



## Great Western Petroleum, LLC Announces Proposed Offering of \$275 Million of Senior Notes Due 2026

**DENVER, COLORADO, February 1, 2021** – 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 commenced an offering (the “*Offering*”) of \$275 million in aggregate principal amount of Senior Notes due 2026 (the “*Notes*”). The Company intends to use the net proceeds from the Offering to (i) fund the redemption (the “*Redemption*”) of all \$251.5 million of the Issuers’ outstanding 9.000% Senior Notes due 2021 (the “*2021 Notes*”) and (ii) repay borrowings on the Company’s revolving credit facility.

Concurrently with the Offering, the holders of all of the Company’s outstanding common units have entered into an exchange agreement, conditioned on the consummation of the Offering, with the holders of all of the Company’s outstanding preferred units to effect a comprehensive equity recapitalization transaction (the “*Recapitalization Transaction*”). Pending the satisfaction of the conditions to the completion of the Recapitalization Transaction, the gross proceeds from the Offering will be deposited into escrow for the benefit of the holders of the Notes. The release of the escrowed funds will be subject to the satisfaction of certain conditions, including the satisfaction of the conditions to the consummation of the Recapitalization Transaction (the “*Escrow Release Conditions*”). If the Recapitalization Transaction is not consummated on or before the date that is five business days after the closing of the Offering, the escrowed funds will be applied to fund a portion of the mandatory redemption price of all of the Notes, which will be 100% of the initial offering price, plus accrued and unpaid interest.

Additionally, in connection with the closing of the Offering and the Recapitalization Transaction, the Issuers have agreed, on the escrow release date, to exchange all of their outstanding \$75 million of 8.500% Senior Notes due 2025 (the “*2025 Notes*”) for additional Notes in equal principal amount, plus accrued and unpaid interest on the 2025 Notes, to, but not including the date of such exchange (the “*Private Exchange*”). The Notes issued in the Private Exchange will constitute “Additional Notes” under the indenture that will govern the Notes and will comprise one series with the Notes issued in the Offering. The Private Exchange will not result in any reduction of the aggregate principal amount of the Notes issued in the Offering. However, the Private Exchange is subject to certain conditions and there can be no assurances that the Private Exchange will occur on the Company’s expected timeline or at all, and the Offering is not conditioned upon commencing or consummating the Private Exchange.

Following the satisfaction of the Escrow Release Conditions, it is expected that the Notes 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 Finance Corp. and certain immaterial subsidiaries) that guarantees either of the Issuers’ or any guarantor’s other indebtedness for borrowed money. Following the satisfaction of the Escrow Release Conditions, it is also expected that the Notes will be secured by second priority perfected liens on substantially all of the Company’s and any guarantor’s assets, subject to certain exceptions.

The Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the “*Securities Act*”), or any state securities laws and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the rules promulgated thereunder and applicable state securities laws. The Notes will be offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and non-U.S. persons in transactions outside the

United States in reliance on Regulation S under the Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any security, nor shall there be any sale of the Notes or any other security of the Issuers, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute a notice of redemption under the optional redemption provisions of the indenture governing the 2021 Notes.

### **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 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 effects of actions by, or disputes among or between, members of the Organization of Petroleum Exporting Countries, such as Saudi Arabia, and other oil and natural gas producing countries, such as Russia, with respect to production levels or other matters related to the price of oil; the effects of public health threats, pandemics and epidemics, such as the ongoing outbreak of COVID 19, and the adverse impact thereof on the Company's business, financial condition and results of operations, including, but not limited to, the Company's growth, operating costs, supply chain, labor availability, logistical capabilities, the Company's liquidity, the Company's ability to access capital markets, and the global economy and financial markets generally; decreased demand for the Company's oil, natural gas and NGLs and industry demand generally as a result of the ongoing outbreak of COVID-19 and possibly longer-term recessionary impacts of COVID-19, elimination of available storage options, which could further reduce demand and cause additional constraints on operations; uncertainties about, or revisions to, the Company's estimated oil, natural gas and NGL reserves, the presence or recoverability of estimated oil, natural gas and NGL reserves and actual future production rates and associated costs of the Company's properties; the Company's ability to discover, estimate, develop and replace oil, natural gas and NGL reserves; incorrect estimates associated with properties we acquire relating to estimated proved reserves; the presence or recoverability of estimated oil, natural gas and NGL reserves and the actual future production rates and associated costs of such acquired properties; 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, including adverse weather and environmental conditions; the Company's ability to meet the Company's proposed drilling schedule and to successfully drill wells that produce oil or natural gas in commercially viable quantities; the Company's*

*ability to satisfy the covenants in the Company's debt instruments and agreements, capital requirements and uncertainty of obtaining additional funding on terms acceptable to the Company; the Company's ability to control capital and operating expenditures, the availability and cost of drilling and production equipment, supplies, raw materials and third-party labor; the Company's ability to secure adequate fresh water and wastewater disposal capacity; title uncertainties or defects in the Company's properties and inability to retain the Company's leases; the Company's ability to hold title to the Company's leasehold by production, competition in the onshore United States exploration and production industry, geographical concentration of the Company's operations in the DJ Basin; the Company's ability to develop a successful marketing plan for the Company's oil, natural gas and NGL production; constraints in the DJ Basin with respect to gathering, transportation and processing facilities and marketing; 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 mitigate credit risks posed by the Company's counterparties, including significant purchasers of the Company's production and derivative counterparties, the Company's ability to implement new or improved technologies in the Company's business; the Company's ability to implement new or improved technologies in the Company's business; 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; changes to federal, state and local regulations, permitting processes and taxes, including the adoption of regulations that prohibit or restrict the Company's ability to apply hydraulic fracturing to the Company's oil and natural gas wells and to access and dispose of water used in these operations; environmental hazards, such as uncontrollable flows of oil, natural gas, brine, produced water, well fluids, toxic gases or other hazardous materials into the environment, including groundwater, air, soil and surface water contamination; the Company's ability to avoid material legal or environmental liabilities, the impact of seasonal weather conditions on the Company's operations; security threats, including cybersecurity attacks, computer viruses or malware, and terrorist attacks, against, or otherwise impacting, the Company's facilities and systems; volatility in global financial markets; and the development and comparative cost of alternative energy sources. 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.*

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