



Great Western Petroleum, LLC Announces Exchange Offer for Any and All of Its Outstanding Senior Notes Due 2021 and Related Consent Solicitation

DENVER, COLORADO, August 10, 2020 – Great Western Petroleum, LLC (the “*Company*”) today announced that it and its wholly-owned subsidiary, Great Western Finance Corp., as co-issuer (“*Finance Corp.*” and, together with the Company, the “*Issuers*”), have launched an exchange offer (the “*Exchange Offer*”) to exchange any and all of the Issuers’ outstanding 9.000% Senior Notes due 2021 (the “*Old Notes*”) for either (a) the Company’s new 11.000% Senior Secured Second Lien Term Loans due 2024 (the “*New Term Loans*”) or (b) a combination of New Term Loans and cash on the terms described below.

Exchange Offer

The Old Notes are set forth below:

<u>Title of Old Notes</u>	<u>CUSIP/ISIN Number(s)</u>	<u>Outstanding Principal Amount⁽¹⁾</u>
9.000% Senior Notes due 2021	39143G AA8/ US39143GAA85/ U3905T AB9 / USU3905TAA17	\$283,500,000

(1) As of August 10, 2020.

The Issuers are offering to exchange each \$1,000 principal amount of Old Notes for either (i) \$1,000 in New Term Loans or (ii) a combination of New Term Loans and cash, on the terms described below:

- If the aggregate amount of Old Notes tendered by holders of Old Notes by 12:00 midnight, New York City time, at the end of September 4, 2020, unless extended (the “*Expiration Time*”) is less than or equal to \$200 million principal amount of Old Notes, each holder of Old Notes will receive \$1,000 aggregate principal amount of New Term Loans (the “*Term Loan Consideration*”) for each \$1,000 principal amount of Old Notes that are validly tendered and accepted for exchange.
- If the aggregate amount of Old Notes tendered by holders of Old Notes at the Expiration Time is greater than \$200 million, each holder may elect to receive in exchange for each \$1,000 principal amount of Old Notes that are validly tendered and accepted for exchange either (i) the Term Loan Consideration or (ii) such holder’s pro rata portion of the Cash Consideration (as defined below) *plus* a principal amount of New Term Loans equal to the difference between \$1,000 and the portion of the Cash Consideration received by such holder with respect to such Old Notes (the “*Combined Consideration*”).

If more than \$200 million principal amount of Old Notes are tendered in the Exchange Offer, the Issuers will pay to holders thereof aggregate cash consideration in an amount equal to the principal amount of Old Notes that are tendered in excess of \$200 million, up to a maximum of \$25 million (the “*Cash Consideration*”), to be distributed

pro rata to holders thereof that elect to receive Combined Consideration, as described in the second bullet above. The Cash Consideration will be funded by borrowings on the Company's revolving credit facility.

The Issuers are also offering to holders of Old Notes who tender Old Notes prior to 5:00p.m., New York City time, on August 21, 2020, unless extended, (the "**Early Tender Time**"), a premium consisting of \$50 of New Term Loans, for each \$1,000 principal amount of Old Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Time and accepted for exchange.

Additional Information

If Old Notes are validly tendered by a holder (and not validly withdrawn) and accepted by the Company for exchange pursuant to the Exchange Offer, such holder will receive, in cash, accrued and unpaid interest, if any, on their accepted Old Notes up to, but not including, the settlement date.

The Exchange Offer is subject to certain conditions as more fully described in the confidential offer to exchange and consent solicitation statement dated August 10, 2020 (the "**Offer to Exchange**"), and subject to the terms of the Exchange Offer and Consent Solicitation (as defined below), may be amended, extended, terminated or withdrawn as described in the Offer to Exchange, including based on our evaluation of the acceptance rate and outcome of the Exchange Offer or failure to satisfy any condition to the Exchange Offer, subject to limited exceptions.

In connection with the Exchange Offer, the Issuers are soliciting consents (the "**Consent Solicitation**") to amend the indenture governing the Old Notes (the "**Old Notes Indenture**"). The proposed amendments, which will become operative with respect to the Old Notes if the principal amount of Old Notes validly tendered and not validly withdrawn in the Exchange Offer exceeds 50%, will eliminate substantially all restrictive covenants, certain events of default and certain other provisions contained in the Old Notes Indenture. Following consummation of the Exchange Offer and the Consent Solicitation, and upon effectiveness of the proposed amendments, any holders of the Old Notes that do not participate in the Exchange Offer would rank equally in right of payment with all of the Company's other senior indebtedness and effectively junior to the New Term Loans. The consummation of the Consent Solicitation is subject to the satisfaction or waiver of the conditions to the Exchange Offer set forth in the Offer to Exchange. In the event of a termination of the Exchange Offer and the Consent Solicitation, the proposed amendments will not become operative, no consideration will be paid, and the Old Notes tendered pursuant to the Exchange Offer will be promptly returned to the tendering holders and the consents will be deemed voided.

The New Term Loans will be issued pursuant to a Term Loan Agreement, by and among the Company, UMB Bank, N.A., as administrative agent and collateral agent, the lenders thereunder, and any other parties thereto. The New Term Loans will bear interest at an annual rate of 11.000% with cash interest accruing at a rate of 10.500% per annum and PIK interest accruing at a rate of 0.500% per annum, and will be payable on July 31 and January 31 of each year, commencing on January 31, 2021.

The New Term Loans will be fully and unconditionally guaranteed, jointly and severally, on a senior second lien secured basis by each current and future subsidiary of the Company (other than certain immaterial subsidiaries) that guarantees either of the Issuers' or any guarantor's other indebtedness for borrowed money. The New Term Loans will be secured by second priority perfected liens on substantially all of the Company's and any guarantors' assets, subject to certain exceptions.

General

D.F. King & Co., Inc. is acting as the Exchange Agent and Information Agent for the Exchange Offer. Requests for the Offer to Exchange and other relevant documents from holders of Old Notes may be directed to D.F. King & Co., Inc. at (212) 269-5550 (for brokers and banks), (877) 536-1556 (for all others), or by email to gwp@dfking.com.

Neither the Issuers, their respective governing boards nor any other person makes any recommendation as to whether the

holders of the Old Notes should exchange their notes, and no one has been authorized to make such a recommendation. Holders of the Old Notes must make their own decisions as to whether to exchange their notes, and if they decide to do so, the principal amount of the notes to exchange and the form of consideration to elect.

About Great Western Petroleum, LLC

Denver-based Great Western Petroleum, LLC, an affiliate of The Broe Group, is an independent oil and natural gas company focused on the exploration, development, acquisition and exploitation of unconventional reserves of oil, natural gas and NGLs in the core of the Wattenberg Field, which is located within the DJ Basin. The Company's properties are primarily located in northwestern Adams County and western Weld County in Colorado.

About the Broe Group

The Broe Group and its affiliates, based in Denver, Colorado, employ more than 1,000 people and own and/or manage commercial real estate throughout North America. Its transportation affiliate, OmniTRAX, Inc., is a leading transportation services firm with railroad, port and terminal operations throughout North America, including the Great Western Railway.

Forward-Looking Statements

The information in this press release includes "forward-looking statements." All statements, other than statements of historical facts, included in this press release, concerning, among other things, planned capital expenditures, increases in oil and gas production, future cash flows and borrowings, the Company's financial position, business strategy and other plans and objectives for future operations, are forward-looking statements. When used in this press release, the words "may," "expect," "estimate," "project," "plan," "believe," "intend," "achievable," "anticipate," "will," "continue," "potential," "should," "could," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on the Company's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. These forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events, which may differ from actual outcomes due to, among other things: the Company's ability to continue as a going concern, the volatility of oil, natural gas and NGL prices or a prolonged period of low oil, natural gas or NGL prices and the effect that lower prices may have on the Company's net income; uncertainties about, or revisions to, the Company's estimated oil, natural gas and NGL reserves; the Company's ability to discover, estimate, develop and replace oil, natural gas and NGL reserves; weakness in economic conditions and uncertainty in financial markets, including the availability of credit and access to existing lines of credit; changes in domestic and global production, supply and demand for oil, natural gas and NGLs; operating hazards and difficulties inherent in the exploration and production of oil, natural gas and NGLs; capital requirements uncertainty of obtaining additional funding on terms acceptable to the Company; the Company's ability to control capital and operating expenditures; the Company's ability to develop a successful marketing plan for the Company's oil, natural gas and NGL production; the Company's ability to execute the Company's financial and operational strategies, including, but not limited to, the Company's hedging strategies; the Company's ability to manage growth, successfully identify and consummate strategic acquisitions at purchase prices that are accretive to the Company's financial results, and successfully integrate acquired businesses, assets and properties; the Company's ability to avoid material legal or environmental liabilities; the impact of seasonal weather conditions on the Company's operations; global health concerns, such as COVID-19 coronavirus outbreak in early 2020; volatility in global financial markets; the Company's ability to satisfy the covenants in the Company's debt instruments and agreements; the Company's ability to meet the Company's plans, objectives, expectations and intentions; the Company's ability to draw funds on its revolving credit facility; participation of holders of Old Notes in the Exchange Offer and Consent Solicitation, and the form of consideration elected by participants in the Exchange Offer; and the Company's ability to recognize and mitigate other risks to the Company's planned objectives. While the Company makes these statements and projections in good faith, neither the Company nor the Company's management can guarantee that anticipated future results will be achieved. The Company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the Company, whether as a result of new information, future events, or otherwise.