



## Frequently Asked Questions Royalty Interest Holders

### 1. I recently received a “Notice of Chapter 11 Bankruptcy Cases” concerning Breitburn. What does it mean?

- On May 15, 2016, Breitburn Energy Partners LP and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York to facilitate the restructuring of the company’s balance sheet (Chapter 11 Cases).
- The Chapter 11 Cases will not affect your rights to receive royalty payments on account of your royalty interests.
- During the restructuring process, Breitburn will continue normal, day-to-day business operations. As a result, you will continue receiving your royalty payments, and Breitburn fully expects to meet its obligations to its royalty interest holders according to its customary business practice.

### 2. Does Breitburn have enough capital to continue its operations?

- We have evaluated the anticipated financial needs of our business through the expected duration of this process and are confident Breitburn has sufficient capital to successfully complete this restructuring given our cash from operations, cash on hand, and our \$75 million debtor-in-possession financing facility (DIP Financing Facility). Our DIP Financing Facility lenders have also offered to arrange an additional \$75 million of DIP financing at our request.

### 3. Can I cash any royalty check that I received *before or after* Breitburn filed for Chapter 11 relief?

- Yes. On May 17, 2016, two days after we filed for Chapter 11 relief, the Bankruptcy Court issued an interim order authorizing Breitburn to make royalty payments to royalty interest holders in accordance with the company’s customary business practice *regardless of whether the obligations were incurred before or after the date of our filing on May 15<sup>th</sup>*.
- The Bankruptcy Court confirmed its interim ruling by issuing a final order on June 15, 2016.
- If, for any reason, your check is dishonored, please contact Breitburn’s royalty owners’ hotline at 877-437-8090.

### 4. What if the bank doesn’t cash my check?

- On May 17, 2016, two days after we filed for Chapter 11 relief, the Bankruptcy Court issued an interim order expressly authorizing and directing Breitburn’s banks to process and pay all Breitburn checks to its royalty interest holders.
- The Bankruptcy Court confirmed its interim ruling by issuing a final order on June 15, 2016.
- If, for any reason, your check is dishonored, please contact Breitburn’s royalty owners’ hotline at 877-437-8090.