



Frequently Asked Questions Vendors

1. How will the restructuring affect Breitburn's relationship with its vendors?

We believe our restructuring will be beneficial for our vendors because it will create a much more sustainable capital structure for Breitburn's business, resulting in significantly less debt on our balance sheet and an infusion of new capital. For more information on the infusion of new capital, see FAQ item number 3.

In the near-term, you will see little change in your day-to-day interactions with our company. Breitburn has received interim permission from the Bankruptcy Court to pay substantially all prepetition claims of LOE and Capex vendors. The Bankruptcy Court will make its final determination on this matter on June 14, 2016, and Breitburn expects that final approval will be granted. For an explanation of what constitutes a prepetition claim or a postpetition claim, see FAQ item number 9.

2. Why should I continue to do business with Breitburn?

It is important to remember that Breitburn's restructuring will make us an even stronger partner for the future. We are committed to working with you throughout this process and look forward to a long and mutually beneficial relationship with those partners who stick with Breitburn while we work out a long-term solution to our debt burden.

3. Does Breitburn have the necessary financial resources to meet its commitments to its vendors?

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.

We will continue normal, day-to-day business operations, including paying our postpetition vendors in full in the ordinary course of our business.

4. Can I change the terms of my contract?

There is no reason to change the terms of your contract with Breitburn. We will continue our normal business operations in accordance with customary business practice.

5. What if I only want to be paid cash on delivery (COD)?

We will not be able to move vendors to COD. However, we will continue normal, day-to-day business operations, including paying our postpetition vendors in full in the ordinary course of our business.

6. Is there anything I need to do to be paid for the goods I delivered prior to Breitburn's



Chapter 11 filing (prepetition)? Do I need to submit a proof of claim form?

We urge you to consult your own legal counsel with any questions you may have about your prepetition claim(s).

Generally, Breitburn has received interim permission from the Bankruptcy Court to pay substantially all prepetition claims of LOE and Capex vendors. The Bankruptcy Court will make its final determination on this matter on June 14, 2016, and Breitburn expects that final approval will be granted.

Additionally, for vendors who provided goods to Breitburn in the 20 days prior to May 15, 2016, the proof of claim form on the Prime Clerk website contains a field for 503(b)(9) claims that you should fill out to receive an administrative claim that will be paid through the bankruptcy process. See Item Number 13 of the proof of claim form at <https://cases.primeclerk.com/breitburn/EPOC-Index>.

7. Will vendors who do not fall under the Bankruptcy Court's interim LOE and Capex Order or those who did not provide goods within 20 days prior to May 15, 2016 (the date of the Chapter 11 filing) be paid for goods or services they provided to Breitburn prior to the Chapter 11 filing?

The United States Bankruptcy Code provides that unpaid debts for goods and services provided to Breitburn prior to the filing date of May 15, 2016, also known as "prepetition claims," cannot be paid without specific Bankruptcy Court approval.

Those claims will be addressed as part of the Chapter 11 process going forward.

If you believe you have a prepetition claim for goods provided or services rendered to Breitburn, you may need to file a proof of claim with the Bankruptcy Court to be eligible to receive a distribution on your claim. Information about the claims process will be made available at a later date or you may go to <https://cases.primeclerk.com/breitburn/EPOC-Index>.

8. How can I be sure I will be paid for goods and services provided on or after the Chapter 11 filing (postpetition)? Will there be any changes in payment processes moving forward?

The United States Bankruptcy Code permits payment for goods or services provided to a company postpetition to allow such company to continue normal business operations during the restructuring process. Breitburn fully expects to pay for all goods delivered and services provided on or after the Chapter 11 filing in the ordinary course of business.

9. How do I know if my claim is considered prepetition or postpetition? Is this decision based on the date of order, delivery, or invoice?

Goods delivered and services performed *prior* to the date of Breitburn's Chapter 11 filing (i.e., May 15, 2016) are considered prepetition. Goods delivered and services provided *on or after* the filing date are considered postpetition. In making this distinction, the key factor is not the invoice date but rather the date when the goods were delivered or services provided to Breitburn.

10. If I date the invoice after Breitburn's Chapter 11 filing, does that make my claim a postpetition claim?

The key factor is not the invoice date but rather the date when Breitburn received the goods or services. If this date is prior to our filing date, the claim will be considered a prepetition claim, regardless of the date of the invoice. See FAQ item number 9.



11. Can vendors apply payments made after the Chapter 11 filing to prepetition invoices?

No. Vendors must maintain a distinction between receivables for goods and services provided to Breitburn before the Chapter 11 filing and receivables for goods and services provided on or after the Chapter 11 filing.

12. Is there a critical vendor list?

There is no critical vendor list.

13. Will banks accept checks from Breitburn? Should I return my check and have it reissued?

The Bankruptcy Court issued an order directing our banks to honor all LOE and Capex checks that were issued prior to the Chapter 11 filing. In the event any LOE or Capex check is returned, the order also authorizes Breitburn to reissue those payments.

14. How are reclamation or 503(b)(9) claims going to be handled?

To date, there are no special procedures for these claims. If you believe you have these claims, you should contact your legal advisor to determine what action to take.

15. Will vendors have the same contact at Breitburn?

Yes. We fully expect to continue normal, day-to-day business operations throughout the restructuring process, which includes the same individuals being your point of contact.