

Royalty Owner FAQ

1. What was announced?

- As planned, on January 16, 2017, Memorial Production Partners voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code.
- This filing represents the next step to implement the financial restructuring contemplated under the agreements MEMP previously reached with certain of its noteholders and lenders.
- The financial restructuring process is expected to eliminate more than \$1.3 billion of MEMP's debt and enhance its financial flexibility.

2. What is Chapter 11?

- Chapter 11 is a section of the U.S. Bankruptcy Code that allows companies to implement financial restructurings through a court-supervised proceeding while continuing to operate their businesses.

3. Why is MEMP filing for Chapter 11?

- In light of the challenging commodity pricing environment and the recent reduction of our borrowing base, we determined that entering the Plan Support Agreements with our noteholders and lenders and implementing them through a court-supervised financial restructuring process is in the best interests of MEMP and all of our stakeholders.
- MEMP's operations are strong, and we have high-quality assets and positive cash flow.
- Through this process, we expect to eliminate more than \$1.3 billion of MEMP's debt.
- We took these actions after thoroughly reviewing all options with the assistance of legal and financial advisors.
- We believe that our agreements with our noteholders and lenders and the court-supervised financial restructuring process provide for a clear and expedited path to reduce debt and position MEMP for long-term success.

4. Will MEMP go out of business after filing for Chapter 11?

- No. Our operations are continuing as normal across our asset base, and we expect production to continue uninterrupted.
- MEMP's operations are strong, and we have high-quality assets and positive cash flow.
- Cash generated from ongoing operations will allow us to operate our assets in the ordinary course during the restructuring process.

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

- We have filed an expedited motion with the Bankruptcy Court requesting permission to pay royalty obligations from prior to the filing date of January 16, 2017
- MEMP expects to have sufficient liquidity to meet our ongoing obligations in the normal course, and we expect to continue making postpetition royalty payments on a go-forward basis according to the terms of our agreements, without any interruption.
- Should you have questions, you should continue to deal with your usual contact at MEMP throughout this process.

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

- Yes. MEMP expects to have sufficient liquidity to continue its operations and meet its obligations in the ordinary course.
- Cash generated from ongoing operations will allow us to operate as normal during the restructuring process.

7. Did MEMP receive additional financing?

- MEMP expects to have sufficient liquidity to continue its operations and meet its obligations in the ordinary course.
- As such, we are not seeking additional financing at this time.

8. When do you expect to complete the Chapter 11 process?

- With the support of our lenders and noteholders, we expect to complete this financial restructuring on an expedited basis.
- We will keep you informed of important milestones as we move forward.

9. 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.
- Additional information is available on MEMP's website at www.memorialpp.com/restructuring or by calling MEMP's Restructuring Hotline, toll-free in the U.S., at (877) 773-8184.
- In addition, court filings and other documents related to the reorganization proceedings are available on a separate website administered by MEMP's claims agent, Rust Omni, at www.omnimgt.com/MemorialProductionPartners.