

June 1, 2020

Templar Energy, LLC to Explore Strategic Alternatives

Receives \$25 million in Committed New Money Financing to Bolster Liquidity; Seeks to Sell Assets in a Voluntary Chapter 11 Case with Support of RBL Lenders

OKLAHOMA CITY, June 1, 2020 – Templar Energy LLC (the “Company” and together with its parent and subsidiaries, “Templar”) announced today that it has taken a significant step to address its existing debt burdens by filing for protection under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Through the chapter 11 cases, Templar seeks to consummate a sale of all or substantially all of its assets through a court-supervised process under section 363 of the Bankruptcy Code (“Section 363 Sale”).

Over the last several months, Templar has undertaken concerted efforts to address substantial challenges facing the Company and mitigate the adverse effects of declining commodity prices, exacerbated by the COVID-19 pandemic. Today’s announcement represents an agreement reached between Templar and its secured lenders to maximize the value of the Company’s assets and eliminate approximately \$426 million in aggregate principal amount of secured debt along with approximately \$20 million in annual interest expense.

To effect the Section 363 Sale, Templar has commenced voluntary chapter 11 cases in the Bankruptcy Court for the District of Delaware with the support of its secured lenders. The Company has also received commitments from certain of its existing secured lenders for \$25 million in new money “debtor-in-possession” (DIP) financing. Templar intends to use the proceeds of the DIP financing, which is subject to court approval, to fund its operations during the chapter 11 cases.

Templar is also seeking court approval of a variety of other motions to ensure that outstanding obligations to employees, royalty holders, joint interest parties, land owners, and all trade claims, including to oil and gas vendors, continue to be paid in the ordinary course of business.

“Templar is continuing to operate its business in the ordinary course as we seek to maximize the value of our assets in a court-supervised sale process,” said Brian Simmons, chief executive officer. “With DIP financing and the support of the company’s secured lenders, Templar will have sufficient liquidity to continue paying our royalty owners, vendors, and employees. Over the last several months, with the help of our advisors, Templar has been exploring various strategic alternatives. In the current economic environment, I believe that our selected course of action will bring the best possible outcome to all of Templar’s stakeholders.”

Guggenheim Securities, LLC is acting as the Company’s investment banker, Paul, Weiss, Rifkind, Wharton & Garrison LLP is acting as legal counsel, and Alvarez & Marsal North America, LLC is acting as financial advisor.

About Templar Energy LLC

Templar Energy LLC is an independent exploration and production company with a core focus in the high-yield, liquids-rich natural gas and oil-producing formations in the Greater Anadarko Basin in Western Oklahoma and the Texas Panhandle.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements, within the meaning of US federal securities laws. Forward-looking statements express views of the Company regarding future plans and expectations. They include statements that include words such as “expect,” “intend” and similar words or expressions. Forward-looking statements in this press release include, but are not limited to, statements regarding future operations, the strategic review and anticipated chapter 11 budget. These statements are based on numerous assumptions and are subject to known and unknown risks and uncertainties. Actual future results may vary materially from those expressed or implied in these forward-looking statements, and our business, financial condition and results of operations could be materially and adversely affected by numerous factors. As a result, forward-looking statements should be understood to be only predictions and statements of our current beliefs and are not guarantees of performance.