



January 21, 2016

## **Legacy Reserves LP Announces Distribution Suspension, 2016 Capital Budget and Year-End 2015 Conference Call**

MIDLAND, Texas, Jan. 21, 2016 (GLOBE NEWSWIRE) -- Legacy Reserves LP ("Legacy") (Nasdaq:LGCY) today announced that the Board of Directors of its general partner has approved the suspension of distributions to unitholders and distributions to both the 8% Series A and Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units. The Board also approved a 2016 capital budget of \$37 million.

Paul T. Horne, President and Chief Executive Officer of Legacy's general partner, commented: "The continued collapse in oil and gas prices over the past few months has had a severe impact on our industry and Legacy is no different. While our estimated fourth quarter cash generation was well in excess of our prior \$0.15 per unit quarterly distribution, further declining commodity price forecasts have eroded our projected future cash flow generation and we believe our best course of action today is to conserve cash and improve our balance sheet position. We anticipate, based on strip pricing, to be free cash flow positive in 2016 and we continue to work through select credit-accretive asset sale opportunities that will enhance that cash flow as well as our leverage metrics and liquidity. Importantly, we strongly believe that today's commodity price environment is unsustainable for our industry and taking a more protective posture will help us ride out this storm. We will continue to monitor the industry environment and our situation, and look forward to reinstating distributions to our unitholders when things improve.

"I remain thankful for our hard-working employees. They have done a tremendous job executing our day-to-day business objectives and I look forward to providing investors more operational specifics and our 2016 outlook at our upcoming year-end earnings conference call."

### **Upcoming Earnings Release**

Legacy will provide the details of its fourth quarter and 2015 operating and financial performance with its earnings report which is scheduled to be released on Wednesday, February 24, 2016, following the close of NASDAQ trading. A teleconference and webcast will be held on Thursday, February 25, 2016, beginning at 9:00 a.m. Central Time. Those wishing to participate in the conference call should dial 877-266-0479. A replay of the call will be available through Thursday, March 3, 2016, by dialing 855-859-2056 or 404-537-3406 and entering replay code 22745604. Those wishing to listen to the live or archived webcast via the Internet should go to the Investor Relations tab of our website at [www.LegacyLP.com](http://www.LegacyLP.com).

### **Other Information**

Although Legacy has suspended distributions to both the 8% Series A and Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (the "Preferred Units"), such distributions continue to accrue. Pursuant to the terms of Legacy's partnership agreement, Legacy is required to pay or set aside for payment all accrued but unpaid distributions with respect to the Preferred Units prior to or contemporaneously with making any distribution with respect to Legacy's units. Accruals of distributions on the Preferred Units are treated for tax purposes as guaranteed payments for the use of capital that will generally be taxable to the holders of such Preferred Units as ordinary income even in the absence of contemporaneous distributions. In addition, Legacy unitholders, just like unitholders of other master limited partnerships, are allocated taxable income irrespective of cash distributions paid.

This release is intended to be a qualified notice under Treasury Regulation Section 1.1446-4(b). Brokers and nominees should treat one hundred percent (100.0%) of Legacy's distributions to foreign investors as being attributable to income that is effectively connected with a United States trade or business. Accordingly, Legacy's distributions to foreign investors are subject to federal income tax withholding at the highest applicable rate.

### **About Legacy Reserves LP**

Legacy Reserves LP is a master limited partnership headquartered in Midland, Texas, focused on the acquisition and development of oil and natural gas properties primarily located in the Permian Basin, East Texas, Mid-Continent and Rocky Mountain regions of the United States. Additional information is available at [www.LegacyLP.com](http://www.LegacyLP.com).

## **Cautionary Statement Relevant to Forward-Looking Information**

This press release contains forward-looking statements relating to our operations that are based on management's current expectations, estimates and projections about its operations. Words such as "anticipates," "expects," "intends," "plans," "targets," "projects," "believes," "seeks," "schedules," "estimated," and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are realized oil and natural gas prices; production volumes, lease operating expenses, general and administrative costs and finding and development costs; future operating results and the factors set forth under the heading "Risk Factors" in our annual and quarterly reports filed with the Securities and Exchange Commission. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Legacy undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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