

## Vanguard Natural Resources, Inc. —Royalty Owner FAQ

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### 1. What was announced?

- This morning we announced that Vanguard Natural Resources (“Vanguard”) has voluntarily filed for relief under chapter 11 of the U.S. Bankruptcy Code in the Southern District of Texas, Houston Division.
- As part of this process, Vanguard has reached an agreement with certain of the Company’s lenders under its first lien credit facility (the “First Lien SteerCo”) on the terms of a debtor-in-possession financing facility and the use of cash on hand and cash generated from operations to support the business during the financial restructuring process.
- This court-supervised process will enable Vanguard to restructure its balance sheet while continuing operations in the normal course.

### 2. Why did Vanguard take this action?

- Our industry continues to operate in an uncertain commodity price environment. Over the past several months, we have responded proactively by reducing spends, decreasing our debt, and focusing on operating cost efficiently.
- We have also been working with our key financial stakeholders on a comprehensive solution to deleverage our balance sheet and strengthen our financial position.
- The actions we are announcing today represent the next step in our efforts to strengthen Vanguard’s balance sheet and position it for success.
- We believe that entering into this agreement and the court-supervised process is the best course of action for Vanguard and maximizes value for our stakeholders.
- We are confident that we are taking the right steps to provide a solid foundation to thrive and emerge as a stronger company.

### 3. What does this mean for royalty owners? Will I still be paid?

- We expect our operations to continue in the normal course, and we intend to make our royalty payments on a go-forward basis according to our current terms throughout this process, without any interruption.
- In addition, we have filed a motion with the Bankruptcy Court requesting permission to make royalty payments that were due prior to the filing date of March 31, 2019.
- Throughout this process you should continue to deal with your usual contact at Vanguard.

### 4. Do you have sufficient liquidity to meet your business obligations?

- We believe Vanguard has sufficient liquidity to continue its operations and support the business in the ordinary course during the financial restructuring process.
- We expect to meet our obligations to royalty owners on a go-forward basis and continue uninterrupted production.

### 5. When is Vanguard expected to emerge from chapter 11?

- We currently anticipate emerging from this financial restructuring process in early Q3 2019.
- It is our intent to move through this court-supervised process with the support of our key financial stakeholders as quickly and efficiently as possible.

- We are confident that we are taking the right steps to provide a solid foundation for a successful future.

**6. How can I get updates and additional information?**

- We will continue to keep you informed of new information as we move through this financial restructuring process.
- A special section of our website, <https://www.vnrenergy.com/restructuring/>, has been developed to provide additional information.
- In addition, our claims agent has set up a website that includes free access to court documents and other information on the Bankruptcy Court process at <http://cases.primeclerk.com/VNR>.
- We've also established a toll-free information hotline at (844) 216-9850 (U.S.), or (347) 859-8076 (international) to address specific questions and concerns.