



## **1. Why did Bruin file for Chapter 11 bankruptcy?**

- Like many E&P companies, Bruin has been significantly impacted by the rapid downturn in oil and gas prices caused by depressed commodity prices as a result of production disputes between OPEC (primarily Saudi Arabia) and Russia as well as the macroeconomic effects of the COVID-19 pandemic.
- A chapter 11 filing was necessary to provide Bruin with the time to work on a plan that will right-size our balance sheet, align our capital structure with the current volatile commodity price environment and generate long-term value for all stakeholders.
- Bruin is a strong business with sufficient funds to meet our obligations to employees, owners, and partners, and to continue to operate without interruption throughout this process.
- Importantly: (1) we have a high-quality asset base and sufficient liquidity, which we will use to fund the chapter 11 process and operate our business in the ordinary course; (2) we have filed a debtor in possession financing and cash collateral motion that, once approved by the bankruptcy court, will give us access to additional financing provided by our senior lenders; and (3) the bankruptcy filing is supported by certain of Bruin's senior lenders, who have agreed to a Restructuring Support Agreement that will provide a framework pursuant to which Bruin will reorganize.
- In addition, Bruin filed a proposed Plan of Reorganization and Disclosure Statement that, together with the Restructuring Support Agreement, set forth a path for the Company to emerge from this process as a stronger business enterprise going forward. Bruin plans to move swiftly toward Court approval of the Plan, with confirmation expected within approximately 45 days from filing.
- Bruin does not anticipate making changes to our operations, management team, or board during these cases.
- Ultimately, Bruin believes that commencing these chapter 11 cases is the best course of action to preserve and maximize value for all stakeholders.

## **2. What does it mean to file for Chapter 11 protection?**

- Chapter 11 is a legal process designed to help companies continue to operate while they implement plans to restructure their finances. Chapter 11 permits, and even encourages, daily business operations to continue as usual.
- Importantly, filing for Chapter 11 does not mean that Bruin is going out of business or liquidating.

## **3. Where did Bruin file?**

- The voluntary petitions were filed in the U.S. Bankruptcy Court for the Southern District of Texas in Houston, TX.

## **4. How will the bankruptcy affect day-to-day operations?**

- Bruin will continue to operate throughout the chapter 11 process in a manner consistent with our prepetition operations, and we do not expect any significant interruptions to our day-to-day operations.



- For Bruin, we believe this process will provide us with the financial flexibility to not only successfully navigate the current commodity price environment but to continue building our platform for future operational and strategic growth.

#### **5. Will employees be impacted by the bankruptcy?**

- On the first day of the case Bruin filed a first day motion called a "Wages Motion" that seeks to continue all employee payroll and health and benefit programs in the ordinary course. This motion also seeks court authority to pay prepetition amounts owed on account of these employee programs. Employees will continue to get paid in the ordinary course of business and according to our existing practices and pay cycles. You will see no interruption in your pay or benefits.
- You should see little effect on your day-to-day responsibilities as a result of the chapter 11 filing.
- At this time, we do not expect any layoffs or furloughs due to the chapter 11 filing. Future employment decisions will continue to be based on market conditions, adjustments in the Company's operations and company performance.
- The most important way our employees can help during this process is by continuing to focus on your day-to-day responsibilities, and working safely, responsibly and efficiently.
- We value our relationship and plan to work closely with you throughout this process.

#### **6. How long will this process take?**

- It is Bruin's intent to move through the chapter 11 process as quickly and efficiently as possible, although the exact timeline depends on a number of factors, many of which are not in Bruin's control.
- We will keep you properly informed as the process moves forward by providing updates on key events on Bruin's restructuring website (see below).

#### **7. How do I get more information?**

- You can call: (866) 680-8161
- You can email: [BruinInquiries@OmniAgnt.com](mailto:BruinInquiries@OmniAgnt.com)
- You can visit: [www.omniagentsolutions.com/bruin](http://www.omniagentsolutions.com/bruin)