

## Vendors FAQs

### Vendor Specific Concerns:

#### Will vendors continue to be paid?

Yes. Due to the nature of our “pre-packaged” filing, we expect all vendors and suppliers will continue to be paid under normal terms for goods and services without interruption.

#### Do vendors need to submit invoices in a different manner going forward in order to get paid?

No. There is no change to the process of submitting invoices to the Company. Vendors will continue to submit invoices in the same manner as before.

#### Should I be concerned about continuing to do business with Halcón?

No. We value the relationships we have developed with our vendors and expect to maintain these partnerships. We believe this filing will allow us to emerge with a stronger position going forward. We do not expect interruptions in our business during this process. We will continue to order goods and services we need to maintain our operations in the normal course.

#### I have additional questions or specific concerns. How can I get more information or talk to someone at the Company to address my issues?

- The Company has set up a section on its website at [www.halconresources.com](http://www.halconresources.com) which contains additional documents and information on the Restructuring Plan.
- Vendors and Suppliers can also contact our Halcón Vendor Relations Hotline at **713-210-7580**. A Halcón employee will answer your call and address your concerns or questions.

### Background on the Restructuring:

#### What was announced?

- Halcón Resources Corporation (“Halcón” or the “Company”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the U.S. Bankruptcy Code in order to effect the previously announced comprehensive balance sheet restructuring efforts pursuant to a pre-packaged plan of reorganization (the “Restructuring Plan”). As part of the Restructuring Plan the Company will eliminate approximately \$1.8 billion in long-term debt and will reduce annual interest expense by more than \$200 million. The Restructuring Plan was approved by an overwhelming majority of the Company’s creditors and preferred equity holders (the “Affected Stakeholders”) who will be affected by the plan. The Company will continue to operate its business in the ordinary course.

### **What is a “pre-packaged” Chapter 11 bankruptcy?**

- A “pre-packaged” Chapter 11 is a plan of reorganization that is negotiated in principle and accepted by a company’s creditors and certain other stakeholders before the company actually files for bankruptcy protection. This shortens and simplifies the court process and reduces the uncertainty because of the known treatment to the stakeholders.

### **What is Chapter 11?**

- Chapter 11 refers to the section of the U.S. Bankruptcy Code that covers court-supervised restructurings of businesses. A company that files for protection under Chapter 11 may request authority from the bankruptcy court to continue to operate and maintain its business “in the ordinary course” – or business as usual. Halcón has requested such authority from the Delaware bankruptcy court and expects to receive it shortly.

### **What happens during Chapter 11?**

- Upon the filing of a bankruptcy case an “automatic stay” is imposed that, among other things, prevents creditors from taking any actions to collect money on debts owed by the Company prior to the date of the filing. **However, as noted above, the Company has requested permission from the bankruptcy court to continue to pay its vendors, royalty owners and other parties in the ordinary course, including amounts owed for the prepetition period.** Similarly, the Company’s facilities will remain open and operational throughout the bankruptcy and its employees will continue to receive their regular wages and benefits.

### **Is the Company going out of business?**

- No. The Company is not going out of business and operations will continue in the ordinary course. The Company worked diligently with a significant majority of its Affected Stakeholders to develop a “pre-packaged” plan to support its ongoing operations and to make the restructuring process as efficient as possible.

### **Will there be management changes?**

- Nothing in the Restructuring Plan calls for a change in management and there are no planned changes to the Company’s current management structure.

### **Does the Company have adequate funding to conduct its operations during the restructuring?**

- Yes. The Company has enough working capital to operate throughout the restructuring. Halcón received a commitment from certain lenders in its existing reserve-based credit facility to provide the Company with \$500 million of availability under a debtor in possession credit facility which will convert into a \$600 million reserve-based revolving credit facility upon emergence from bankruptcy. These credit facilities will provide Halcón with ample liquidity both during and after the bankruptcy filing.

### **How long will the Company be in Chapter 11?**

- The Company expects to have emerged from Chapter 11 no later than 45-60 days from the date on which it filed for bankruptcy (July 27, 2016). The Company intends to do everything it can to move through the process efficiently and emerge as quickly as possible; however, such emergence is at the discretion of, and subject to the approval of, the bankruptcy court .

***These FAQs are for information purposes only and are not a solicitation to accept or reject any proposals herein or an offer to sell or a solicitation of an offer to buy any securities of the Company.***

### **Cautionary Statement about Forward-Looking Statements**

Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words as “expects,” “believes,” “intends,” “anticipates,” “plans,” “estimates,” “potential,” “possible,” or “probable” or statements that certain actions, events or results “may,” “will,” “should,” or “could” be taken, occur or be achieved. Forward-looking statements are based on current beliefs and expectations and involve certain assumptions or estimates that involve various risks and uncertainties that could cause actual results to differ materially from those reflected in the statements. These risks include, but are not limited to, the ability to consummate a plan of reorganization in accordance with the terms of the restructuring support agreement; risks attendant to the bankruptcy process, including the effects thereof on the Company’s business and on the interests of various constituents, the length of time that the Company might be required to operate in bankruptcy and the continued availability of operating capital during the pendency of such proceedings; risks associated with third party motions in any bankruptcy case, which may interfere with the ability to confirm and consummate a plan of reorganization, potential adverse effects on the Company’s liquidity or results of operations; increased costs to execute the reorganization, effects on the market price of the Company’s common stock and on the Company’s ability to access the capital markets, and the risks set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and other filings submitted by the Company to the SEC, copies of which may be obtained from the SEC’s website at [www.sec.gov](http://www.sec.gov) or through the Company’s website at [www.halconresources.com](http://www.halconresources.com). Readers should not place undue reliance on any such forward-looking statements, which are made only as of the date hereof. The Company has no duty, and assumes no obligation, to update forward-looking statements as a result of new information, future events or changes in the Company’s expectations.