER SUBSCRIPTION FORM(S) ARE IRREVOCABLE.

2. Subscription Period

The Berry Rights Offerings will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each Berry Rights Offering Participant intending to purchase Rights Offering Shares in any Rights Offering must affirmatively elect to exercise its Berry Rights in the manner set forth in the applicable Subscription Form by the Subscription Expiration Deadline.

Any exercise of Berry Rights by a Berry Initial Backstop Party after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Commitment Parties holding more than sixty-six and two-thirds percent (66-2/3%) of the aggregate Backstop Commitments provided by all Commitment Parties at the time of the relevant determination (the “Requisite Commitment Parties”), to allow any exercise of Berry Rights after the Subscription Expiration Deadline.

Any exercise of Berry Rights by an Eligible Unsecured Holder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Requisite Commitment Parties, to allow any exercise of Berry Rights after the Subscription Expiration Deadline.

The Subscription Expiration Deadline may be extended with the consent of the Requisite Commitment Parties, or as required by law. Any such extension will be followed by a public announcement thereof no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Subscription Expiration Deadline.

3. Delivery of Subscription Documents

Each Berry Rights Offering Participant may exercise all or any portion of such Berry Rights Offering Participant’s Berry Rights, but subject to the terms and conditions contained herein. In order to facilitate the exercise of the Berry Rights, beginning on the Subscription Commencement Date, the applicable Subscription Form and these Berry Rights Offering Procedures will be sent to each Berry Rights Offering Participant, together with appropriate instructions for the proper completion, due execution and timely delivery of the executed Subscription Form and the payment of the applicable aggregate Purchase Price for its Rights Offering Shares.

4. Exercise of Berry Rights

(a) In order to validly exercise its Berry Rights, each Berry Rights Offering Participant that is not a Berry Backstop Party must:

- i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable, so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and
- ii. at the same time it returns its Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Subscription Agent

by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the applicable Beneficial Holder Subscription Form(s).

(b) In order to validly exercise its Berry Rights, each Berry Rights Offering Participant that is a Berry Backstop Party must:

- i. return duly completed and executed applicable Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to the Subscription Agent or its Nominee, as applicable so that, if applicable, such documents may be transmitted to the Subscription Agent by the Nominee, so that such documents are actually received by the Subscription Agent by the Subscription Expiration Deadline; and
- ii. no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the Subscription Agent or to the escrow account established and maintained by a third party satisfactory to the Berry Backstop Parties and the Company (the “Escrow Account”)² by wire transfer **ONLY** of immediately available funds in accordance with the wire instructions included in the Funding Notice.

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

- (c) With respect to paragraphs 4(a) and (b) above, each Berry Rights Offering Participant must duly complete, execute and return the applicable Beneficial Holder Subscription Form(s) in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Subscription Agent the Master Subscription Form, its completed Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and, solely with respect to the Berry Rights Offering Participants that are not Berry Backstop Parties, payment of the applicable Purchase Price, payable for the Rights Offering Shares elected to be purchased by such Eligible Holder, by the Subscription Expiration Deadline. Berry Rights Offering Participants that are Berry Backstop Parties must deliver their payment of the applicable Purchase Price payable for the Rights Offering Shares elected to be purchased by such Berry Backstop Party directly to the Subscription Agent or to the Escrow Account, as applicable, no later than the Backstop Funding Deadline.
- (d) In the event that the funds received by the Subscription Agent or the Escrow Account, as applicable, from any Berry Rights Offering Participant do not correspond to the Purchase Price payable for the Rights Offering Shares elected to be purchased by such Berry Rights Offering Participant, the number of the Rights Offering Shares deemed to be purchased by such Berry Rights Offering Participant will be the lesser of (a) the number of the Rights Offering Shares

² NTD: BCA Parties to select an escrow agent prior to launch of the rights offerings

elected to be purchased by such Berry Rights Offering Participant and (b) a number of the Rights Offering Shares determined by dividing the amount of the funds received by the Purchase Price, in each case up to such Berry Rights Offering Participant's *pro rata* portion of Rights Offering Shares.

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

5. Transfer Restriction; Revocation

The Berry Rights are not transferable, except as permitted by the Berry Backstop Agreement (with respect to the Berry Backstop Parties) or as agreed to by the Company and the Requisite Commitment Parties. If any Berry Rights are transferred by a Berry Rights Offering Participant in contravention of the foregoing, the Berry Rights will be cancelled, and neither such Berry Rights Offering Participant nor the purported transferee will receive any Rights Offering Shares otherwise purchasable on account of such transferred Berry Rights. Any Notes traded after the Berry Rights Offerings Record Date will not be traded with the Berry Rights attached.

Once a Berry Rights Offering Participant has properly exercised its Berry Rights, subject to the terms and conditions contained in these Berry Rights Offering Procedures and the Berry Backstop Agreement in the case of any Berry Backstop Party, such exercise will be irrevocable.

6. Termination/Return of Payment

Unless the Effective Date has occurred, the Berry Rights Offerings will be deemed automatically terminated without any action or notice by any party upon the earlier of (i) termination of the Plan or rejection of the Plan by all classes entitled to vote, (ii) termination of the Berry RSA in accordance with its terms, (iii) termination of the Berry Backstop Agreement in accordance with its terms and (iv) the Outside Date (as defined in the Berry Backstop Agreement) (as such date may be extended pursuant to the terms of the Berry Backstop Agreement). In the event the Berry Rights Offerings are terminated, any payments received pursuant to these Berry Rights Offering Procedures will be returned, without interest, to the applicable Berry Rights Offering Participant as soon as reasonably practicable, but in any event, within six (6) Business Days after the date of termination.

7. Settlement of the Berry Rights Offerings and Distribution of the Rights Offering Shares

The settlement of the Berry Rights Offerings is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtors with these Berry Rights Offering

Procedures, satisfaction of the conditions precedent set forth in the Berry Backstop Agreement, and the simultaneous occurrence of the Effective Date. The Debtors intend that the Rights Offering Shares will be issued to the Eligible Unsecured Holders and/or to any party that a Berry Rights Offering Participant so designates in the Beneficial Holder Subscription Form(s), in book-entry form, and that DTC, or its nominee / each the Eligible Holder or its designee, will be the holder of record of such Rights Offering Shares. To the extent DTC is unwilling or unable to make the Rights Offering Shares eligible on the DTC system, the Rights Offering Shares will be issued directly to the Eligible Holder or its designee.

8. Fractional Shares

No fractional rights or Rights Offering Shares will be issued in the Berry Rights Offerings. All share allocations (including each Berry Rights Offering Participant's Rights Offering Shares) will be calculated and rounded down to the nearest whole share.

9. Validity of Exercise of Berry Rights

All questions concerning the timeliness, viability, form and eligibility of any exercise of Berry Rights will be determined in good faith by the Debtors in consultation with the Requisite Commitment Parties, and, if necessary, subject to a final and binding determination by the Bankruptcy Court. The Debtor, with the consent of the Requisite Commitment Parties, may waive or reject any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, the purported exercise of any Berry Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in good faith in consultation with the Requisite Commitment Parties.

Before exercising any Berry Rights, Berry Rights Offering Participants should read the Disclosure Statement and the Plan for information relating to the Debtors and the risk factors to be considered.

All calculations, including, to the extent applicable, the calculation of (i) the value of any Eligible Unsecured Holder's Allowed Berry Unsecured Notes Claims for the purposes of the Berry Second Tranche Rights Offering and (ii) any Eligible Unsecured Holder's Second Tranche Rights Offering Shares, shall be made in good faith by the Company with the consent of the Requisite Commitment Parties and in each case in accordance with any Claim amounts included in the Plan, and any disputes regarding such calculations shall be subject to a final and binding determination by the Bankruptcy Court.

10. Modification of Procedures

With the prior written consent of the Requisite Commitment Parties, the Debtors reserve the right to modify these Berry Rights Offering Procedures, or adopt additional procedures consistent with these Berry Rights Offering Procedures to effectuate the Berry Rights Offerings and to issue the Rights Offering Shares; provided, however, that the Debtors shall provide prompt written notice to each Berry Rights Offering Participant of any material modification to

these Berry Rights Offering Procedures made after the Subscription Commencement Date, provided further that any amendments or modifications to the terms of the Berry Rights Offerings are subject to the provisions of Section 10.7 of the Berry Backstop Agreement. In so doing, and subject to the consent of the Requisite Commitment Parties, the Debtors may execute and enter into agreements and take further action that the Debtors determine in good faith is necessary and appropriate to effectuate and implement the Berry Rights Offerings and the issuance of the Rights Offering Shares.

The Debtors shall undertake reasonable procedures to confirm that each participant in the Berry Rights Offerings is in fact a Berry Rights Offering Participant.

11. Inquiries And Transmittal of Documents; Subscription Agent

The Rights Offering Instructions for Berry Rights Offering Participants attached hereto should be carefully read and strictly followed by the Berry Rights Offering Participants.

Questions relating to the Berry Rights Offerings should be directed to the Subscription Agent via email to linballots@primeclerk.com (please reference “Berry Rights Offering” in the subject line) or at the following phone number: (844) 794-3479.

The risk of non-delivery of all documents and payments to the Subscription Agent, the Escrow Account and any Nominee is on the Berry Rights Offering Participant electing to exercise its Berry Rights and not the Debtors, the Subscription Agent, or the Berry Backstop Parties.

**BERRY PETROLEUM COMPANY, LLC AND LINN ACQUISITION COMPANY, LLC,
ON BEHALF OF AN ENTITY TO BE FORMED LATER**

**RIGHTS OFFERING INSTRUCTIONS FOR BERRY RIGHTS OFFERING
PARTICIPANTS**

Terms used and not defined herein shall have the meaning assigned to them in the Plan.

To elect to participate in the Berry Rights Offerings, you must follow the instructions set out below:

1. **For Eligible Unsecured Holders only, insert** the principal amount of the Allowed Berry Unsecured Notes Claims that you held as of the Berry Rights Offerings Record Date in Item 1 of your applicable Beneficial Holder Subscription Form(s) (if you do not know such amount, please contact your Nominee immediately).
2. **For Berry Initial Backstop Parties, insert** the number of First Tranche Rights Offering Shares you are entitled to purchase pursuant to the Backstop Commitment Agreement in Item 2a of your applicable Beneficial Holder Subscription Form.
3. **For Eligible Unsecured Holders, complete** the calculation in Item 2a of your applicable Beneficial Holder Subscription Form(s), which calculates the maximum number of Rights Offering Shares available for you to purchase. Such amount must be rounded down to the nearest whole share.
4. **Complete** the calculation in Item 2b of your applicable Beneficial Holder Subscription Form(s) to indicate the number of Rights Offering Shares that you elect to purchase and calculate the aggregate Purchase Price for the Rights Offering Shares that you elect to purchase.
5. **Confirm** whether you are a Berry Backstop Party and that you are an “accredited investor,” as defined by Rule 501(a) of Regulation D promulgated under the Securities Act pursuant to the representations in Item 3 of your applicable Beneficial Holder Subscription Form(s). *(This section is only for Berry Backstop Parties, each of whom is aware of their status as a Berry Backstop Party and has executed the Backstop Commitment Agreement or a joinder thereto).*
6. **Read, complete and sign** the certification in Item 5 of your applicable Beneficial Holder Subscription Form(s). Such execution shall indicate your acceptance and approval of the terms and conditions set forth in these Berry Rights Offering Procedures.
7. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: www.irs.gov.
8. **Return** your applicable signed Beneficial Holder Subscription Form(s) (with

accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) to your Nominee in sufficient time to allow your Nominee to process your instructions and prepare and deliver the Master Subscription Form to the Subscription Agent by the Subscription Expiration Deadline.

9. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2b of your applicable Beneficial Holder Subscription Form(s). For Berry Rights Offering Participants that are not Berry Backstop Parties, please instruct your Nominee to coordinate payment of the Purchase Price and transmit and deliver such payment to the Subscription Agent by the Subscription Expiration Deadline. A Berry Rights Offering Participant that is not a Berry Backstop Party should follow the payment instructions as provided in the Master Subscription Form. Any Berry Backstop Party should follow the payment instructions that will be provided in the Funding Notice, except to the extent of any aggregate Purchase Price previously paid by such Berry Rights Offering Participant to the Subscription Agent or the Escrow Account in accordance with the terms of the Berry Backstop Agreement.

The Subscription Expiration Deadline is 4:00 p.m. Central Time on January 16, 2017.

Please note that the Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) must be received by your broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee (as applicable, the “Nominee”), if applicable, in sufficient time to allow such Nominee to process and deliver the Master Subscription Form to the Subscription Agent, by the Subscription Expiration Deadline, along with the appropriate funding (with respect to Berry Rights Offering Participants that are not Berry Backstop Parties) or the subscription represented by your applicable Beneficial Holder Subscription Form(s) will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the Berry Rights Offerings.

Berry Rights Offering Participants that are Berry Backstop Parties must deliver the appropriate funding directly to the Subscription Agent or to the Escrow Account, as applicable, pursuant to the Funding Notice (except to the extent of any funding previously provided by any such Berry Rights Offering Participants to the Subscription Agent or the Escrow Account in accordance with the terms of the Berry Backstop Agreement) no later than the Backstop Funding Deadline.

Exhibit C

Form of Joinder Agreement

JOINDER AGREEMENT

This joinder agreement (the “Joinder Agreement”) to the Backstop Commitment Agreement dated 20, 2016 (as amended, supplemented or otherwise modified from time to time, the “BCA”), between the Debtors (as defined in the BCA) and the Commitment Parties (as defined in the BCA) is executed and delivered by _____ (the “Joining Party”) as of _____, 2016 (the “Joinder Date”). Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the BCA.

Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the BCA, a copy of which is attached to this Joinder Agreement as Annex I (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a “Commitment Party” for all purposes under the BCA.

Representations and Warranties. The Joining Party hereby severally and not jointly makes the representations and warranties of the Commitment Parties set forth in Section 5 of the BCA to the Debtors as of the date of this Joinder Agreement.

Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of New York without application of any choice of law provisions that would require the application of the laws of another jurisdiction.

[Signature pages follow.]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder Agreement to be executed as of the Joinder Date.

JOINING PARTY

[COMMITMENT PARTY], by and on behalf of certain of its and its affiliates' managed funds and/or accounts

By: _____
Name:
Title:

Holdings of Notes:

AGREED AND ACCEPTED AS OF THE JOINDER DATE:

BERRY PETROLEUM COMPANY, LLC, as a Debtor

By: _____
Name:
Title:

LINN ACQUISITION COMPANY, LLC, as a Debtor

By: _____
Name:
Title:

Exhibit D

Form of Amended and Restated Restructuring Support Agreement Transfer Agreement

Transfer Agreement

The undersigned (“Transferee”) hereby acknowledges that it has read and understands the Amended and Restated Restructuring Support Agreement dated as of 20, 2016 (the “Agreement”),¹ by and among the Company and the Consenting Creditors, including the transferor to the Transferee of any Claims (each such transferor, a “Transferor”), and shall be deemed a “Consenting Creditor,” under the terms of the Agreement and agrees to be bound by (a) the terms and conditions of the Agreement to the extent the Transferor was thereby bound and (b) any direction letters provided by the Consenting Creditor to any agent or trustee. The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer.

Date Executed:

Name:

Title:

Address:

E-mail address(es):

Telephone:

Facsimile:

<i>Aggregate Amounts Beneficially Owned or Managed on Account of:</i>	
Type	\$_[_____]

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Exhibit E

Proposed Berry Operations

[Redacted]

**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 ACQUISITION COMPANY, LLC AND BERRY PETROLEUM COMPANY, LLC**

Paul M. Basta, P.C. (admitted *pro hac vice*)
Stephen E. Hessler, P.C. (admitted *pro hac vice*)
Brian S. Lennon (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Patricia B. Tomasco (TX Bar No. 01787600)
Matthew D. Cavanaugh (TX Bar No. 24062656)
Jennifer F. Wertz (TX Bar No. 24072822)
JACKSON WALKER L.L.P.
1401 McKinney Street, Suite 1900
Houston, Texas 70010
Telephone: (713) 752-4200

Co-Counsel to the Debtors and Debtors in Possession

–and–

James H.M. Sprayregen, P.C. (admitted *pro hac vice*)
Joseph M. Graham (admitted *pro hac vice*)
Alexandra Schwarzman (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Thomas B. Walper (admitted *pro hac vice*)
Seth Goldman (admitted *pro hac vice*)
MUNGER, TOLLES & OLSON LLP
355 S. Grand Avenue, 35th Floor
Los Angeles, CA 90017
Telephone: (213) 683-9100

Co-Counsel to the Debtors and Debtors in Possession

Counsel to the Berry Debtors and Berry Debtors in Possession

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 Berry 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 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 Berry Debtors, the Berry Ad Hoc Group, [the Committee](#), and [a substantial number of](#) the Berry Lenders. The Debtors urge Holders of Claims whose votes are being solicited to accept the Plan.

The Berry 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 Berry Debtors' Chapter 11 Cases. Although the Berry 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 Berry Debtors' management except where otherwise specifically noted. The Berry 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 Berry Debtors relied on financial data derived from the Berry Debtors' books and records and on various assumptions regarding the Berry Debtors' businesses. While the Berry Debtors believe that such financial information fairly reflects the financial condition of the Berry 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 Berry Debtors' businesses and their future results and operations. The Berry 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 Berry 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 Berry 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 Berry Debtors may subsequently update the information in this Disclosure Statement, the Berry 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 Berry Debtors reserve the right to File an amended or modified Plan and related Disclosure Statement from time to time for the Berry Debtors, subject to the Berry RSA.

The Berry 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 Berry Debtors have not authorized any representations concerning the Berry 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 63, 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 Berry 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 Berry 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 Berry 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 Berry Debtors make statements in this Disclosure Statement that are considered forward-looking statements under federal securities laws. The Berry Debtors consider all statements regarding anticipated or future matters, to be forward-looking statements. Forward-looking statements may include statements about the Berry 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 Berry Debtors' cash position and levels of indebtedness.**

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

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EXHIBITS¹

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

¹ Each Exhibit is incorporated herein by reference.

I. INTRODUCTION

Berry Petroleum Company, LLC (“Berry”) and LINN Acquisition Company, LLC (“LAC,” and collectively with Berry, the “Berry 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 Berry Debtors in connection with the solicitation of acceptances with respect to the *Amended Joint Chapter 11 Plan of Reorganization of Linn Acquisition Company, LLC and Berry Petroleum Company, LLC* (the “Plan”), dated December 14, 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 Berry Debtors.

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

II. PRELIMINARY STATEMENT

The Berry Debtors, along with their Debtor affiliates, are an independent oil and natural gas company headquartered in Houston, Texas. Berry is a wholly owned subsidiary of Linn Acquisition Company, LLC (“LAC”), which, in turn, is a wholly owned subsidiary of Linn Energy, LLC (“LINN,” and together with its Debtor Affiliates other than the Berry Debtors, the “LINN Debtors”) (collectively, the LINN Debtors and the Berry Debtors shall hereafter be referred to as the “Debtors”). The LINN Debtors acquired their indirect interest in Berry in December 2013 via a stock-for-stock transaction (the “Berry Acquisition”). 71 percent of LINN’s outstanding units are owned by LinnCo, LLC (“LinnCo”), which is a publicly-traded company. LINN’s remaining units are publicly held.

The Berry Debtors’ funded debt obligations are independent of the LINN Debtors. More specifically, the Berry Debtors are obligated under a Second Amended and Restated Credit Agreement with a borrowing base of approximately \$900 million and approximately \$834 million in senior notes due 2020 and 2022, respectively

The Debtors are operationally integrated. The Debtors’ workforce, which is not unionized, includes approximately 1,500 employees. Pursuant to the Berry Acquisition, Berry no longer has employees and all former Berry employees are now employed by Debtor Linn Operating, Inc. (“LOI”). Collectively, as of year-end 2015, the Debtors had approximately 27,000 gross productive wells in the United States, including in California, Colorado, Illinois,

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.**

Kansas, Louisiana, Michigan, New Mexico, North Dakota, Oklahoma, Texas, Utah, and Wyoming, 6,125 of which were owned by the Berry Debtors. 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. Of this consolidate amount, the Berry Debtors had approximately 1.02 trillion cubic feet equivalent of proved reserves, of which 53 percent were oil, 37 percent were natural gas, and 10 percent were natural gas equivalents. The Debtors also own and operate pipelines, processing facilities, and steam generators to support their production activities.

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

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).

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 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. With respect to the Berry Debtors, the Bank RSA established, among other things: (a) a protocol by which intercompany claims between the LINN Debtors and Berry Debtors would be settled; and (b) a dual prong restructuring path whereby the Berry Debtors would explore both (i) a potential sale of the Berry Debtors' assets via a marketing process (the "Berry Marketing Process") and (ii) a restructuring transaction comprised of a new money investment or a backstopped rights offering of Reorganized Berry Common Stock.

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 more than 80% 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 Berry Debtors explored both a potential restructuring transaction with their key stakeholders as well as the Berry Marketing Process, both of which were contemplated by the Bank RSA. Pursuant to the Berry Marketing Process, the Berry Debtors, with the assistance of their investment banker, contacted approximately 150 potential purchasers, executed non-disclosure agreements with approximately 42 potential purchasers, and provided such potential purchasers with access to a virtual data room. The Berry Debtors received 25 preliminary indications of interest on August 8, 2016 from approximately 23 potential purchases. After analyzing the indications of interests, the Berry Debtors, in consultation with their advisors, invited approximately 18 potential purchasers to proceed to the second round of bidding. After further diligence by the potential purchasers, the Berry Debtors received second round bids on September 14, 2016.

Simultaneously with the Berry Marketing Process, the Berry Debtors continued to engage with the Berry Lenders and the Berry Ad Hoc Group regarding the terms of a consensual restructuring of the Berry Debtors. On September 14, 2016, the Berry Debtors received a restructuring proposal from the Berry Ad Hoc Group. The key terms of this proposal included: (a) a cash paydown sufficient to reduce the Claims of the Berry Lenders to \$~~455~~50 million; (b) a new exit facility consisting of a five-year, single tranche ~~term~~reserve-based revolving loan in the principal amount of \$550 million; (c) two rights offerings with an aggregate amount of \$300 million (or, if the Berry Rights Offerings Amount is increased pursuant to the terms of the Berry Backstop Agreement, ~~a~~-\$335 million) backstopped by certain Holders of Berry Unsecured Notes Claims; and (d) and the equitization of remaining Berry Unsecured Notes Claims and Berry General Unsecured Claims. The Berry Exit Facility and the amount deemed drawn thereunder are subject to reduction on a dollar-for-dollar basis in an amount equal to the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders.

Subsequently, the Berry Ad Hoc Group and the Berry Lenders began discussions with each other regarding the terms of a potential exit facility for Berry (the “Berry Exit Facility”). On October 18, 2016, the Berry Debtors, the Berry Ad Hoc Group, and the Berry Lenders met in person to further discuss the terms of a potential restructuring transaction. No agreement was reached at the October 18, 2016 meeting, but discussions between the parties continued. On October 20, 2016, the Berry Ad Hoc Group sent the Berry Debtors a signed commitment letter (the “Berry Backstop Commitment Letter”) that contemplated a \$300 million new money investment into the Berry Debtors premised on: (a) certain terms of a plan of reorganization for the Berry Debtors; (b) a proposed \$550 million Berry Exit Facility; and (c) and other terms and conditions set forth in the commitment letter (the “Berry Creditor Proposal”).

Concurrently with the Berry Debtors’ negotiations with respect to the Plan, the LINN Debtors also solicited and received several “new-money” proposals from their various stakeholders, including, 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, among others. Eventually, after consultation with their advisors, the LINN Debtors decided to proceed with a joint restructuring proposal from the Ad Hoc Group of LINN Unsecured Noteholders and the Ad Hoc Group of LINN Second Lien Noteholders (the “Joint Creditor Proposal”), the terms of which were documented in a restructuring support agreement dated as of October 7, 2016 (together with all exhibits and schedules thereto, the “LINN RSA”). In conjunction with the negotiation of the Joint Creditor Proposal and as a condition to entry into the LINN RSA, the LINN Debtors also engaged with the LINN Lenders regarding the terms of an amended and improved \$1.7 billion LINN Exit Facility. On November 17, 2016, the Berry Debtors also 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] (the “Berry Backstop Motion”) seeking authority to enter into a backstop agreement (the “Berry Backstop Agreement”) with the Berry Ad Hoc Group in connection with the Berry Rights Offering.

Having executed the LINN RSA and being in receipt of the Berry Backstop Commitment Letter, the LINN Debtors and Berry Debtors filed their proposed *Proposed Joint Chapter 11*

Plan of Reorganization of Linn Energy, LLC and its Debtor Affiliates [Docket No. 1092] (the “Initial Plan”) and *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Linn Energy, LLC and its Debtor Affiliates* [Docket No. 1093] (the “Initial Disclosure Statement”) on October 21, 2016. Initially, the LINN Debtors and Berry Debtors were determined to proceed together through the confirmation process. Subsequent to filing the Initial Plan and Initial Disclosure Statement, however, it became apparent that the LINN Debtors and the Berry Debtors would need to proceed separately and on individual timeframes. Accordingly, on December 2, 2016, the LINN Debtors filed an amended plan of reorganization (the “Amended LINN Plan”) [Docket No. 1255] and disclosure statement in support of the Amended LINN Plan (the “Amended LINN Disclosure Statement”) [Docket No. 1256], which did not include the Berry Debtors.

On December 13, 2016, the Bankruptcy Court entered the *Order (I) Approving the Adequacy of the Disclosure Statement (II) Approving the Solicitation and Notice Procedures With Respect to Confirmation of the Amended Joint Plan of Reorganization of Linn Energy, LLC and Its Debtor Affiliates Other Than Linn Acquisition Company, LLC and Berry Petroleum Company, LLC, (III) Approving the Forms of Ballots and Notices In Connection Therewith, (IV) Approving the LINN Rights Offering Procedures and Related Materials, (V) Scheduling Certain Dates With Respect Thereto, and (VI) Granting Related Relief* [Docket No. 1348]. As of the date hereof, the LINN Debtors have commenced solicitation of votes to approve the Amended LINN Plan.

Notwithstanding the Debtors’ determination to proceed on separate paths to reorganization, the Berry Debtors, the Berry Ad Hoc Group, and the Berry Lenders continued their efforts to negotiate a consensual restructuring transaction, with such efforts resulting in the execution of a restructuring support agreement (the “Berry RSA”) by the Berry Debtors, the Berry Ad Hoc Group, and the certain of the Berry Lenders on December ~~{•}~~, 20, 2016. Additionally on December ~~{•}~~, 20, 2016, the Berry Debtors entered into a Berry backstop commitment agreement (the “Berry Backstop Commitment Agreement”) with certain Holders of Berry Unsecured Notes Claims (the “Berry Initial Backstop Parties”), which contemplates two rights offerings in the aggregate amount of \$300 million fully backstopped by the Berry Initial Backstop Parties and any other Holders of Berry ~~-Unsecured -Notes -Claims -who -execute -the~~ Berry ~~-Backstop -Agreement -prior -to-~~ the Effective Date of the Plan (the “Berry Rights Offerings”).

III. OVERVIEW OF THE PLAN

The Plan provides for the reorganization of the Berry Debtors as a going concern and will significantly reduce long-term debt and annual interest payments of Reorganized Berry, resulting in a stronger, de-levered balance sheet for the Reorganized Berry Debtors. Specifically, the Plan provides for: (a) the Berry Rights Offerings; (b) a full recovery for the Berry Lenders consisting of (i) if such Holder elects to participate in the Berry Exit Facility ~~———~~ (an “Electing Berry Lender,” and collectively, the “Electing Berry Lenders”), its Pro Rata share of (A) the Berry Exit Facility and (B) and the Berry Lender Paydown (as defined below), or ~~———~~ (ii) if such Holder elects not to participate in the Berry Exit Facility (a “Non-Electing Berry Lender,” and collectively, the “Non-Electing Berry Lenders”), its Pro Rata share of non-conforming term notes _____ (the “Reorganized Berry Non-Conforming Term Notes”); (c) the issuance of (i) the Reorganized Berry Common Stock/Noteholder Distribution (as defined below) to

Holder of Berry Unsecured Notes Claims ~~or~~ (ii) a Pro Rata share of the Berry GUC Cash Distribution Pool (as defined below) for those Holders of Berry Unsecured Notes Claims that elect to certify that they are a Non-Accredited Investor³; and (d) the issuance of either (i) the Reorganized Berry Common Stock/General Distribution (as defined below) or (ii) a Pro Rata share of a \$35 million Cash pool _____ (the "Berry GUC Cash Distribution Pool") to Holders Berry General Unsecured Claims.

A. The Berry Rights Offerings

The ~~Berry Rights Offerings~~ contemplate ~~two separate rights offerings~~ totaling \$300 million (or, if such amount is increased pursuant to the terms of the Berry Backstop Agreement, \$335 million, with such amount being referred to herein as the "Berry Rights Offerings Amount") consisting of: (a) a \$60 million (the "Berry First Tranche Rights Offering Amount") rights offering fully backstopped by the Berry Initial Backstop Parties, pursuant to which the Berry Initial Backstop Parties will receive rights to purchase Reorganized Berry Preferred Stock (the "Berry First Tranche Rights Offering"); and (b) a \$240 million (the "Berry Second Tranche Rights Offering Amount") rights offering (or, if the Berry Rights Offerings Amount is increased pursuant to the terms of the Berry Backstop Agreement, a \$275 million rights offering) ~~fully~~ backstopped by the Berry Initial Backstop Parties and any other Holders of Berry Unsecured Notes Claims who execute the Berry Backstop Agreement prior to the Effective Date of the Plan (collectively with the Berry Initial Backstop Parties, the "Berry Backstop Parties"), pursuant to which all Eligible Holders of Berry Unsecured Notes Claims will receive rights to purchase Reorganized Berry Preferred Stock (the "Berry Second Tranche Rights Offering"). ~~Such~~ Reorganized Berry Preferred Stock, in turn, will be convertible into Reorganized Berry Common Stock.

Pursuant ~~to the Plan, the Berry Rights Offerings Amount may be increased up to~~ \$335 million in aggregate amount of Berry Rights upon the mutual election of the Berry Debtors and the Berry Backstop Parties pursuant to the terms of the Berry Backstop Order and the Berry Backstop Agreement. In the event that the Berry Rights Offering Amount is increased, the Berry Second Tranche Rights Offering Amount shall be increased from \$240 million to \$275 million in accordance with the terms of the Berry Backstop Agreement.

All of the Reorganized Berry Preferred Stock issued pursuant to the Berry Rights Offerings shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the Reorganized Berry Preferred Stock in accordance with the Berry 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.

³ For purposes of the Plan and Disclosure Statement, a Non-Accredited Investor is defined as any Person or Entity that does not meet the requirements as an "accredited investor" ~~of~~ as set forth in Regulation ~~D~~ promulgated under section 4(a)(2) of the Securities Act.

B. Exit Financing and the Berry Lender Paydown

On the Effective Date, the Reorganized Berry Debtors shall enter into the Berry Exit Facility, with Reorganized Berry OpCo as a borrower and Reorganized Berry HoldCo as a guarantor. Reorganized Berry HoldCo shall be a holding company directly holding all of the equity interests of Reorganized Berry OpCo and directly or indirectly holding the equity interests of any subsidiary of Berry OpCo. The Berry Exit Facility shall be comprised of a reserve based lending facility with: (a) an initial borrowing base of \$550 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes, if any, issued to Non-Electing Berry Lenders (the “Berry Exit Facility Initial Borrowing Base”); (b) commitments from the Berry Lenders equal to the Berry Exit Facility Initial Borrowing Base; and (c) initial outstanding borrowings equal to not more than \$450 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes, if any, issued by Reorganized Berry to Non-Electing Berry Lenders, with the remaining commitment available to be drawn, subject to the Berry Exit Facility Initial Borrowing Base and the conditions precedent to each draw, and subject to the terms and conditions set forth in the Berry Exit Facility Documents. In addition, the Berry Exit Facility Documents shall provide the administrative agent under the Berry Exit Facility the ability to assign lender commitments under the Berry Exit Facility to any hedging counterparty to the Debtors that is not also a Berry Lender. The proceeds of the Berry Exit Facility will also be used to fund the Berry Debtors’ operations, as applicable, and for general corporate purposes.

_____ Additionally, the Plan contemplates a Cash payment to the Berry Lenders ~~consisting of:~~ from: (a) ~~an amount of \$300 million from~~ Cash ~~equal to~~ proceeds of the Berry Rights Offerings ~~Amount~~, (b) ~~the restricted cash (as prepetition collateral account defined as the “Borrowing Base Account” in the Berry Exit Facility Documents)~~, Credit Agreement, and (c) ~~other amounts from the Berry Debtors’ Cash on hand, all in an amount equal to that necessary to satisfy the anti-hoarding provisions in the Berry Exit Facility, after payment of costs and expenses of the Chapter 11 Cases and payments and reserves expressly provided for in the Plan and consistent therewith) (the “Berry Lender Paydown”).~~ For the avoidance of doubt, the Berry Lender Paydown shall be in an aggregate amount equal to (a) ~~the aggregate amount of all Allowed Berry Lender Claims minus~~ (b) ~~the sum of~~ (i) ~~the principal amount of the Berry Exit Facility (which amount shall not exceed \$450 million minus the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes on the Effective Date), plus~~ (ii) ~~the aggregate original principal amount of the Reorganized Berry Non-Conforming Term Notes; provided, that none of the Non-Electing Berry Lenders shall receive any portion of the Berry Lender Paydown and shall receive only a Reorganized Berry Non-Conforming Note in a principal amount equal to its Allowed Berry Lender Claim; provided, further, that each Electing Berry Lender shall receive a Berry Lender Paydown payment in the amount of~~ (a) ~~its Allowed Berry Lender Claim less~~ (b) ~~the amount of such Electing Berry Lender’s Allowed Berry Lender Claim that is deemed to be drawn loan pursuant to the Berry Exit Facility, plus~~ (c) ~~a Pro Rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been a Consenting Berry Lender; provided, that any amount paid to such Electing Lender pursuant to clause~~ (c) shall reduce the amount deemed to be drawn debt pursuant to clause (b).

Each Electing Berry Lender shall receive its Pro Rata share (calculated with respect to the other Electing Berry Lenders only) of (i) the Berry Exit Facility, and (ii) the Berry Lender Paydown plus (iii) a Pro Rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been an Electing Berry Lender, in each case, pursuant to Article III.B.3 (and, any amount paid to such Electing Berry Lender pursuant to clause (iii) shall reduce the amount deemed to be drawn debt pursuant to clause (ii)). The Berry Exit Facility shall be on terms set forth in the Berry Exit Facility Documents and substantially consistent with the terms set forth in the Berry Exit Facility Term Sheet; *provided*, that the Berry Exit Facility lender commitments shall be reduced dollar for dollar in the amount of the Reorganized Berry Non-Conforming Term Notes that are issued to Non-Electing Berry Lenders, such that the sum of the Berry Exit Facility lender commitments plus the original principal amount of the Reorganized Berry Non-Conforming Term Notes shall be equal to \$550 million.

In the event that any hedging counterparty to the Debtors is not party to the Berry Exit Facility or does not otherwise receive any assignments of loan commitments on account of such Berry Exit Facility, such hedging counterparty shall receive Liens and security interests that are pari passu with those Liens and security interests received by hedging counterparties that are also lenders under the Berry Exit Facility. The Berry Administrative Agent and the administrative agent under the Berry Exit Facility shall use its reasonable good-faith efforts to work with such hedging counterparties to the Debtors that are not also lenders to the Berry Exit Facility, as applicable, to assign loan commitments under the Berry Exit Facility to any such hedging counterparty to the Debtors that is not also a Berry Lender.

C. Committee Settlement

After weeks of substantive discussions regarding the Plan, the Berry Debtors, the Berry Ad Hoc Group, and the Committee agreed to a settlement (the “Berry/Committee Settlement”) on December 13, 2016, which provides for the treatment of Holders of Allowed Berry General Unsecured Claims and Allowed Berry Unsecured Notes Claims under the Plan.

1. Treatment of Allowed Berry Unsecured Notes Claims

Pursuant to the Berry/Committee Settlement, Holders of Allowed Berry Unsecured Notes Claims shall receive their Pro Rata share of: (a) 82.3 percent of the Reorganized Berry Common Stock (the “Reorganized Berry Common Stock/Noteholder Distribution”); and (ii) to the extent that ~~the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, their Pro Rata share of the Reorganized Berry Common Stock/General Distribution (as defined below), such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claims per dollar of such Allowed Claim shall~~ in no event be less than equal the aggregate amount of Reorganized Berry Common Stock received by a Holder of an Allowed Berry General Unsecured Claim per dollar of such Allowed Claim.

Notwithstanding the foregoing, each Holder of an Allowed Berry Unsecured Notes Claim that is a Non-Accredited Investor may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry

Common Stock; *provided, however*, that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry Unsecured Notes Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry Unsecured Notes Claim); *provided, further, however*, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry Unsecured Notes Claim. -To the extent that a Holder of a Berry Unsecured Notes Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.

2. Treatment of Allowed Berry General Unsecured Claims

Holders of Allowed Berry General Unsecured Claims, in turn, will receive their Pro Rata share of 17.7 percent of the Reorganized Berry Common Stock, after allocation and reservation for the Reorganized Berry EIP Equity; ~~*provided, however, that such allocation of 17.7 percent of the Reorganized Berry Common Stock shall be adjusted to account for the Allowed Berry General Unsecured Claims for which such Holders irrevocably elect on each such Holder's ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool (as defined below) on account of such Holder's Allowed General Unsecured Claims, in lieu of any recovery in Reorganized Common Stock; provided, however, further, that in no event shall any Holder of Allowed Berry General Unsecured Claim receive a recovery in Reorganized Berry Common Stock in excess of \$0.35 for each \$1.00 of the underlying Allowed Berry General Unsecured Claim (the "Reorganized Berry Common Stock/General Distribution").*~~

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(the "Reorganized Berry Common Stock/General Distribution"). Notwithstanding the foregoing, each Holder of an Allowed Berry General Unsecured Claim may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; *provided, however*, that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry General Unsecured Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry General Unsecured Claim); *provided, further, however*, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim. - To the extent that a Holder of a Berry General Unsecured Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.

For the avoidance of doubt, the election by Holders of Allowed Berry General Unsecured Claims to receive Pro Rata shares of either a Cash distribution from the Berry GUC Cash Distribution -Pool -or -Reorganized -Berry -Common -Stock/General -Distribution -must- be irrevocably made by each Holder of an Allowed Berry General Unsecured Claim on the ballot distributed to such Holders pursuant to the Berry Debtors' solicitation of votes in support of the Plan.

On the Effective Date, the Berry Debtors shall irrevocably fund the Berry GUC Cash Distribution Pool into a separate, segregated bank account not subject to the control of the Berry

Lenders or the administrative agent under the Berry Exit Facility, which account will not be subject to any liens, security interests, or other encumbrances. Except as provided in the Plan, Cash held on account of the Berry GUC Cash Distribution Pool shall not constitute property of the Berry Debtors or the Reorganized Berry 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 Berry GUC Cash Distribution Pool after payment to all eligible Holders of Allowed Berry General Unsecured Claims, such remaining amount, if any, shall be returned to the Reorganized Berry Debtors.

3. Claims Reconciliation Process

Pursuant to the claims reconciliation process, the Berry Debtors or the Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) shall be authorized, but not directed, to establish, in consultation with the Committee prior to the Effective Date, one or more Disputed Claims Reserves, which Disputed Claims Reserve shall be administered by the Reorganized Berry Debtors, to the extent applicable. Prior to the Confirmation Hearing, the Berry Debtors, the Consenting Berry Noteholders, and the Committee shall work together in good faith to determine (1) the funding of the ~~costs incurred~~ (including ~~legal fees and expenses~~) ~~in connection with the~~ claims reconciliation process with respect to Disputed Berry General Unsecured Claims, ~~and~~ (2) other claims administration responsibilities with respect to Disputed Berry General Unsecured Claims, and (3) the eligibility (or Non-Accredited Investor status) of Holders of Berry Unsecured Notes Claims to elect to receive a Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of Reorganized Berry Common Stock, the resolution of each of which shall be documented in the Confirmation Order.

The Reorganized Berry Debtors (and/or any other party responsible for administration of any Disputed Claims Reserve (if any)) may, in their sole discretion, hold Cash, in the same proportions and amounts provided for in the Plan in the Berry GUC Cash Distribution Pool for applicable Holders of Allowed Berry General Unsecured Claims and/or applicable Allowed Berry Unsecured Notes Claims, and Reorganized Berry Common Stock, in the same proportions and amounts as provided for in the Plan, in the Disputed Claims Reserves in trust for the benefit of the Holders of the total estimated amount of Claims ultimately determined to be Allowed after the Effective Date:⁴ provided, however, that the Reorganized Berry Debtors may, rather than issuing Reorganized Berry Common Stock into a trust, elect to issue such stock directly to Holders of Claims ultimately determined to be Allowed as and when such Claims are Allowed. The Reorganized Berry Debtors shall distribute such amounts (net of any expenses, including any taxes relating thereto ~~and costs associated with the claims reconciliation process~~), as provided ~~in the Plan herein~~, as such Claims are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Claims as such amounts would have been distributable had such Claims been Allowed Claims as of the Effective Date under the Plan solely to the extent of the amounts available in the applicable Disputed Claims Reserves. Any portions of the Berry GUC Cash Distribution Pool remaining after resolution of

⁴ ~~Alternatively, the Reorganized Berry Debtors may, rather than contributing Reorganized Berry Common Stock to a trust, issue Reorganized Berry Common Stock to creditors as and when the claims resolution process is finalized.~~

the Disputed Berry General Unsecured Claims shall be released from the applicable Disputed Claims reserves for Pro Rata distributions to each Holder of Allowed Berry General Unsecured Claims who have irrevocably elected to receive its Pro Rata share of the Berry GUC Cash Distribution Pool; *provided*, that in no event shall any such Holder of an Allowed Berry General Unsecured Claim receive a Cash recovery in excess of \$0.35 on each \$1.00 of its Allowed Berry General Unsecured Claim; *provided, further*, that to the extent that there are any amounts of the Berry GUC Cash Distribution Pool remaining after each applicable Holder of Allowed Berry General Unsecured Claims has received its maximum Cash recovery, such excess funds shall be returned to the Reorganized Berry Debtors for general corporate uses.

D. The Berry/LINN Intercompany Settlement

The Plan includes a proposed settlement of numerous potential claims belonging to the ~~Berry~~ Debtors, including asserted and potential intercompany claims between the Berry Debtors and the LINN 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 undertaken 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~~ was Joseph P. McCoy, assisted by the LINN Debtors’ legal and financial advisors, Jackson Walker LLP and a segregated team from AlixPartners (consisting ~~of~~ of personnel who were not involved in AlixPartners’ work for all of the Debtors). The designated disinterested representative of the Berry Debtors ~~is~~ was 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 the 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~~ Debtors' 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.

E. Governance

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

F. Recoveries to Claim Holders

The Berry Lenders who elect to participate in the Berry Exit Facility will receive their Pro Rata share of: (a) the Berry Exit Facility; and (b) the Berry Lender Paydown. The Berry Lenders that elect not to participate in the Berry Exit Facility, in turn, will receive their Pro Rata share of the Reorganized Berry Non-Conforming Term Notes.

The Holders of Berry Unsecured Notes Claims will receive: (a) their Pro Rata share of the Reorganized Berry Common Stock/Noteholder Distribution; and (b) to the extent that the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, their Pro Rata share of the Reorganized Berry Common Stock/General Distribution, such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claims per dollar of such Allowed Claim shall in no event be less than the aggregate amount of Reorganized Berry Common Stock received by a Holder of an Allowed Berry General Unsecured Claim per dollar of such Allowed Claim. Holders of Berry Unsecured Notes Claims will additionally be permitted to participate in the Berry Rights Offerings. Such

participation as a Berry Backstop Party, however, will be separate and apart from any treatment with respect to Holders of Berry Unsecured Notes Claims under the Plan.

Holders of Berry General Unsecured Claims will receive on the Effective Date, their Pro Rata share of either: (a) the Berry GUC Cash Distribution Pool *provided, however*, that in no event shall an electing Holders receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim; or (b) the Reorganized Berry Common Stock/General Distribution.

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

H. Releases

The Plan contains certain releases (as described more fully in Section IV.U of this Disclosure Statement), including: (a) each of the Debtors, the Reorganized Berry Debtors, and the Reorganized Berry Debtors; (b) the Consenting Berry Creditors; (c) the Berry Backstop Parties; (d) the Berry Administrative Agent; (e) the Berry Unsecured Notes Trustee; (f) the Committee and each of its members; (g) each of the Berry Lenders; and (h) the Ad Hoc Group of Berry Unsecured Noteholders; and (i) with respect to each of the foregoing identified in subsections (a) through (h) herein, each of such entities' respective shareholders, affiliates, subsidiaries, members, 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 (x) any Holder of a Claim or Interest that opts out of the releases contained in the Plan shall not be a “Released Party,” and (y) neither Quantum Energy Partners, Sentinel Peak Resources, nor any of their officers, managers, or employees shall be “Released Parties.”

The Plan also provides that each holder of a Claim against or an interest in the Berry 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 Berry Debtors and the Released Parties.

I. Dissolution of the Committee

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; *provided*, that the Committee shall be deemed to remain in existence solely with respect to, and shall not be heard on any issue except (i) ~~applications~~ filed by the Professionals pursuant to section ~~330~~ and 331 of the Bankruptcy Code, and (ii) ~~its~~ statutory duties as the Committee for Holders of Unsecured Claims against the LINN Debtors.

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 Berry Debtors sending me this Disclosure Statement?

The Berry Debtors are seeking to obtain Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Berry 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 B1	Other Berry Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B2	Other Berry Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B3	Berry Lender Claims	Impaired	Entitled to Vote
Class B4	Berry Unsecured Notes Claims	Impaired	Entitled to Vote
Class B5	Berry General Unsecured Claims	Impaired	Entitled to Vote
Class B6	Berry Intercompany Claims	Impaired	Not Entitled to Vote (Presumed to Accept/Deemed to Reject)
Class B7	Berry Section 510(b) Claims	Impaired	Note Entitled to Vote (Deemed to Reject)
Class B8	Interests in Berry Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)

D. What will I receive from the Berry 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 Berry 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 BERRY DEBTORS’ CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.⁵

⁵ 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

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
B1	Other Berry Secured Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Berry Secured Claims 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 Berry Secured Claim, each such Holder shall receive, at the option of Berry and with the consent of the Required Consenting Berry Noteholders (which consent shall not be unreasonably withheld), 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.	\$5.4 million	100%
B2	Other Berry Priority Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Berry 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 Berry Priority	\$0.00	100%

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.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		Claim, each such Holder shall receive, at the option of Berry, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.		
B3	Berry Lender Claims	<p>Notwithstanding any other provision of this Plan to the contrary, on the Effective Date, except to the extent that a Holder of an Allowed Berry Lender 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 Berry Lender Claim, each such Holder shall receive: (i) if such Holder votes (or is deemed to have voted in accordance with the ballot for Holders of Berry Lender Claims) to accept the Plan and elects to participate in the Berry Exit Facility, or voted against the Plan and subsequently changes its vote to accept (with the approval of the Berry Debtors and the Required Consenting Berry Creditors (which approval shall not be unreasonably withheld)) and opts into the Berry Exit Facility (each, an “<u>Electing Berry Lender</u>”), a Pro Rata share (calculated with respect to the other Electing Berry Lenders only) of: (A) the Berry Exit Facility; and (B) the Berry Lender Paydown, which shall be distributed upon such Holder’s execution and delivery of the Berry Exit Facility Documents; or (ii) if such Holder votes to reject the Berry Plan and does <u>not</u> subsequently opt into the Berry Exit Facility (each, a “<u>Non-Electing Berry Lender</u>”), a Reorganized Berry Non-Conforming Term Note in an aggregate amount equal to such Non-Electing Berry Lender’s Allowed Berry Lender Claim, in lieu of any share of (A) the Berry Exit Facility and (B) the Berry Lender Paydown, upon the execution and delivery of the Reorganized Berry Non-Conforming Notes Documents, distributed no earlier than the Effective Date (and after or substantially concurrently with the execution and delivery of such definitive documentation).</p> <p>‡For the avoidance of doubt, the amount of the Berry Exit Facility Initial Borrowing Base and the commitments of the Electing Berry Lenders shall be reduced in an amount equal to the aggregate amount of the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders. For the further</p>	\$891.3 million	100%

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		avoidance of doubt, none of the Non-Electing Berry Lenders shall receive any portion of the Berry Lender Paydown and shall receive only a Reorganized Berry Non-Conforming Note in a principal amount equal to its Allowed Berry Lender Claim and each Electing Berry Lender shall receive a Berry Lender Paydown payment in the amount of (a) its Allowed Berry Lender Claim <u>less</u> (b) the amount of such Electing Berry Lender's Allowed Lender Claim that is deemed to be a drawn loan pursuant to the Berry Exit Facility, <u>plus</u> (c) a pro rata share with respect to all Electing Berry Lenders of the amount of the Berry Lender Paydown that would otherwise be payable to a Non-Electing Berry Lender had such Non-Electing Berry Lender been an Electing Berry Lender; <i>provided</i> , that any amount paid to such Electing Berry Lender pursuant to clause (c) shall reduce the amount deemed to be drawn debt pursuant to clause (b).		
B4	Berry Unsecured Notes Claims	On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Berry Unsecured Notes Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of the Berry Debtors and their Estates and in exchange for each Berry Unsecured Notes Claim, each such Holder shall receive: (i) its Pro Rata share of the Reorganized Berry Common Stock/Noteholder Distribution; and (ii) to the extent that the aggregate amount of Allowed Berry General Unsecured Claims is less than \$183,000,000, its Pro Rata share of the Reorganized Berry Common Stock/General Distribution, such that the aggregate amount of Reorganized Berry Common Stock received by each Holder of an Allowed Berry Unsecured Notes Claims s per dollar <u>amount</u> of such Allowed Claim shall equal the aggregate amount of Reorganized Berry	\$849.0 million	47-52% <u>43%</u> <u>50%</u> ⁶

⁶ The low end of recovery range assumes all Allowed Berry General Unsecured Claims elect to receive their Pro Rata share of the Reorganized Berry Common Stock/General Distribution, and it assumes the high end range of the Allowed Berry General Unsecured Claims. The high end of recovery range assumes all Allowed Berry General Unsecured Claims elect to receive Cash from the Berry GUC Cash Distribution Pool. The estimated recovery for Class B4 contemplates only the recovery to Holders of Allowed Berry Unsecured Notes Claims pursuant to the Reorganized Berry Common Stock/Noteholder Distribution.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		<p>Common Stock received by a Holder of an Allowed Berry General Unsecured Claim that does not elect to receive its share of the Berry GUC Cash Distribution Pool, per dollar <u>amount</u> of such Allowed Claim.</p> <p>Notwithstanding the foregoing, each Holder of an Allowed Berry Unsecured Notes Claim that is a Non-Accredited Investor may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; <i>provided, however</i>, that if such Holder <u>Non-Accredited Investor Holder (who shall certify such status on the ballot and include reasonably acceptable proof of such status, which may be contested by the Berry Debtors, the Reorganized Berry Debtors, or the Committee)</u> irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry Unsecured Notes Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry Unsecured Notes Claim;; <i>provided, further, however</i>, that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry Unsecured Notes Claim. To the extent that a Holder of a Berry Unsecured Notes Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.</p>		
B5	Berry General Unsecured Claims	On the <u>later of (i) the Effective Date, (ii) ten (10) Business Days after the Distribution Record Date, or (iii)</u> as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Berry General Unsecured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction,	<u>\$109.0 million to \$165.0 million</u>	<u>21%—%—46%</u> ⁷

⁷ The low end of recovery range assumes all Allowed Berry General Unsecured Claims elect to receive Cash from the Berry GUC Cash Distribution Pool, and it assumes the high end range of the Allowed Berry General Unsecured Claims. The high end of recovery range assumes all Allowed Berry General Unsecured Claims elect to their Pro Rata share of the Reorganized Berry Common Stock/General Distribution, and it assumes the low end range of the Allowed Berry General Unsecured Claims.

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		<p>settlement, release, and discharge of vis-à-vis the Debtors and their Estates and in exchange for each Berry General Unsecured Claim, each such Holder shall receive, up to the Allowed amount of its Berry General Unsecured Claim, its Pro Rata share of the Reorganized Berry Common Stock/General Distribution.</p> <p>Notwithstanding the foregoing, each Holder of an Allowed Berry General Unsecured Claim may irrevocably elect on its ballot to receive its Pro Rata share of the Berry GUC Cash Distribution Pool instead of any distribution of the Reorganized Berry Common Stock; <i>provided, however,</i> that if such Holder irrevocably elects on its ballot to receive its Pro Rata share in Cash of the Berry GUC Cash Distribution Pool on account of its Allowed Berry General Unsecured Claim, such electing Holder shall not receive any shares of Reorganized Berry Common Stock on account of its Allowed Berry General Unsecured Claim); <i>provided, further, however,</i> that in no event shall such electing Holder receive a recovery in Cash in excess of \$0.35 for each \$1.00 of its Allowed Berry General Unsecured Claim. To the extent that a Holder of a Berry General Unsecured Claim irrevocably elects to receive its Pro Rata Share of the Berry GUC Cash Distribution Pool, any Reorganized Berry Common Stock that such Holder would have received shall be retained by Reorganized Berry as treasury stock.</p>		
B6	Berry Intercompany Claims	Each Allowed Berry Intercompany Claim shall be canceled and released without any distribution on account of such Claims; <i>provided, however,</i> that any Berry Intercompany Claim relating to any postpetition payments from any LINN Debtor to Berry under any postpetition Intercompany Transaction (as defined in the Cash Management Order, and including any postpetition payments from LINN to Berry) shall be, unless the applicable 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. For the avoidance of doubt, the Berry LINN Intercompany Settlement releases any Claims of the LINN Debtors against the Berry Debtors and pursuant to such settlement, there shall be no Allowed Berry	N/A	N/A

SUMMARY OF EXPECTED RECOVERIES ON CLAIMS AGAINST THE BERRY DEBTORS				
Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Amount of Claims	Projected Recovery Under the Plan
		Intercompany Claims, except for the true-up of postpetition Intercompany Transactions described in the preceding sentence, and thus there will be no other Allowed Claims in this Class. Any such true-up Claim shall be reasonably acceptable to the Berry Debtors and the Required Consenting Berry Creditors.		
B7	Berry Section 510(b) Claims	Each Berry Section 510(b) Claim shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Berry Section 510(b) Claims on account of such Claims.	N/A	0%
B8	Interests in the Berry Debtors	On the Effective Date, existing Interests in the Berry Debtors shall be deemed canceled, discharged, released, and extinguished, and there shall be no distribution to Holders of Interests in the Berry Debtors on account of such Interests	N/A	0%

E. What will I receive from the Berry 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. 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, 120 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 Berry 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 Berry 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 Berry 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 Berry 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 78, 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 78, 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 Berry Debtors shall fund distributions under the Plan with respect to the Berry Debtors, as applicable, with one or more of the following, subject to appropriate definitive agreements and documentation: (1) the Berry Exit Facility; (2) the Reorganized Berry Non-Conforming Term Notes (if any); (3) encumbered and unencumbered Cash on hand, including Cash from operations of the Berry Debtors; (4) Cash proceeds of the sale of the Reorganized Berry Preferred Stock pursuant to the Berry Rights Offerings; and (5) the Reorganized Berry Common Stock.

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

Yes. *See* Article IX of this Disclosure Statement, entitled “RISK FACTORS,” which begins on page 63.

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 Berry May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases,” which begins on page 75.

In the event that it becomes necessary to confirm the Plan over the objection of certain Classes, the Berry 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 Berry Debtors May Not Be Able to Secure Confirmation of the Plan,” which begins on page 64.

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. The Berry Debtors contend that the Plan may treat any right to payment on account of a Royalty and Working Interest that arose prior to the Petition Date as a General Unsecured Claim.

In contrast, and though the Berry Debtors vigorously disagree with such position, certain Royalty and Working Interest Owners, including Dorchester Oil and Gas, Fort Worth Royalty Company, Penn Brothers, Inc., Tortuga Oil and Gas, TX GP, Athena Penson Mineral Ltd, Artemis Investments, and Joe Dreitz Jr. (and royalty owners in certain Kansas wells) (collectively, the “Objecting Royalty and Working Interest Owners”) contend that the Debtors’

proposed treatment of Claims on account of Royalty and Working Interests ignores and contradicts Texas and Kansas law regarding the nature of interests owned by Royalty and Working Interest Owners and may result in the termination of oil and gas leases retroactive to the first missed royalty payment and liability for conversion or theft, including potential personal civil liability for corporate employees and officers for such conversion or theft under the Texas Theft Liability Act or Kansas law. The Objecting Royalty and Working Interest Owners further contend that any right to payment arising from a Royalty and Working Interest, if any, must be classified separately from General Unsecured Claims under the Plan and should not be subject to any discharge and/or release provided hereunder. The Objecting Royalty and Working Interest Owners also assert that an oil and gas lease governed by Texas or Kansas law is a fee determinable estate or real property thereunder and not an executory contract. The Objecting Royalty and Working Interest Owners also contend that, unless the payments owed to Texas Royalty and Working Interests are paid in full, the affected leases may be subject to (i) termination by the holders of those interests, retroactive to the first underpaid or missed royalty payment, after any applicable grace periods; (ii) forfeiture of prior revenues derived by the Debtors under such leases after the effective date of termination; and (iii) potential personal liability for corporate officers and employees. Furthermore, the Objecting Royalty and Working Interest Owners contend that the lease terminations would negatively affect the feasibility of the Plan and that the Disclosure Statement fails to analyze the effect of those potential lease terminations on the feasibility of the Plan.

The William A. Eklund Trust, which filed an objection to the Disclosure Statement, believes that it is improper to classify the prepetition claims of royalty owners as general unsecured claims because they assert the claims of unpaid royalty owners are not substantially similar to the claims of general unsecured creditors.

As previously discussed, the Berry Debtors disagree with the Objecting Royalty and Working Interest Owners' arguments and believe that the Plan complies with all applicable law and is feasible. The Berry Debtors also disagree with the William A. Eklund Trust and believe that the Plan's classification scheme is proper.

The Berry Debtors currently are parties to 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.

On November 2, 2016, the McKnights initiated an adversary proceeding in the Chapter 11 Cases asserting that the Debtors have (and still are) violating Oklahoma oil and gas leases by improperly deducting production costs prior to calculating royalty payments (the "underpayment"). The McKnights further contend that the underpayment is hidden from the royalty owners by the use of fictitious sales and misleading and/or false check statements. Further, the McKnights contend that underpayment is not the property of the Debtors but is trust monies to be held for the benefit of the royalty owners. The McKnights have asserted claims for breach of contract, breach of fiduciary duty, conversion, unjust enrichment

and imposition of a constructive and/or resulting trust. On December 2, 2016, the Debtors filed a motion to dismiss the McKnights adversary proceeding. A hearing on the McKnights' complaint and the Debtors' motion to dismiss has not yet been scheduled.

The Berry Debtors dispute the allegations set forth in the McKnights' complaint. As of the date hereof, the Berry 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 Berry Debtors continue to review Falcon's complaint and dispute the allegations set forth therein.

The Debtors intend to comply with applicable bankruptcy and non-bankruptcy (subject to preemption) laws governing the Royalty and Working Interests in place as of the Effective Date of the Plan. The Texas Comptroller of Public Accounts (the "Texas Comptroller") filed a proof of claim in the case of the Debtor Linn Operating in the amount of \$1,794,310.90, allegedly due to the Texas Comptroller as unclaimed property (Claim No. 7631), and an identical claim in each of the other Debtors' cases. The Texas Comptroller also filed an estimated proof of claim in the case of the Debtor Linn Operating in the amount of \$1,422,151.89, allegedly due to the Texas Comptroller as unclaimed property (Claim No. 7654), and an identical claim in each of the other Debtors' cases (collectively, the "Comptroller Claims"). The Texas Comptroller asserts that it retains its rights with respect to any unclaimed property consistent with the Plan, the Confirmation Order, an order of the Court, or any other document implementing the Plan, and consistent with applicable law, including the Bankruptcy Code (subject to preemption).

The Texas Comptroller reserves the right to assert its rights, if any, to recover unclaimed property and to conduct unclaimed property audits under Texas unclaimed property laws. The Texas Comptroller reserves the right to assert that it is not precluded from pursuing unclaimed property held by the Debtors that it asserts is required to be remitted to the Texas Comptroller. All parties in interest reserve their right to contest any action of the Texas Comptroller to recover such property or conduct any audits.

Additionally, numerous holders of Royalty and Working Interests have filed proofs of claim in these cases in an aggregate amount of approximately \$145 million. In some cases, the Royalty and Interest Claims arose as a result of the Debtors making incorrect payments to certain parties due to inaccurate records acquired from BC Operating, Inc., a predecessor in interest with respect to certain acreage currently owned by the Debtors. The Debtors notified by mail certain Royalty and Working Interest Owners of such mispayments and the amounts thereof. The Debtors intend to resolve those claims pursuant to the claims reconciliation process and to continue making all postpetition payments on account of Royalty and Working Interests in the ordinary course. If the Court determines that the Debtors have not made certain postpetition payments on account of certain Royalty and Working Interests, holders of those Royalty and Working Interests may request reimbursement of such postpetition amounts as an Administrative Claim.

M. What is the Reorganized Berry Employee Incentive Plan?

~~_____The Reorganized Berry Debtor Employee Incentive Plan shall be authorized and implemented on the Effective Date by the applicable Reorganized Debtors without any further action by the Reorganized Berry Board or the Bankruptcy Court.~~

The Reorganized Berry Employee Incentive Plan will be implemented with respect to ~~Reorganized Berry on the Effective Date. The material terms of the Reorganized Berry Employee Incentive Plan shall be agreed upon prior to the Effective Date and set forth in the Reorganized Berry Employee Incentive Plan Agreement.~~

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

The Berry Debtors estimate that the amount of Allowed Berry General Unsecured Claims could range from approximately \$109.0 million to approximately \$165 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 Berry 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 Berry Debtors; and (e) the Claims reconciliation process.

Although the estimated ranges of Allowed Berry General Unsecured Claims is the result of the Berry Debtors' and their advisors' careful analysis of available information, Berry General Unsecured Claims actually asserted against the Berry Debtors may be higher or lower than the Berry Debtors' estimate provided herein, which difference could be material. Moreover, the Berry 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 Berry Debtors estimate that, in the event the Berry 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 \$163.0 million. Further, the Berry Debtors may object to certain proofs of claim, and any such objections ultimately could cause the total amount of Allowed Berry General Unsecured Claims to change. These changes could affect recoveries to Holders of Claims in Classes B5, 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 Berry 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 Berry 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 Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease; *provided*, that the Berry Debtors or the Reorganized Berry Debtors, as applicable, may not assume or reject any material Executory Contract or Unexpired Lease without the prior written consent of the Required Consenting Berry Creditors (which consent shall not be unreasonably withheld); *provided, further*, that following the request for consent by the Berry Debtors or Reorganized Berry, if the consent of the Required Consenting Berry Creditors is not obtained or declined within five (5) Business Days following written request thereof by the Berry Debtors or Reorganized Berry, such consent shall be deemed to have been granted by the Required Consenting Berry Creditors.

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 Berry 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 Berry Debtors or Reorganized Berry, 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 Berry Debtors' Executory Contracts or Unexpired Leases shall be classified as Berry 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 Berry Debtors estimate that the amount of Allowed Berry General Unsecured Claims could range from approximately \$109.0 million to approximately \$165 million. The Berry Debtors currently estimate that Claims arising from the Berry Debtors' rejection of Executory Contracts and Unexpired Leases total approximately \$108.0 million in the aggregate, but, in the event that the Berry 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 \$163.0 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 B5 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 Berry General Unsecured Claims affect the recovery of Holders of Allowed Berry General Unsecured Claims under the Plan?"

Included among the potential rejection damages Claims against the Berry Debtors are the Claims of Ruby Pipeline LLC [Claim No. 340] and Wyoming Interstate Company, Ltd. [Claim No. 336], which are alleged to be the result of transportation agreements rejected by the Berry Debtors in 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. 1033]. Notwithstanding entry of an order approving the adequacy of information contained in the Disclosure Statement, Ruby Pipeline, LLC and Wyoming Interstate Company reserve all rights regarding the adequacy of the Disclosure Statement pursuant to section 1125(a) of the Bankruptcy Code until the date objections to Confirmation are due.

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

The Berry 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 Berry General Unsecured Claims from Governmental Units, the value of recoveries to Holders of Claims in Classes B5 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 Berry General Unsecured Claims affect the recovery of Holders of Allowed Berry 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 Berry Debtors estimate that the amount of Allowed Berry General Unsecured Claims could range from approximately \$109.0 million to approximately \$165 million. These amounts include the Berry Debtors' reasonable estimate of certain contingent, unliquidated, and disputed litigation Claims known to the Berry Debtors as of the date hereof, which generally are considered Berry General Unsecured Claims. As of the Petition Date, the Berry 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 Berry 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 Berry Debtors herein, the value of recoveries to Holders of Claims in Classes B5 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 Berry General Unsecured Claims affect the recovery of Holders of Allowed Berry 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 Berry 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 addition, before or after the Effective Date, the Berry Debtors or Reorganized Berry, 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. 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 Berry shall retain (or shall receive from the Berry 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 Berry'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 Berry Debtors pursuant to the releases and exculpations contained in the Plan, which shall be deemed released and waived by the Berry 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 Berry Lenders be preserved.

Reorganized Berry may pursue such Causes of Action, as appropriate, in accordance with the best interests of Reorganized Berry. **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 Berry Debtors or Reorganized Berry, 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 Berry 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 Berry Lenders be preserved.

Reorganized Berry reserves (or receives) 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. Reorganized Berry 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.

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

On the Effective Date, the Berry 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 Berry 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 Berry Debtors and Reorganized Berry, and any of their successors or assigns, and any Entity acting on behalf of the Berry Debtors or Reorganized Berry, 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 Berry Debtors, and (iii) to the extent otherwise reserved in the Plan Supplement. No Avoidance Actions shall revert to creditors of the Berry Debtors.

V. Are the Berry 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 Berry Debtors and Reorganized Berry will assume each of the Berry 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 Berry 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.

W. 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 Berry Debtors’ releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Berry Debtors’ overall restructuring efforts and were an essential element of the negotiations between the Berry Debtors, the Berry Ad Hoc Group, and the Berry Lenders in obtaining their support for the Plan pursuant to the terms of the Berry RSA. All of the Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Berry Debtors’ restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the Berry 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 Berry 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 Berry 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 Berry 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 Berry Secured Claims that the Berry Debtors elect to Reinstate in accordance with Article III.B.1 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 Berry Debtors and their successors and assigns (including Reorganized Berry), 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 Berry Debtors or Reorganized Berry Debtors; *provided*, that this Article VIII.C shall not apply to the Berry Lender Claims to the extent specifically provided for in the Berry Exit Facility Documents and the Reorganized Berry Non-Conforming Term Notes Documents.

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 Berry Debtors, the Reorganized Berry 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 Berry Debtors, that the Berry Debtors, the Reorganized Berry 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 Berry Debtors (including the management, ownership or operation thereof), the Berry Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends and management fees paid), the Berry Credit Agreement, the Berry Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, 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 Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry Backstop Agreement, the Berry Rights Offerings, or any Berry 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 Berry RSA, the Original Berry RSA, the Disclosure Statement, the Plan, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry 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 Berry 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 Debtor, Reorganized Berry Debtor, and each 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 Berry 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 Berry (including the formation thereof), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends paid), transactions pursuant and/or related to the Berry Backstop Agreement, the Berry Credit Agreement, the Berry Rights Offerings, the New Organizational Documents, the Reorganized Berry Registration Rights Agreement, the Berry Unsecured Notes, the Cash Collateral Order (and any payments or transfers in connection therewith), the Cash Management Order, the Berry Unsecured Notes, the formulation, preparation, dissemination, negotiation, or Filing of the Berry RSA, the Original Berry RSA, the Berry Rights Offerings, the Berry Backstop Agreement, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, or any Berry 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 Berry RSA, the Original Berry RSA, the Disclosure Statement, the Plan, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry 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 Berry Debtors, 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 Berry RSA, the Original Berry RSA, and related prepetition transactions, the Disclosure Statement, the Plan, 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 Berry RSA, the Original Berry RSA, the Berry Exit Facility, the Reorganized Berry Non-Conforming Term Notes, the Berry Rights Offerings, the Berry Backstop Agreement, the formation of Reorganized Berry, 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 Berry 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 Berry Debtors, the Reorganized Berry 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.

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

On July 11 and 12, 2016, the Berry 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 Berry Debtors that arose (or that are deemed to have arisen) prior to the Petition Date, including without limitation, Class B5 Berry 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 Berry 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 Berry 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.

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

The Voting Deadline is ~~January 24~~January 10, 2017, at 4:00 p.m. (prevailing Central Time).

Z. 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 24~~January 10, 2017, at 4:00 p.m. (prevailing Central Time) at the following address: Berry Petroleum Company, 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 Berry 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 76.

AA. 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.

BB. When is the Confirmation Hearing set to occur?

The Court has scheduled the Confirmation Hearing for ~~January 24~~January 17, 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 Berry Debtors, and certain other parties, by no later than ~~January 17~~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 Berry 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 Berry Debtors may also publish the notice of the Confirmation Hearing in such trade or other publications as the Berry Debtors may choose.

CC. 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.

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

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

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

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

[As a result of this change in management and control of the Berry Debtors, the future plans and operations of the Reorganized Berry Debtors may not be the same as the plans and operations currently projected by existing management, and the anticipated results reflected in](#)

the Financial Projections may differ materially from results that may occur in the future as a result of implementation of different plans and operations.

After the Effective Date, the officers of each of Reorganized Berry shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Berry 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 Berry. To the extent any such director or officer of Reorganized Berry is an “insider” under the Bankruptcy Code, the Berry 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.

FF. 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 Berry Debtors’ Notice and Claims Agent, Prime Clerk LLC:

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

Berry Petroleum Company, 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 Berry Debtors’ Notice and Claims Agent at the address above or by downloading the exhibits and documents from the website of the Berry 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).

GG. Do the Berry Debtors recommend voting in favor of the Plan?

Yes. The Berry Debtors believe the Plan provides for a larger distribution to the Berry Debtors’ creditors than would otherwise result from any other available alternative. The Berry Debtors believe the Plan, which contemplates a significant deleveraging of the Berry 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.

HH. Who Supports the Plan?

The Plan is supported by the Berry Debtors, [the Committee](#), a substantial number of the Berry Lenders, and the Berry Ad Hoc Group, as set forth in the following chart:

Consenting Parties	Support (expressed as an approximate percentage of the total principal amount of claims outstanding)
Berry Debtors	100%
Berry Lenders	79%
Berry Ad Hoc Group	80%
Committee	100%

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

The Committee supports the Plan and recommends that Holders of Berry Unsecured Notes Claims and Holders of Berry General Unsecured Claims vote to accept the Plan.

V. THE BANK RSA, THE BERRY RSA, AND THE BERRY 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 Berry RSA

Subsequent to the Petition Date, the Berry 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 Berry Debtors solicited and received a \$300 million "new-money" proposal from the Berry Ad Hoc Group that contemplated reorganizing Berry on a standalone basis. Following several weeks of good faith, arms'-length negotiations with the Berry Ad Hoc Group, the Boards of the Berry Debtors

determined, after consultation with their advisors, that the Berry Ad Hoc Group's proposal maximized value for all parties in interest, best positioned the Berry Debtors to emerge from chapter 11 as a successful going concern, and represented the best available alternative. The terms of the Berry Ad Hoc Group's proposal were eventually documented in the Berry RSA executed as of ~~{•}~~December 20, 2016.

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

- payment of the Berry Lender Paydown out of the proceeds of the Berry Rights Offerings;
- provision of the Berry Exit Facility in the aggregate amount of \$550 million;
- conversion of unsecured claims against the Berry Debtors (including the Berry Unsecured Notes Claims and Berry General Unsecured Claims) to equity in Reorganized Berry; and
- a \$300 million fully-backstopped rights offerings for Reorganized Berry Preferred Stock pursuant to the Berry Rights Offerings.

The Berry Exit Facility is essential to the Berry RSA. ~~The~~Assuming all Berry Lenders participate, the Berry Exit Facility includes a \$550 million ~~term~~reserve-based revolving loan consisting of: (a) a \$550 million conforming tranche; and (b) a \$0 million non-conforming tranche. Accordingly, when combined with the Berry Lender Paydown, the Berry Exit Facility significantly deleverages the Berry Debtors and creates a reorganized entity capable of successfully emerging from chapter 11. The Berry Exit Facility is subject to reduction on a dollar-for-dollar basis in an amount equal to the Reorganized Berry Non-Conforming Term Notes issued to the Non-Electing Berry Lenders.

C. The Berry Backstop Agreement

On December ~~{•}~~20, 2016, the Berry Debtors executed the Berry Backstop Agreement with the Berry Backstop Parties, which provides for an aggregate fully back-stopped, new-money investment in the Berry Debtors equal to the Berry Rights Offerings Amount pursuant to the Berry Rights Offerings. The Berry Backstop Agreement contains the following key terms:

- a \$60,000,000 rights offering of Reorganized Berry Preferred Stock to be funded prior to the Effective Date and available to the Berry Initial Backstop Parties;
- a ~~-\$240,000,000~~ ~~-(or, -if -the -Berry -Rights -Offering -Amount-~~ is increased pursuant to the terms of the Berry Backstop Agreement, \$275,000,000) rights offering of Reorganized Berry Preferred Stock to be funded prior to the Effective Date and available to all Eligible Berry Noteholders; and
- a backstop commitment for the Berry First Tranche Rights Offering and the Berry Second Tranche Rights Offering from the Berry Initial Backstop Parties and Berry Backstop Parties, respectively.

While the Berry Debtors remain committed to working with other constituents in the capital structure on the terms of superior restructuring transactions, the Berry 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 Berry Debtors.

The Plan represents the last step in the Berry Debtors' months-long restructuring process. The Berry RSA, which sets forth the key terms of the Plan will allow the Berry Debtors to proceed expeditiously through chapter 11 to a successful emergence. The Plan will significantly deleverage the Berry Debtors' balance sheet and provide the capital injection needed for the Berry 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. Berry is a wholly owned subsidiary of Linn Acquisition Company, LLC ("LAC"), which, in turn, is a wholly owned subsidiary of Linn Energy, LLC ("LINN," and together with its Debtor Affiliates other than the Berry Debtors, the "LINN Debtors") (collectively, the LINN Debtors and the Berry Debtors shall hereafter be referred to as the "Debtors"). The LINN Debtors acquired their indirect interest in Berry in December 2013 via a stock-for-stock transaction (the "Berry Acquisition"). 71 percent of LINN's outstanding units are owned by LinnCo, LLC ("LinnCo"), which is a publicly-traded company. LINN's remaining units are publicly held.

The Berry Debtors' funded debt obligations are independent of the LINN Debtors. More specifically, the Berry Debtors are obligated under a Second Amended and Restated Credit Agreement with a borrowing base of approximately \$900 million and approximately \$834 million in senior notes due 2020 and 2022, respectively

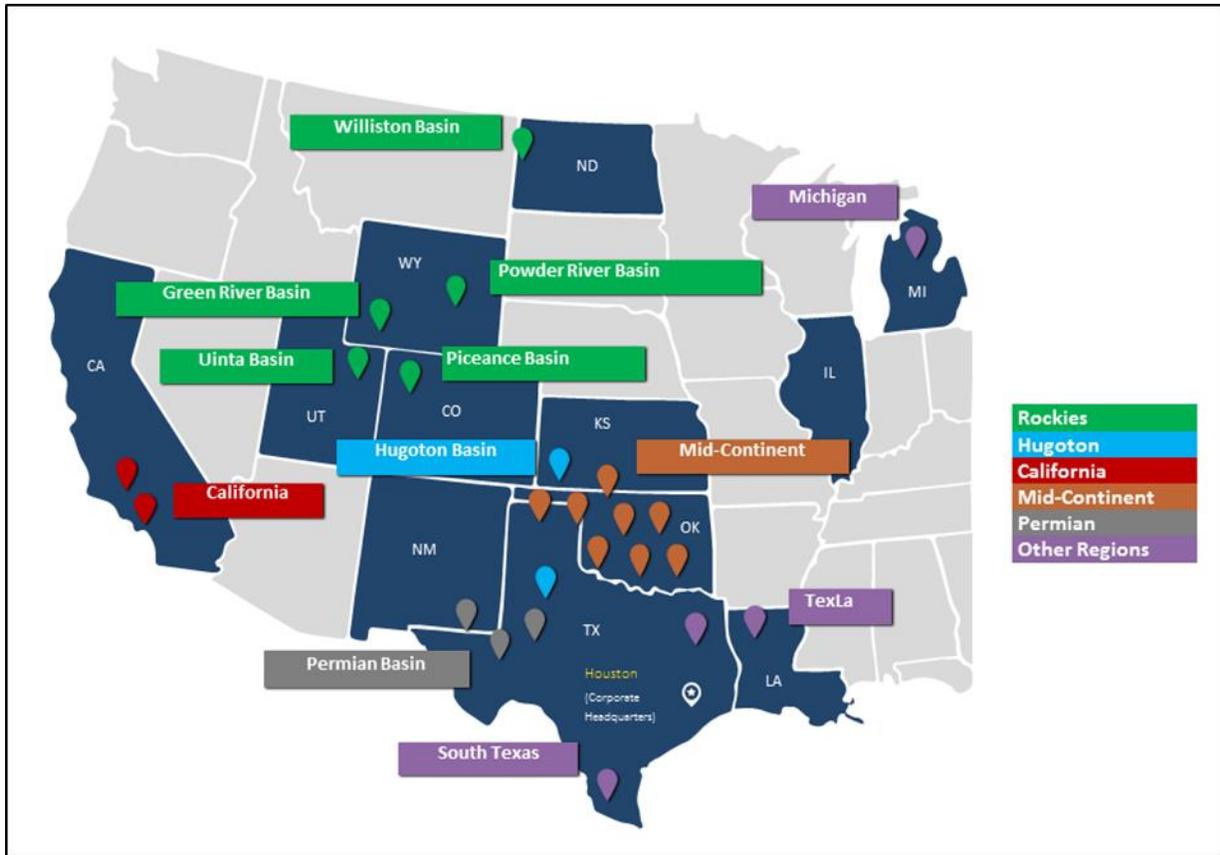
The Debtors are operationally integrated. The Debtors' workforce, which is not unionized, currently includes approximately 1,500 employees. The Berry Debtors, in turn, have no employees. A corporate organization chart is attached as Exhibit C. Below is a summary of the Debtors' businesses and operations.

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. The Berry Debtors, in turn, operate in four of these eight regions: Hugoton Basin; Rockies, California, and TexLa. 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.

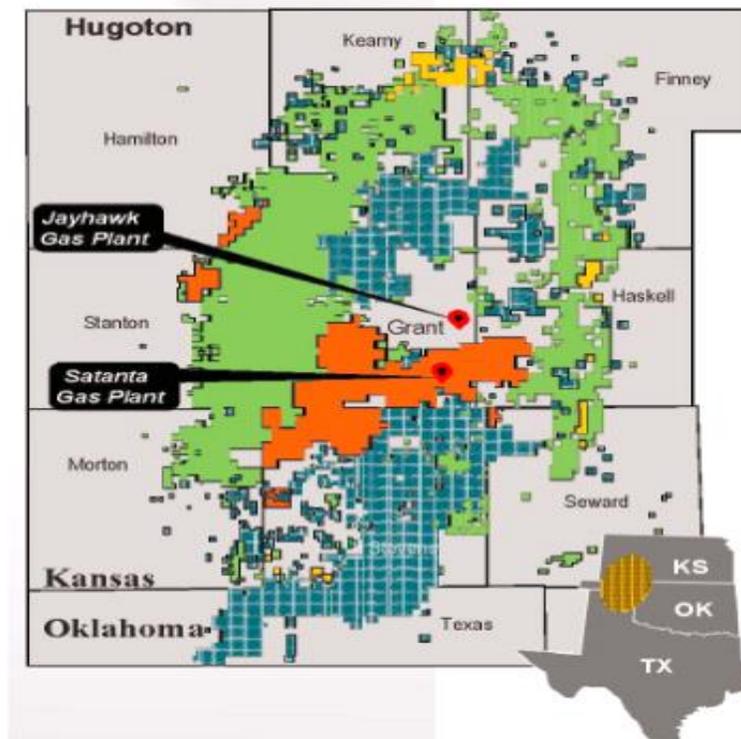


The Debtors’ eight operating regions

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.



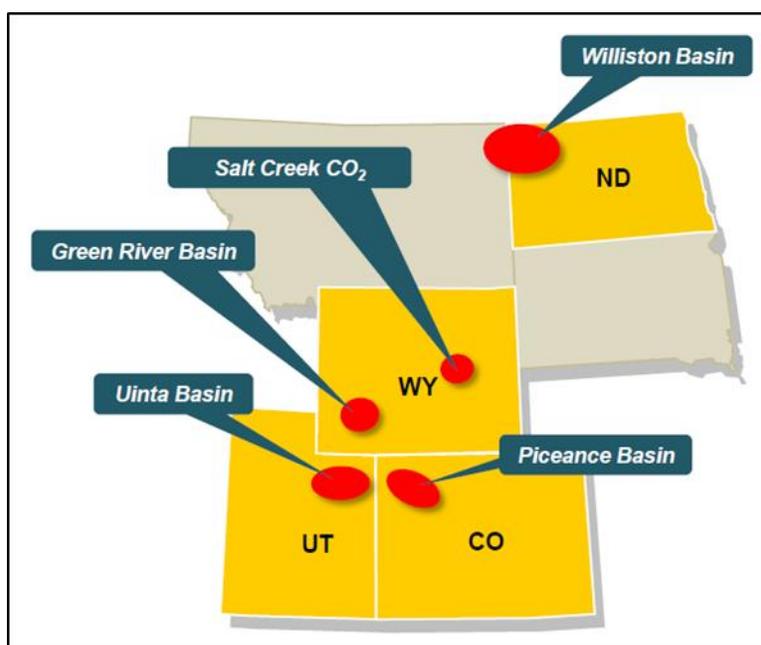
The Debtors’ Hugoton Basin region

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.



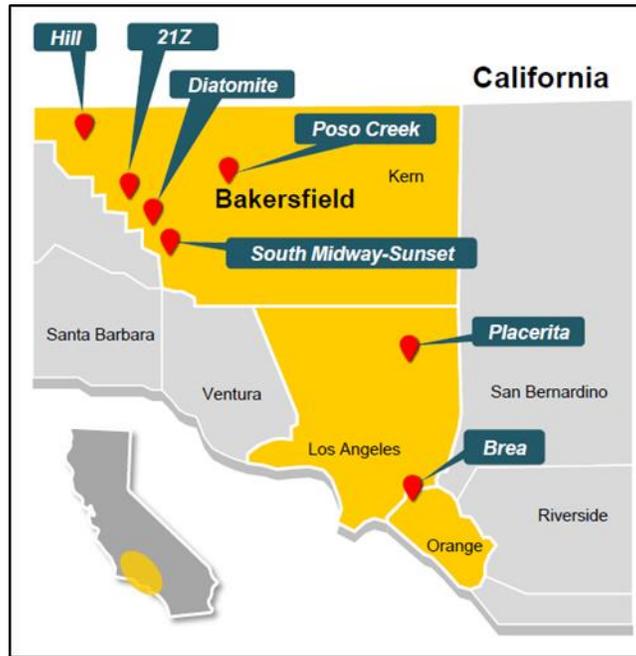
The Debtors' Rockies region

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

Operating Region	Description	Average 2015 Production (MMcfe/d)	Average Six Months Ended June 30, 2016 Production (MMcfe/d)
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 Berry Debtors approximate \$1.732 billion of funded debt and the LINN Debtors' approximate \$5.969 billion of funded debt. The Berry Debtors and the LINN Debtors are not obligated on each other's debt. The following table summarizes the Debtors' prepetition capital structure:

Total LINN and Berry Debt	\$7,701,000,000
Berry	Approx. Amount as of June 30, 2016
Berry First Lien Credit Facility⁸	\$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
LINN Debtors	Approx. Outstanding as of June 30, 2016
LINN First Lien Revolving Loan ⁹	\$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

⁸ Including approximately \$26.2 million in letters of credit.

⁹ Including approximately \$7.5 million in letters of credit.

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
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Total LINN and Berry Debt	\$7,701,000,000
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1. Berry

(a) Berry First Lien Credit Facility

Pursuant to the Berry Credit Agreement, the Berry Debtors maintain the Berry First Lien Credit Facility, 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. As of October 31, 2016, the Berry First Lien Credit Facility is secured by mortgages on oil and natural gas properties representing approximately 74 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.

2. LINN Debtors

(a) LINN First Lien Credit Facility

Pursuant to the LINN Credit Agreement, the LINN Debtors maintain the LINN First Lien Credit Facility (together with the Berry First Lien Credit Facility, the "First Lien Credit Facilities"), 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 86 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.

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.¹⁰

¹⁰ As of June 30, 2016, LINN had cash of \$775 million and restricted cash of \$205 million.

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.

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 Berry 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 Berry 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 Berry Debtors' projected timelines prove accurate, the Berry Debtors could emerge from chapter 11 by ~~+~~ 2016 February 7, 2017. **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 (the "Final Hedging Order") [Docket No. 820].

~~On August 16, 2016, the Bankruptcy Court entered a final order approving the Hedging Motion [Docket No. 820].~~ On December 14, 2016, the Debtors filed the *Motion for Entry of an Amended Hedging Order* (the "Amended Hedging Motion") [Docket No. 1354] seeking authorization to amend the Final Hedging Order as a result of requests from potential hedge counterparties of the Berry Debtors. Specifically, the Amended Hedging Motion sought the following amendments to the Final Hedging Order:

- inclusion of the affiliates and assignees of Prepetition First Lien Linn Lenders and Prepetition Secured Berry Lenders as eligible hedge counterparties, including those assignees of an amount less than the minimal denomination for assignment under the applicable credit agreement;
- for the avoidance of doubt, the ability of LINN to enter into and perform under postpetition Hedging Arrangements with Prepetition Secured Berry Lenders and the affiliates and assignees thereof;
- for the avoidance of doubt, the ability of Berry to enter into and perform under postpetition Hedging Arrangement with Prepetition First Lien Linn Lenders and the affiliates and assignees thereof;

- the immediate netting of payment amounts by the hedge counterparties upon the occurrence of an Event of Default or a Termination Event under the postpetition Hedging Agreements (without five business days' notice to certain parties); and
- Berry's ability to enter into postpetition Hedging Arrangements that extend beyond the tenor set forth in the Final Hedging Order.

On December 15, 2016, the Bankruptcy Court entered an Order granting the Amended Hedging Motion [Docket No. 1362] without objection.

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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 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. On December 8, 2016, the Bankruptcy Court granted the Claims Procedures Motion [Docket No. 1312].
- Disclosure Statement Motion. On October 21, 2016, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement (II) Approving the Solicitation and Notice Procedures With Respect to Confirmation of the Amended Joint Plan of Reorganization of Linn Energy, LLC and Its Debtor Affiliates Other Than Linn Acquisition Company, LLC and Berry Petroleum Company, LLC, (III) Approving the Forms of Ballots and Notices In Connection Therewith, (IV) Approving the LINN Rights Offering Procedures and Related Materials, (V) Scheduling Certain Dates With Respect Thereto, and (VI) Granting Related Relief* [Docket No. 1096] (the "Disclosure Statement Motion") seeking approval of the Debtors' Initial Disclosure Statement and solicitation and notice procedures for the Debtors' Initial Plan. On December 13, 2016, the Bankruptcy Court granted the Disclosure Statement Motion with respect to the LINN Debtors in connection with the Amended Plan and Amended Disclosure Statement [Docket No. 1348].

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) Sempra 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”).¹¹ 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,

¹¹ The Rejection Extension Motion was amended to include the correct negative notice language as required by LR 9013-1(b) [Docket No. 652].

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 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.¹² Although the analysis remains ongoing, the Debtors have concluded that at least 86 percent of the value of the properties listed on the LINN Debtors’ most recent reserve report is LINN Collateral. As of October 31, 2016, at least 74 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,

¹² The LINN Second Lien Indenture provides that the LINN Second Lien Notes must be secured by all assets securing the LINN Credit Agreement.

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

Holder 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 Berry 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 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 Berry 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 Berry 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 Berry 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 Berry Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Berry Debtors may seek to confirm

an alternative chapter 11 plan or proceed with a sale of all or substantially all of the Berry 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 Berry 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 Berry 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 Berry 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 Berry Debtors, subject to the terms and conditions of the Plan, the Berry RSA, and the Berry 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 Berry Debtors believe that the Plan satisfies these requirements, and the Berry 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 Berry 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 Berry Debtors’ stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Berry Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Berry 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 Berry Debtors’ ability to achieve confirmation of the Plan in order to achieve the Berry Debtors’ stated goals.

Furthermore, even if the Berry Debtors’ debts are reduced and/or discharged through the Plan, the Berry Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Berry 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 Berry 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 Berry RSA. Occurrence of a Creditor Termination Event entitles, but does not require, the Required Consenting Berry Creditors to terminate the Berry RSA (as more fully set forth therein). The Berry Debtors anticipate that such parties would exercise their termination rights under the Berry RSA if the Chapter 11 Cases converted to cases under chapter 7 of the Bankruptcy Code.

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

Except as otherwise provided in the Plan, the Berry 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 Berry 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 Berry RSA, and the Berry Backstop Agreement shall: (a) constitute a waiver or release of any Claims by or Claims against or Interests in the Berry Debtors; (b) prejudice in any manner the rights of the Berry Debtors, any Holder of a Claim or Interest or any other Entity; (c) constitute an admission, acknowledgment, offer, or undertaking by the Berry Debtors, any Holders of Claims or Interests, or any other Entity in any respect; or (d) be used by the Berry 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 Berry 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 Berry 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 Berry Debtors May Not Be Able to Achieve their Projected Financial Results

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

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

The Reorganized Berry 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 Berry 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 Berry 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 Berry Rights, the Reorganized Berry Preferred Stock, and the Reorganized Berry Common Stock issued under the Plan are covered by section 1145(a) of the Bankruptcy Code, they 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 Berry 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 Berry Rights, Reorganized Berry Preferred Stock, and Reorganized Berry 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 Berry Preferred Stock purchased by the Berry Backstop Parties pursuant to the Berry Backstop Agreement (which excludes any shares issued on account of the Berry Backstop Commitment Premium) will be issued in reliance upon 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.

Berry Rights, Reorganized Berry Preferred Stock, and Reorganized Berry Common Stock will not be registered under the Securities Act or any state securities laws, and the Berry Debtors make no representation regarding the right of any Holder of Berry Rights, Reorganized Berry Preferred Stock, and Reorganized Berry Common Stock to freely resell such shares. *See* Article XII to this Disclosure Statement, entitled “CERTAIN SECURITIES LAW MATTERS,” which begins on page 82.

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 Berry Debtors May Not Be Able to Accurately Report Their Financial Results

The Berry Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the Berry 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 Berry Debtors fail to maintain the

adequacy of their internal controls, the Berry Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required for the Berry Debtors' financial reporting under SEC rules and regulations and the terms of the agreements governing the Berry Debtors' indebtedness. Any such difficulties or failure could materially adversely affect the Berry Debtors' business, results of operations, and financial condition. Further, the Berry 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 Berry Debtors' businesses, results of operations, and financial condition.

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

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

Reorganized Berry's ability to make scheduled payments on, or refinance their debt obligations, depends on Reorganized Berry'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 Berry's control. Reorganized Berry may be unable to maintain a level of cash flow from operating activities sufficient to permit Reorganized Berry to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, anticipated borrowings under the Berry Exit Facility upon emergence.

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

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

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

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

The Berry 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 Berry 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 Berry 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 Berry 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 Berry 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 Berry 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 Berry'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 Berry 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 Berry Debtors' consolidated financial statements. As a result, the Berry Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

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

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

The Berry Debtors' principal sources of liquidity historically have been cash flow from operations, sales of oil and natural gas properties, borrowings under the Berry First Lien Credit Facility and the Berry First Lien Credit Facility, and issuances of debt or equity securities. If the Berry Debtors' cash flow from operations remains depressed or decreases as a result of lower commodity prices or otherwise, the Berry 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 Berry 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 Berry 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 Berry Debtors cannot guarantee that cash on hand and cash flow from operations will be sufficient to continue to fund their operations and allow the Berry Debtors to satisfy obligations related to the Chapter 11 Cases until the Berry Debtors are able to emerge from bankruptcy protection.

The Berry 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 Berry Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the Berry Debtors' control. In the event that cash on hand and cash flow from operations are not sufficient to meet the Berry Debtors' liquidity needs, the Berry Debtors may be required to seek additional financing. The Berry Debtors can provide no assurance that additional financing would be available or, if available, offered to the Berry Debtors on acceptable terms. The Berry 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 Berry Debtors' Businesses, Results of Operations, and Financial Condition

The Berry Debtors' revenues, profitability and the value of the Berry 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-WTI¹³ oil prices fell from an already depressed \$60 per Bbl¹⁴ 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 Hub¹⁵ 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 MMBtu for natural gas. The Berry 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 Berry Debtors' control, such as:

- the current uncertainty in the global economy;
- 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 Berry Debtors to meet their financial commitments and fund capital expenditures. Moreover, prior to the Petition Date, the Berry Debtors had terminated most of their then outstanding commodity derivative contracts, meaning substantially all of the Berry Debtors' estimated production is exposed to commodity price volatility. Oil and natural gas prices also impact the Berry Debtors' ability to

¹³ West Texas Intermediate light sweet crude oil delivered to Cushing, Oklahoma and listed with the New York Mercantile Exchange.

¹⁴ "Bbl," or "barrel," is a unit of volume for crude oil and petroleum products. One bbl equals approximately 42 U.S. gallons.

¹⁵ Natural gas delivered to the Henry Hub in Louisiana and listed on the New York Mercantile Exchange.

borrow money and raise additional capital. Lower oil and natural gas prices may not only decrease the Berry Debtors' revenues on a per-unit basis, but also may reduce the amount of oil and natural gas that the Berry Debtors can produce economically in the future. Higher operating costs associated with any of the Berry 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 Berry 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 Berry Debtors' proved reserves. As a result, if there is a further decline or sustained depression in commodity prices, the Berry 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 Berry 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 Berry Debtors' Business, Financial Condition and Results of Operations

The Berry Debtors' future success will depend on, among other things, the success of their development and production activities. The Berry 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 Berry 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 Berry 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 Berry 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 Berry Debtors to perform under new Hedging and Trading Arrangements on a postpetition basis. If the Berry Debtors are unable or unwilling to enter into commodity derivatives in the future on favorable terms, the Berry Debtors could be more affected by changes in commodity prices than their competitors that engage in favorable hedging arrangements. The Berry 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 Berry Debtors' entry into commodity derivatives may limit the benefit the Berry Debtors would receive from increases in commodity prices. These arrangements would also expose the Berry Debtors to risk of financial losses in some circumstances, including the following: (a) the Berry Debtors' production could be materially less than expected; or (b) the counterparties to the contracts could fail to perform their contractual obligations.

If the Berry 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 Berry Debtors are unable to perform their exploration and development activities as planned, the Berry 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 Berry Debtors' liquidity. Additionally, if market prices for production exceed collar ceilings or swap prices, the Berry Debtors would be required to make cash payments, which could materially adversely affect their liquidity.

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

In the future, Reorganized Berry 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 Berry'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 Berry may become party to, nor the final resolution of such litigation. The impact of any such litigation on Reorganized Berry's businesses and financial stability, however, could be material.

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

The Berry Debtors' operations are dependent on a relatively small group of key management personnel, including the Berry Debtors' executive officers. The Berry Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result, the Berry Debtors may experience increased levels of employee attrition. Because competition for experienced personnel in the oil and gas industry can be significant, the Berry 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 Berry 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 Berry Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Berry Debtors' businesses and the results of operations.

11. Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Berry 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 Berry 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 Berry'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 Berry Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes 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 Berry Debtors are *not* soliciting votes from Holders of Claims and Interests in Classes 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 ~~12/21~~December 2, 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 ~~12/21~~January 20, 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

~~BERRY PETROLEUM COMPANY~~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 Berry 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 Berry Debtors, the Berry Debtors' agents/representatives (other than the Notice and Claims Agent), the Berry Administrative Agent, an indenture trustee, or the Berry 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 Berry Debtors believe that: (1)

the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11; (2) the Berry 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 Berry Debtors to breach certain milestones in the Berry RSA and the Berry 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 Berry Debtors have stated previously in the Chapter 11 Cases and elsewhere in this Disclosure Statement, the Berry 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 Berry 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 Berry Debtors with the assistance of AlixPartners LLP, the Berry Debtors’ restructuring advisor. As reflected in the Liquidation Analysis, the Berry Debtors believe that liquidation of the Berry 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 Berry 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 Berry Debtors fail to propose and confirm an alternative plan of reorganization, the Berry Debtors’ businesses may be liquidated pursuant to the provisions of a chapter 11 liquidating plan. In liquidations under chapter 11, the Berry 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 Berry 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 Berry Common Stock to be distributed under the Plan. Accordingly, the Berry 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 Berry RSA. Occurrence of a Creditor Termination Event entitles, but does not require, the Required Consenting Creditors, as defined in the Berry RSA, to terminate the Berry RSA (as more fully set forth therein). The Berry Debtors anticipate that such parties would exercise their termination rights under the Berry RSA if the Chapter 11 Cases converted to cases under chapter 7 of the Bankruptcy Code or if the Berry 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 Berry Debtors, with the assistance of Lazard, have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Berry Debtors have prepared a projected consolidated income statement, which includes the following: (a) the Berry 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 Berry (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 Berry 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 63, for a discussion of certain factors that may affect the future financial performance of Reorganized Berry.

The Financial Projections are attached hereto as **Exhibit F** and incorporated herein by reference. Based upon the Financial Projections, the Berry 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.¹⁶

¹⁶ 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,

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 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 Berry 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 Berry 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 Berry 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.

equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

The Berry Debtors submit that if the Berry 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 Berry 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 Berry 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 Berry 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 Berry Employee Incentive Plan
- the Reorganized Berry Registration Rights Agreement
- the identity of the members of the New Boards and management for Reorganized Berry;
- the Berry Exit Facility Documents;
- the Transition Services Agreement;
- the Form Joint Operating Agreement; and
- the Berry Backstop Agreement.

Copies of the Plan Supplement documents will be available on the website of the Berry 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 Equity

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

The Berry Debtors believe that the Reorganized Berry Common Stock and the Reorganized Berry 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 Berry Debtors further believe that the offer and sale of Reorganized Berry Common Stock and Reorganized Berry 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 Berry'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 Equity under the Plan

1. ~~Private Placement~~SEC Exemptions

 All shares of the Reorganized Berry Common Stock issued ~~in~~under the ~~Berry Funded Debt Equity Distribution Plan~~ (except with respect to an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code), ~~the~~ will be issued in reliance upon section 1145 of the Bankruptcy Code. The Berry Rights (and any shares issuable upon the exercise thereof ~~other than the unsubscribed shares of Reorganized Berry Preferred Stock issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement, and~~), shares issuable as part of the Berry Backstop Commitment Premium, ~~will be issued in reliance upon section 1145 of the Bankruptcy Code.~~ All the Reorganized Berry Preferred Stock and all unsubscribed shares of Reorganized Berry Preferred Stock issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement ~~and all Reorganized Berry Common Stock issued to an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code~~ will be issued in reliance upon either (a) section 1145 of the Bankruptcy Code or (b) section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. ~~The Reorganized Berry EIP Equity will be issued either (i) pursuant to an effective registration statement on Form S-8 or (ii) in accordance with an applicable exemption from registration under the Securities Act and other applicable law.~~ All shares of the Reorganized Berry Common Stock and the Reorganized Berry Preferred Stock ~~and Reorganized Berry Common Stock~~ issued pursuant to the exemption from registration set forth in ~~reliance upon~~ 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.

 Pursuant to section 1145 of the Bankruptcy Code, the issuance of ~~(1) the Reorganized Berry Common Stock in the Berry Funded Debt Equity Distribution, (2) the Berry Rights~~

~~(including shares of Reorganized Berry Preferred Stock issuable upon the exercise thereof other than the unsubscribed shares of Reorganized Berry Preferred Stock issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement), (3) shares issuable as part of the Berry Backstop Commitment Premium, and (4) any other securities~~ issued in reliance on section 1145 of the Bankruptcy Code, are exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration before the offering, issuance, distribution, or sale of such securities. ~~Each of the foregoing securities (other than the unsubscribed Reorganized Berry Preferred Stock issued to the Berry Backstop Parties pursuant to the Berry Backstop Agreement and Reorganized Berry Preferred Stock and~~ The Reorganized Berry Common Stock issued ~~to an entity that is an “underwriter” as defined in subsection (b) of~~ reliance on section 1145 of the Bankruptcy Code) (a) is not a “restricted security” as defined in Rule 144(a)(3) under the Securities Act, and (b) is freely tradable and transferable by any initial recipient thereof that (i) at the time of transfer, is not an “affiliate” of the Reorganized Berry as defined in Rule 144(a)(1) under the Securities Act and has not been such an “affiliate” within 90 days of such transfer, and (ii) is not an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code.

~~The~~

The Berry Rights (and any shares issuable upon the exercise thereof), shares issuable as part of the Berry Backstop Commitment Premium, the Reorganized Berry Preferred Stock and all unsubscribed Reorganized Berry Preferred Stock purchased by the Berry Backstop Parties pursuant to the Berry Backstop Agreement ~~(which, for the avoidance of doubt, shall exclude any shares issued on account of the Berry Backstop Commitment Premium) and all Reorganized Berry Preferred Stock and Reorganized Berry Common Stock issued to an entity that is an “underwriter” as defined in subsection (b) of section 1145 of the Bankruptcy Code~~ will be issued without registration under the Securities Act in reliance upon either (a) Section 1145 of the Bankruptcy Code, or (b) Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder. To the extent issued in reliance on Section 4(a)(2) of the Securities Act or Regulation D thereunder, 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.

Should the Reorganized Berry Debtors or Reorganized Berry, as applicable, elect on or after the Effective Date to reflect any ownership of the Reorganized Berry Common Stock or Reorganized Berry Preferred ~~Stock and Reorganized Berry Common~~ Stock through the facilities of DTC, the Reorganized Berry Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the Reorganized Berry Preferred Common Stock and/or Reorganized Berry Common Preferred Stock ~~or~~ under applicable securities laws.

DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether any of the Reorganized Berry Preferred Common Stock and/or Reorganized Berry Common Preferred Stock (including any issuable upon exercise of the Berry Rights, ~~as applicable,~~) are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction

contemplated by the Plan, including, for the avoidance of doubt, whether the Reorganized Berry ~~Preferred~~Common Stock ~~and/or the~~ Reorganized Berry ~~Common~~Preferred Stock issuable upon exercise of the Berry Rights, are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

RECIPIENTS OF REORGANIZED BERRY PREFERRED STOCK, REORGANIZED BERRY COMMON STOCK, AND REORGANIZED BERRY 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 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 Berry 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 Berry Common Stock and Reorganized Berry 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 Berry Common Stock and Reorganized Berry EIP Equity who are deemed to be “underwriters” may be entitled to resell their Reorganized Berry Common Stock and Reorganized Berry 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 Berry Common Stock and Reorganized Berry 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 Berry Debtors express no view as to whether any Person would be deemed an “underwriter” with respect to the Reorganized Berry Common Stock and Reorganized Berry EIP Equity. **The Berry Debtors recommend that potential recipients of Reorganized Berry Common Stock and Reorganized Berry 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 Berry Employee Incentive Plan

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

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 Berry Debtors, Reorganized Berry Debtors, 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 Berry 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 Berry 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 Berry 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 Berry 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 Berry Debtors and Reorganized Berry Debtors

1. The Berry Restructuring Transaction Is a Taxable Transaction

In general, the Berry Restructuring Transaction will be treated as a taxable transfer of assets by Berry to the Reorganized Berry Debtors. The effect of these transactions on the Berry Debtors and the Reorganized Berry Debtors are described immediately below.

(a) *Berry Debtor and Reorganized Berry Debtors.*

The Berry Debtors are disregarded entities from LINN for U.S. federal income tax purposes. As a result, the transfer of the Berry Debtors' assets to the Reorganized Berry Debtors should be a taxable disposition and such disposition will be treated as a taxable disposition by LINN of the Berry Debtors' assets. Items of gain and loss with respect to the disposition of the Berry Debtors' assets will be allocated to LINN's partners, including with respect to a significant amount of taxable income that is expected to be allocated to LinnCo pursuant to Section 704(c) of the Tax Code, which income is expected to be offset by losses generated by the taxable disposition of LINN's other assets to Reorganized LINN. The Reorganized Berry Debtors should receive the Berry Debtors' assets with a tax basis equal to fair market value as of the Effective Date.

The final form of the Reorganized Berry Debtors has not yet been finally determined. In particular, the Plan provides for the creation of Reorganized Berry HoldCo, which may either be a corporation or a limited liability company, and Reorganized Berry OpCo, which would be a subsidiary of Reorganized Berry HoldCo. For the purposes of this Disclosure Statement, the Berry Debtors have assumed that Reorganized Berry HoldCo will be taxed as a corporation for U.S. federal income tax purposes, and that Reorganized Berry OpCo will be disregarded from Reorganized Berry HoldCo for U.S. federal income tax purposes (the "Corporation Structure", and Reorganized Berry HoldCo, the "Corporate Issuer").¹⁷ In the event a different structure is utilized, and, in particular, if Holders of Claims were to receive equity interests in an entity

¹⁷ The Plan contemplates the apApplicable 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 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.

treated a partnership for U.S. federal income tax purposes, the treatment discussed below could vary substantially.

The cancellation of Claims against the Berry Debtors should give rise to cancellation of indebtedness income (“CODI”). Because the Berry Debtors are disregarded from LINN for U.S. federal income tax purposes, such CODI will be allocated to LINN’s unitholders, including LinnCo.

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

The following discussion assumes that the Berry Debtors will undertake the Restructuring Transactions currently contemplated by the Plan, and that the Corporate Structure will be utilized. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the Berry Restructuring Transactions.

(a) U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Berry Lender Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed Berry 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) with respect to Electing Berry Lenders, a Pro Rata distribution of (i) the Berry Exit Facility and (ii) the Berry Lender Paydown (*i.e.*, cash); or (b) with respect to Non-Electing Berry Lenders, a Reorganized Berry Non-Conforming Term Note.

U.S. Holders of Berry Lender Claims should be treated as exchanging such Claim for the applicable consideration 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 Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, 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 Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, as applicable, received, should equal the issue price of such Pro Rata share of the Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, as applicable, as of the Effective Date. A U.S. Holder’s holding period for its Pro Rata share of the Berry Exit Facility or Reorganized Berry Non-Conforming Term Note, as applicable, should begin on the day following the Effective Date.

(b) U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Berry Unsecured Notes Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed Berry 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 (i) Reorganized Berry Common Stock and (ii) Berry Rights.¹⁸

U.S. Holders of Berry 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) fair market value of the Reorganized Berry Common Stock and Berry Rights and (b) 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. A U.S. Holder's tax basis in the Reorganized Berry Common Stock and Berry Rights received should equal the fair market value of such Pro Rata share of such consideration as of the Effective Date. A U.S. Holder's holding period for the Reorganized Berry Common Stock received should begin on the day following the Effective Date.

(i) Election to Participate in the Berry Rights Offering.

As noted above, Holders of Allowed Berry Unsecured Notes Claims will receive the Berry Rights.

A U.S. Holder that elects to exercise the Berry 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 Berry Rights, Reorganized Berry Preferred 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 Berry Rights. A U.S. Holder's aggregate tax basis in the Reorganized Berry Preferred Stock should equal the sum of (i) the amount of Cash paid by the U.S. Holder to exercise the Berry Rights plus (ii) such U.S. Holder's tax basis in the Berry Rights immediately before the Berry Rights are exercised. A U.S. Holder's holding period for the Reorganized Berry Preferred 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 Berry Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such Berry Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders

¹⁸ The Berry Debtors intend to take the position for U.S. federal income tax purposes that the Berry Rights are received as part of an exchange for Claims against the Berry Debtors.

electing not to exercise their Berry Rights should consult with their own tax advisors as to the tax consequences of electing not to exercise the Berry Rights.

(c) U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Berry General Unsecured Claims.

Pursuant to the Plan, except to the extent that a U.S. Holder of an Allowed Berry General Unsecured 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* (i) a Pro Rata distribution of Reorganized Berry Common Stock or (ii) Cash.

U.S. Holders of Berry General Unsecured 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 fair market value of the Reorganized Berry Common Stock or Cash received in exchange for the Claim, as applicable; 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 Berry Common Stock received should equal the fair market value of such Pro Rata share of such consideration as of the Effective Date. A U.S. Holder's holding period for the Reorganized Berry Common Stock received should begin on the day following the Effective Date.

(i) Treatment of Potential Escrow With Respect to Berry General Unsecured Claims.

The Berry Debtors shall establish the Berry GUC Cash Distribution Pool, and may establish other Disputed Claims Reserves with respect to Disputed Berry General Unsecured Claims. The Berry Debtors expect that such account or accounts will be treated as "disputed ownership funds" 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 such accounts with respect to any income attributable to the account. Any taxes imposed on such accounts shall be paid 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 Berry General Unsecured Claims on the Effective Date but, instead, is transferred to the Berry GUC Distribution Pool or a Disputed Claims Reserve account, although not free from doubt, U.S. Holders should not recognize any gain or loss on the date that the property is so transferred. Instead, 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 such account, 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 applicable account 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.

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.

2. 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 Berry 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.

3. 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.

4. 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.

5. Determination of Issue Price for Berry Exit Facility and Reorganized Berry Non-Conforming Term Note.

As noted above, Holders of Berry Lender Claims will receive their Pro Rata share of: (i) the Berry Exit Facility ~~or~~ and the Berry Lender Paydown; or (ii) the Reorganized Berry Non-

Conforming Term Note, as applicable. 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 determination of "issue price" for purposes of this analysis will depend, in part, on whether the new debt is traded on an established market for U.S. federal income tax purposes. The issue price of a debt instrument that is traded on an established market (or that is issued for Claims against the Berry 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 Berry 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 Berry Debtors believe it is likely that the Claims against the Berry 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.

6. U.S. Federal Income Tax Consequences to Holders of Owning and Disposing of Reorganized Berry Common Stock and Reorganized Berry Preferred Stock.

(a) Dividends on Reorganized Berry Common Stock.

Any distributions made on account of Reorganized Berry Common Stock or Reorganized Berry Preferred Stock will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Berry HoldCo 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 Berry Common Stock and Reorganized Berry Preferred 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 Berry Common Stock or Reorganized Berry Preferred 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) Other Issues With Respect to Ownership of Reorganized Berry Preferred Stock.

The terms of the Reorganized Berry Preferred Stock have not been finalized, and the U.S. federal income tax consequences of owning the Reorganized Berry Preferred Stock could vary substantially depending on final determinations regarding, among other things:

- Whether the stated yield on the Reorganized Berry Preferred Stock is (i) payable in kind or added to the Reorganized Berry Preferred Stock's liquidation preference (in which case U.S. Holders of such Reorganized Berry Preferred Stock may be deemed to receive distributions on such Reorganized Berry Preferred Stock when such payments in kind are made (regardless of whether any cash is received) or (ii) merely cumulative and payable only upon a declaration of the board of Reorganized Berry (in which case U.S. Holders will not be treated as receiving a distribution until such dividend is declared).
- The kinds of events (if any) that result in adjustment to the conversion mechanics of the Reorganized Berry Preferred Stock. Certain types of adjustments, particularly adjustments that vary the conversion ratio of the Reorganized Berry Preferred Stock based on cash dividends or other distributions to Holders of Reorganized Berry Common Stock may cause U.S. Holders of the Reorganized Berry Preferred Stock to be treated as receiving a distribution.

- The extent to which the Reorganized Berry Preferred Stock is (i) subject to mandatory “put” or “call” rights or (ii) is treated as common stock for the purpose of determining whether any so-called “preferred OID” must be amortized over a period of time.

In general, the conversion of Reorganized Berry Preferred Stock for Reorganized Berry Common Stock should not be a taxable event for a U.S. Holder of such Reorganized Berry Preferred Stock (except potentially to the extent any cash is received in lieu of a fractional share).

(d) 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 Berry Exit Facility
or Berry Non-Conforming Term Note**

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 Berry Debtors) or the Reorganized Berry Debtors, 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 Berry Debtors) or the Reorganized Berry Debtors, 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 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 Berry Common Stock and Reorganized Berry Preferred Stock

Any distributions (or deemed distributions) made with respect to Reorganized Berry Common Stock will constitute dividends for U.S. federal income tax purposes to the extent of Reorganized Berry HoldCo'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 Berry Common Stock and Reorganized Berry Preferred Stock

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

Reorganized Berry Common Stock or Reorganized Berry Preferred 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, Reorganized Berry HoldCo 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 Berry Common Stock or Reorganized Berry Preferred 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 Berry Common Stock or Reorganized Berry Preferred Stock is not regularly traded on an established securities market, or if a non-U.S. Holder holds more than 5% of the Reorganized Berry Common Stock or Reorganized Berry Preferred 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 Berry Preferred Stock is not regularly traded on an established securities market, but the Reorganized Berry Common Stock is so traded, then the 5% tests discussed above shall be applied by determining whether the fair market value of such Reorganized Berry Preferred Stock held by the applicable holder, on the date such stock was acquired by such holder, exceeded 5% of the fair market value of the Reorganized Berry Common Stock. Subsequent acquisitions of Reorganized Berry Preferred Stock require re-testing the aggregate holdings of an acquiring party under this rule.

The converse rule should apply if the Reorganized Berry Preferred Stock is regularly traded on an established securities market but the Reorganized Berry Common Stock is not so traded (*provided* that any additional class of Reorganized Berry equity is regularly traded on an established market, and the Reorganized Berry Common Stock is not convertible into any other class of Reorganized Berry equity, the 5% test will be measured against the class of equity with the lowest value).

If neither the Reorganized Berry Common Stock nor the Reorganized Berry Preferred Stock are not regularly traded on an established securities market, a transferee of Reorganized Berry Common Stock or Reorganized Berry Preferred 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 Berry Debtors and Reorganized Berry Debtors will withhold all amounts required by law to be withheld from payments of interest and dividends. The Berry Debtors and Reorganized Berry 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 Berry Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Berry Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Berry 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: ~~14~~20, 2016

Berry Petroleum Company, LLC
on behalf of itself and all other Berry Debtors

/s/ David B. Rottino

Name: ~~Arden L. Walker, Jr.~~ David B. Rottino

Title: Executive Vice President

Chief ~~Operating~~ Officer of Linn Energy, LLC
Manager

Exhibit A

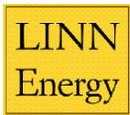
Plan of Reorganization

Exhibit B

Berry RSA

Exhibit C

Corporate Organization Chart



Linn Energy Corporate Structure Chart

Key
■ Direct
■ Non-Direct

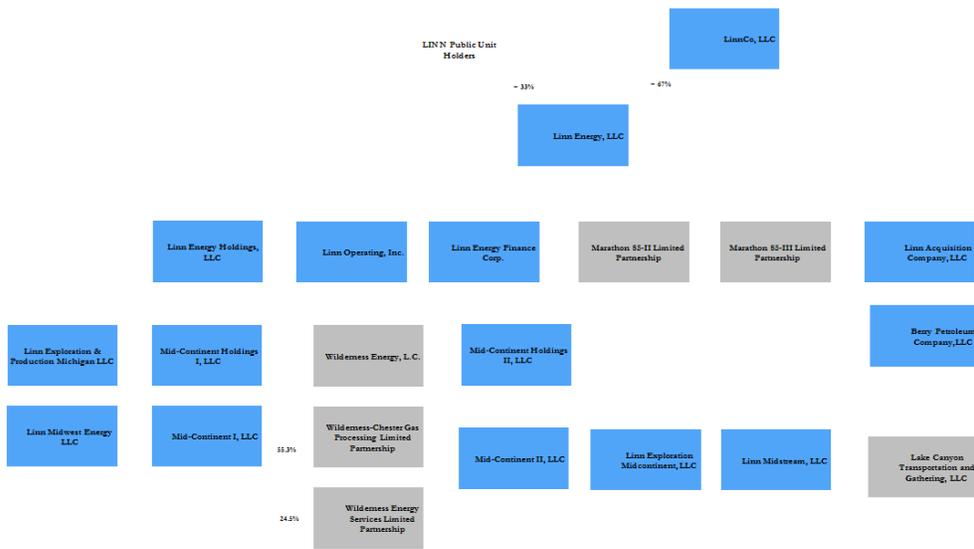


Exhibit D

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 Berry 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 Berry 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 Berry 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 Berry 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 Berry 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

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

other purpose. 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 Berry 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 Berry 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 Berry 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 BERRY DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE BERRY DEBTORS WOULD OR WOULD NOT, IN WHOLE OR IN PART, APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED HEREIN. THE ACTUAL LIQUIDATION VALUE OF THE BERRY DEBTORS IS SPECULATIVE AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED HEREIN.

In preparing the Liquidation Analysis, the Berry Debtors estimated Allowed Claims based upon a review of Claims listed on the Berry Debtors' Schedules of Assets and Liabilities and the Berry 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 Berry 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 BERRY 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 Berry 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 Berry Debtors as of August 31, 2016 and those values, in total, are assumed to be representative of the Berry 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 Berry 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 Berry Debtors' current chapter 11 cases convert to chapter 7 on the Liquidation Date. The Liquidation Analysis is based on the book values of the Berry Debtors' assets and liabilities as of August 31, 2016, or more recent values where available. The Berry 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 Berry 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 Berry Debtors' resources and third-party advisors, to allow for the orderly wind down of the Berry 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

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

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 Berry Debtors have continued access to cash collateral during the course of the Liquidation Timeline to fund Wind Down Expenses and (ii) 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. 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 Berry 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 Berry Debtors under chapter 7 of the Bankruptcy Code. The following table and notes provide a summary of the asset recoveries and payments made at Berry.³

Berry Liquidation Analysis Summary - 1/31/17						
	Note:	Book Value	Recovery %		Proceeds	
			Low	High	Low	High
Cash	[A]	\$ 213,758,816	100%	100%	\$ 213,758,816	\$ 213,758,816
Accounts Receivable, net	[B]	47,197,262	80%	95%	37,757,809	44,837,399
Inventory	[C]	3,272,309	70%	85%	2,290,616	2,781,463
Prepaid Expenses	[D]	8,730,927	12%	16%	1,057,335	1,383,307
PP&E - Oil and Related Assets	[E]	2,379,270,999	18%	24%	425,185,206	569,885,156
Other Assets	[F]	675,960	51%	63%	343,447	428,489
Intercompany Receivables	[G]	25,450,781	1%	2%	128,693	450,781
Gross Proceeds from Liquidation		\$ 2,652,906,273	26%	31%	\$ 680,521,924	\$ 833,525,411
<u>Administrative</u>						
Liable Administrative and Chapter 7 Claims:	[H]				\$ 62,772,605	\$ 65,826,233
Recovery \$					62,772,605	65,826,233
Recovery %					100.0%	100.0%
General Administrative Claims:					\$ 41,385,279	\$ 41,385,279
Recovery \$					0	-
Recovery %					0.0%	0.0%
<u>Berry Lender Claims - Credit Facility</u>						
Berry Lender Claims	[I]				\$ 873,174,628	\$ 873,174,628
Berry Lender Claims Recovery from Pledged Assets					617,749,319	767,699,178
Berry Lender Claims Deficiency Claims					\$ 255,425,309	\$ 105,475,450
Berry Lender Claims Recovery from Deficiency Claims					-	-
Recovery %					0.0%	0.0%
Total Berry Lender Claims Recovery \$					\$ 617,749,319	\$ 767,699,178
Total Berry Lender Claims Recovery %					70.7%	87.9%
<u>Berry Unsecured Notes Claims</u>						
Berry Unsecured Notes Claims	[J]				\$ 849,037,688	\$ 849,037,688
Recovery \$					-	-
Recovery %					0.0%	0.0%
<u>General Unsecured</u>						
General Unsecured Claims - All Entities (excluding notes)	[K]				\$ 109,633,445	\$ 109,633,445
Recovery \$					-	-
Recovery %					0.0%	0.0%
<u>Berry Intercompany Claims</u>						
Berry Intercompany Claims	[L]				6,826,257	6,826,257
Recovery \$					0	-
Recovery %					0.0%	0.0%
Total Distributions					\$ 680,521,924	\$ 833,525,411

Specific Notes to the Liquidation Analysis

³ LAC has not been separately scheduled as the entity does not contain assets.

[A] Cash and Cash Equivalents: The cash balances are the projected balances as of January 31, 2017, with all cash being pledged to the Berry Lenders. 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 Berry's receivables.

[C] Inventory: A 70% to 85% recovery has been estimated for inventory which 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 12% to 16% 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 Berry Debtors' reserves will be sold as operating wells. The value of these wells has been estimated by reserve type using the Berry Debtors' internal projections and business plan, adjusted for liquidation conditions. In total, Berry's oil producing and related assets would amount to approximately \$462 million and \$616 million 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 \$17 million to \$23 million has been added to the value of the reserves, wells, and related equipment to account for the Berry's midstream, building, land, vehicle, and other assets. In total, the implied recovery relative to net book value is 18% to 24%.

[F] Other Assets: Other assets consist of deferred tax assets, certain long term prepaid items (expenses and insurance), and equity investments in minority owned Lake Canyon LLC and UTE Pipeline. On a blended basis, the recovery is 51% to 63% of net book value.

[G] Intercompany Receivables: The intercompany receivables represent the recovery from the LINN Debtors for post-petition intercompany claims that exist from the LINN Debtors and Berry. The Berry Debtors project a recovery of \$0.1 million to \$0.5 million.

[H] Administrative Claims: Lienable and chapter 7 claims include trade payables that may be subject to mechanics and other liens, wind down costs, 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 a going concern. The wind down salary expense estimate assumes that payroll expenses include two months with full lease operating expenses payroll and a third month at 35%, while G&A payroll is estimated at 50% for two months and 5% for the third month.

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

[I] Berry Lender Claims — Credit Facility: The claim amount represents an estimate [by the Berry Debtors of the principal amount](#) of the secured claims. Recovery amounts include deficiency claim recoveries for amounts not covered by secured assets and diminution claims of \$177 million in the low case and \$180 million in the high case for the decline of secured lenders' collateral from the filing date to the Liquidation Date.

[J] Berry Unsecured Notes Claims: The claim amount represents an estimate of the Berry senior notes claim. Berry Unsecured Notes receive no recovery.

[K] 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 by Debtor and related entity and recovery rates for individual claims receive no recovery.

[L] Berry Intercompany Payables: The intercompany payables represent the payments to LINN Debtors for intercompany claims. The Berry Debtors project no recovery from these payables.

Exhibit F

Financial Projections

Financial Projections

In connection with the Disclosure Statement,²⁵ the Debtors' management team ("Management") prepared financial projections ("Financial Projections") for Reorganized Berry 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 Berry's operations. **ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, THE DEBTORS AND REORGANIZED BERRY 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 BERRY'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.

²⁵ 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 Berry Debtors' business plan. Both the business plan and the Financial Projections reflect numerous assumptions, including various assumptions regarding the anticipated future performance of Reorganized Berry, 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 Berry 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 Berry'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 Berry'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 Berry 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 Berry 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 estimates for oil and gas production and capital spending 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.

Projected Realized Pricing - Reorganized Berry

	Fiscal Year Ended December 31				
	2H'16E	2017E	2018E	2019E	2020E
Realized natural gas prices (\$/Mcf)	\$2.78	\$2.99	\$2.85	\$2.76	\$2.78
Realized oil price (\$/Bbl)	40.36	44.04	45.79	46.84	47.87
Realized NGL price (\$/Bbl)	21.79	23.72	24.59	25.00	25.27

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 Berry 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;
 - 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 Berry'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 Berry will obtain exit financing with initial RBL commitments equal to \$550 million (the "Berry RBL"). Borrowings under the Berry RBL facility are estimated at \$405 million on the Effective Date, pro forma for the funding of an assumed \$300 million rights offering investment and cash distributions under the Plan. Management expects to have approximately \$138 million of available liquidity under its RBL and ~\$6 million of letters of credit outstanding on the Effective Date.

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

Sources		Uses	
Assumed Rights Offering Proceeds	\$300	Paydown of BERRY First Lien Credit Facility	\$891
Reorganized BERRY RBL Drawn at Emerger	405	Cash on Balance Sheet Post-Consummation	--
Balance Sheet Cash Pre-Consummation	186		
Total Sources	891	Total Uses	891

(a) Assumed Effective Date of January 31, 2017. Assumes assumes 100% acceptance of the Plan by Berry Lender Claims.

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

	Pre-Emergence	Adjustment	Post-Emergence
BERRY First Lien Credit Facility	\$891	(\$891)	\$--
Reorganized BERRY RBL	--	405	405
Secured Debt	\$891	(\$486)	\$405
BERRY 6.75% Senior Notes due 2020	261	(261)	--
BERRY 6.375% Senior Notes due 2022	573	(573)	--
Unsecured Debt	\$834	(\$834)	\$--
Total BERRY Debt	\$1,725	(\$1,320)	\$405
Memo:			
Projected Cash	\$186	(\$186)	\$--
Projected Revolver Availability ^(a)	--	138	138
Liquidity	\$186	(\$48)	\$138

(a) Assumes ~\$6mm of outstanding letters of credit after emergence.

Financial Projections - Reorganized Berry

(\$ in millions)

	Fiscal Year End				
	2H'16E	2017E	2018E	2019E	2020E
Total Wellhead Revenues	\$214	\$439	\$440	\$453	\$476
(+) Other Revenues	9	17	17	17	16
Revenue	\$223	\$456	\$457	\$469	\$492
(-) Lease Operating Expenses	(101)	(179)	(174)	(176)	(180)
(-) Transportation	(19)	(35)	(33)	(31)	(28)
(-) Taxes (other than income taxes)	(19)	(39)	(39)	(39)	(41)
(-) General and Administrative Expenses	(30)	(50)	(50)	(50)	(50)
(-) Reorganization Expenses	(21)	(23)	--	--	--
(-) Other Expenses	--	(1)	(1)	(1)	(2)
Adj. EBITDA	\$33	\$130	\$160	\$172	\$192
(-) Capital Expenditures	(22)	(79)	(72)	(61)	(48)
(-) Net Change in Working Capital - Reorganization Related	9	(8)	--	--	--
(-) Cash Income Taxes	--	--	(1)	(15)	(36)
Unlevered Free Cash Flow	\$21	\$43	\$87	\$95	\$107
(-) Interest Expense	(24)	(22)	(16)	(13)	(10)
(-) Net Paydown of BERRY First Lien Credit Facility	--	(891)	--	--	--
(-) Preferred Dividends	--	--	(11)	(21)	(21)
(+) Proceeds from Rights Offering	--	300	--	--	--
Levered Free Cash Flow	(\$3)	(\$571)	\$61	\$61	\$76
(+) Beginning Cash	214	211	--	--	--
(+) Drawdown/(Repayment) of BERRY Exit Facility	--	360	(61)	(61)	(76)
Ending Cash	\$211	\$--	\$--	\$--	\$--
(+) Availability of BERRY Exit Facility ^(a)	--	184	245	306	383
Ending Liquidity	\$211	\$184	\$245	\$306	\$383
Memo:					
Total Debt	\$1,725	\$360	\$299	\$237	\$161
Total Debt/LTM Adj. EBITDA	NM	2.8x	1.9x	1.4x	0.8x

(a) Assumes ~\$6mm of outstanding letters of credit after emergence.

Exhibit G

Berry Backstop Agreement