Docket #0046 Date Filed: 12/07/2020

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
SUPERIOR ENERGY SERVICES, INC., *et al.*,[1]	:	Case No. 20-35812 (DRJ)
Debtors.	:	(Jointly Administered)

NOTICE OF FILING OF UPDATED DISCLOSURE STATEMENT

PLEASE TAKE NOTICE that, prior to the filing of these chapter 11 cases, on December 5, 2020, the Debtors solicited their *Disclosure Statement for the Joint Prepackaged Plan of Reorganization for Superior Energy Services Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* (the "**Initial Disclosure Statement**") on certain parties in interest.

PLEASE TAKE FURTHER NOTICE that on December 7, 2020, the Debtors filed an updated version of their Initial Disclosure Statement (the "**Updated Disclosure Statement**") [Docket No. 12] with the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**").

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit 1** is a redline reflecting non-material changes (on a changed pages only basis) between the Initial Disclosure Statement and the Updated Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that copies of all documents filed in these chapter 11 cases are available free of charge by visiting the Debtors' restructuring website at: http://www.kccllc.net/Superior. Parties may also obtain any documents filed in these chapter 11 cases for a fee via PACER at http://www.pacer.gov.

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Superior Energy Services, Inc. (9388), SESI, L.L.C. (4124), Superior Energy Services-North America Services, Inc. (5131), Complete Energy Services, Inc. (9295), Warrior Energy Services Corporation (9424), SPN Well Services, Inc. (2682), Pumpco Energy Services, Inc. (7310), 1105 Peters Road, L.L.C. (4198), Connection Technology, L.L.C. (4128), CSI Technologies, LLC (6936), H.B. Rentals, L.C. (7291), International Snubbing Services, L.L.C. (4134), Stabil Drill Specialties, L.L.C. (4138), Superior Energy Services, L.L.C. (4196), Superior Inspection Services, L.L.C. (4991), Wild Well Control, Inc. (3477), and Workstrings International, L.L.C. (0390). The Debtors' address is 1001 Louisiana Street, Suite 2900, Houston, Texas 77002.

20358122012070000000000059

Signed: December 7, 2020
Houston, Texas

Respectfully Submitted,

/s/ Timothy A. ("Tad") Davidson II

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Proposed Counsel for the Debtors and Debtors in Possession

Exhibit 1

Redline

SOLICITATION VERSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
SUPERIOR ENERGY SERVICES, INC., *et al.*,[1]	:	Case No. 20-~~-----~~35812 (~~---~~DRJ)
Debtors.	:	(Joint Administration Requested)

DISCLOSURE STATEMENT FOR THE JOINT PREPACKAGED PLAN OF REORGANIZATION FOR SUPERIOR ENERGY SERVICES, INC. AND ITS AFFILIATE DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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Dated: December ~~5~~7, 2020

Houston, Texas

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Superior Energy Services, Inc. (9388), SESI, L.L.C. (4124), Superior Energy Services-North America Services, Inc. (5131), Complete Energy Services, Inc. (9295), Warrior Energy Services Corporation (9424), SPN Well Services, Inc. (2682), Pumpco Energy Services, Inc. (7310), 1105 Peters Road, L.L.C. (4198), Connection Technology, L.L.C. (4128), CSI Technologies, LLC (6936), H.B. Rentals, L.C. (7291), International Snubbing Services, L.L.C. (4134), Stabil Drill Specialties, L.L.C. (4138), Superior Energy Services, L.L.C. (4196), Superior Inspection Services, L.L.C. (4991), Wild Well Control, Inc. (3477), Workstrings International, L.L.C. (0390). The Debtors' address is 1001 Louisiana Street, Suite 2900, Houston, Texas 77002.

THIS SOLICITATION OF VOTES (THE "SOLICITATION") IS BEING CONDUCTED TO OBTAIN SUFFICIENT VOTES TO ACCEPT THE PLAN (AS DEFINED BELOW) BEFORE THE FILING OF VOLUNTARY REORGANIZATION CASES UNDER CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE (THE "BANKRUPTCY CODE"). BECAUSE THE CHAPTER 11 CASES HAVE NOT YET BEEN COMMENCED, THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE. FOLLOWING THE COMMENCEMENT OF THE CHAPTER 11 CASE, THE DEBTORS EXPECT TO PROMPTLY SEEK ORDERS OF THE BANKRUPTCY COURT (I) APPROVING THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION, (II) APPROVING THE SOLICITATION OF VOTES AS BEING IN COMPLIANCE WITH SECTIONS 1125 AND 1126(b) OF THE BANKRUPTCY CODE, AND (III) CONFIRMING THE PLAN (AS DEFINED BELOW).

DISCLOSURE STATEMENT, DATED DECEMBER ~~5~~7, 2020

Solicitation of Votes
on the Plan of Reorganization of

SUPERIOR ENERGY SERVICES, INC., *ET AL.*

from the holders of outstanding

PREPETITION NOTES CLAIMS
GENERAL UNSECURED CLAIMS AGAINST SUPERIOR ENERGY SERVICES, INC.

THE VOTING DEADLINE FOR HOLDERS OF CLAIMS IN VOTING CLASSES IS 5:00 P.M. PREVAILING CENTRAL TIME ON JANUARY 8, 2021 (UNLESS THE DEBTORS EXTEND THE VOTING DEADLINE).

THE VOTING RECORD DATE FOR DETERMINING WHICH HOLDERS OF CLAIMS IN VOTING CLASSES MAY VOTE ON THE PLAN IS DECEMBER 3, 2020 (THE "VOTING RECORD DATE").

TO BE COUNTED AS A VOTE TO ACCEPT OR REJECT THE PLAN, THE VOTING AND CLAIMS AGENT MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

THE DEBTORS ANTICIPATE COMMENCING THE CHAPTER 11 CASES ON DECEMBER 7, 2020 WITH AN EXPECTED FIRST DAY HEARING ON OR AROUND DECEMBER 8, 2020. A SEPARATE NOTICE OF THE FIRST DAY HEARING WILL BE MAILED TO ALL KNOWN HOLDERS OF PREPETITION NOTES CLAIMS AGAINST THE DEBTORS. IF YOU DO NOT RECEIVE A NOTICE, PLEASE CONTACT UNDERSIGNED COUNSEL IMMEDIATELY OR CONSULT THE CASE WEBSITE MAINTAINED BY KURTZMAN CARSON CONSULTANTS LLC AT WWW.KCCLLC.NET/SUPERIOR.

I.
EXECUTIVE SUMMARY

The Parent, a publicly-traded Delaware corporation, is the ultimate parent of all of the Debtor companies in these Chapter 11 Cases (the "**Debtors**") and their non-debtor affiliates (together with the Debtors, the "**Company**"). The Debtors submit this Disclosure Statement pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended from time to time, the "**Bankruptcy Code**") and other applicable law, in connection with the solicitation of votes (the "**Solicitation**") on the *Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* dated December ~~5~~7, 2020 (the "**Plan**").[2] Subject to the approval of the Board of Directors of the Parent, the Debtors anticipate filing voluntary petitions for relief under chapter 11 in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "**Bankruptcy Court**") on or around December 7, 2020 (the "**Chapter 11 Cases**"). A copy of the Plan is attached hereto as Exhibit A.

The Debtors anticipate commencing the Chapter 11 Cases on December 7, 2020 with an expected first day hearing on or around December 8, 2020.

The Debtors are commencing this Solicitation to implement a comprehensive financial restructuring to deleverage the Company's balance sheet to ensure the long-term viability of the Debtors' enterprise. As a result of extensive negotiations, as of the date hereof, the Debtors and the Holders of approximately 85% of the Prepetition Notes (the "**Consenting Noteholders**") are party to that certain Amended and Restated Restructuring Support Agreement dated as of December 4, 2020 (as amended, modified, or supplemented, the "**Restructuring Support Agreement**" and the original Restructuring Support Agreement, entered into on September 29, 2020, the "**Original Restructuring Support Agreement**"), and a copy of the Restructuring Support Agreement is attached hereto as Exhibit B. Under the terms of the Restructuring Support Agreement, the Consenting Noteholders have agreed, subject to the terms and conditions of the Restructuring Support Agreement, to support a restructuring of the Debtors' existing capital structure in chapter 11 (the "**Restructuring**") and vote to accept the Plan.

There are two groups whose votes for acceptance of the Plan are being solicited:

- Holders of Prepetition Notes Claims; and
- Holders of General Unsecured Claims Against the Parent.

The Restructuring as contemplated in the Plan results in a significant deleveraging of the Debtors' capital structure. The Debtors' funded debt will be reduced by approximately $1.30 billion, which will allow the Debtors to focus on long-term growth prospects and their competitive position in the market, which will in turn allow the Debtors to emerge from these Chapter 11 Cases as a stronger company.

[2] All capitalized terms used but not defined herein shall have the meanings set forth in the Plan. To the extent that a definition of a term in the text of this Disclosure Statement and the definition of such term in the Plan are inconsistent, the definition included in the Plan shall control and govern.

SUMMARY OF EXPECTED RECOVERIES

Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Recovery Under the Plan
		thereafter), and continuing on a quarterly basis until payment in full of the applicable Allowed Class 3 Claim.	
4	Prepetition Credit Agreement Claims Expected Amount: $47,357,274.86	The Allowed Prepetition Credit Agreement Claims, other than Prepetition Credit Agreement Claims related to any outstanding letters of credit will, in full and final satisfaction, settlement, discharge and release of, and in exchange for, such Claims, be indefeasibly paid in full in Cash. To the extent any Prepetition Credit Agreement Claims related to letters of credit issued and outstanding, cash management obligations, or hedging obligations, in each case, as of the Effective Date under the Prepetition Credit Agreement, have not been deemed outstanding under the DIP Facility pursuant to the DIP Orders, such Claims will in full and final satisfaction, settlement, discharge and release of, and in exchange for, such Claims either be (i) in the case of Claims in respect of letters of credit, 105% cash collateralized, (ii) be deemed outstanding under the Exit ABL Facility, or (iii) receive such other treatment as may be acceptable to the Debtors, the Prepetition Credit Agreement Agent, the Issuing Lenders if applicable (as defined in the Prepetition Credit Agreement) and the Required Consenting Noteholders.	100%
5	Prepetition Notes Claims Against Parent Expected Amount: $1,300,000,000	The Prepetition Notes Claims are deemed Allowed in the aggregate principal amount of $1.30 billion, plus accrued and unpaid interest thereon. On, or as soon as reasonably practicable after, the Effective Date, each Holder of an Allowed Prepetition Notes Claim against Parent will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim, its Pro Rata share (calculated together with the Claims in Class 6) of the Parent GUC Recovery Cash Pool; *provided* that the Holders of the Prepetition Notes Claims against the Parent will waive any distribution from the Parent GUC Recovery Cash Pool.	63.0%-76.0%[4]
6	General Unsecured Claims Against Parent Expected Amount: Contingent and Undetermined	Subject to ~~IV.H~~**Article VIII** of the Plan, on, or as soon as reasonably practicable after, the Effective Date, each Holder of an Allowed General Unsecured Claim against Parent will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim, its Pro Rata share (calculated together with the Claims in Class 5) of the Parent GUC Recovery Cash Pool.	Undetermined but > 0%

[4] This recovery under the Plan applies collectively to Holders of Claims in both Class 5 and Class 7; it does not represent the recovery for Holders of Claims in Class 5 alone.

SUMMARY OF EXPECTED RECOVERIES

Class	Claim/Equity Interest	Treatment of Claim/Equity Interest	Projected Recovery Under the Plan
		validly elected to be a Cash Opt-Out Noteholder.	
8	General Unsecured Claims Against Affiliate Debtors Expected Amount: $~~71,670,000~~**48,345,700**[5]	The legal, equitable, and contractual rights of the holders of General Unsecured Claims against any Affiliate Debtor are unaltered by the Plan. Except to the extent that a holder of a General Unsecured Claim against any Affiliate Debtor agrees to a different treatment, on and after the Effective Date, the Debtors will continue to pay (if Allowed) or dispute each General Unsecured Claim against any Affiliate Debtor in the ordinary course of business in accordance with applicable law.	100%
9	Intercompany Claims	Subject to the Restructuring Transactions, the Intercompany Claims will be adjusted, reinstated, compromised, or cancelled to the extent determined appropriate by the Debtors, with the consent of thein such manner as is acceptable to the Required Consenting Noteholders, in consultation with the Debtors.	N/A
10	Old Parent Interests	The Old Parent Interests will be discharged and terminated on and as of the Effective Date without any distribution or retaining any property on account of such Equity Interests.	0%
11	Intercompany Equity Interests	Subject to the Restructuring Transactions, the Intercompany Equity Interests will remain effective and outstanding on the Effective Date and will be owned and held by the same applicable Person or Entity that held and/or owned such Intercompany Equity Interests immediately prior to the Effective Date.	N/A
12	510(b) Equity Claims	The 510(b) Equity Claims will be discharged and terminated on and as of the Effective Date without any distribution or retaining any property on account of such Claims.	N/A

[5] These amounts will be paid both under the relief the Debtors will request of the Bankruptcy Court, as described in Section III herein, and in the ordinary course of business.

II.
BACKGROUND TO THE CHAPTER 11 CASES

A. THE DEBTORS' CORPORATE HISTORY AND STRUCTURE

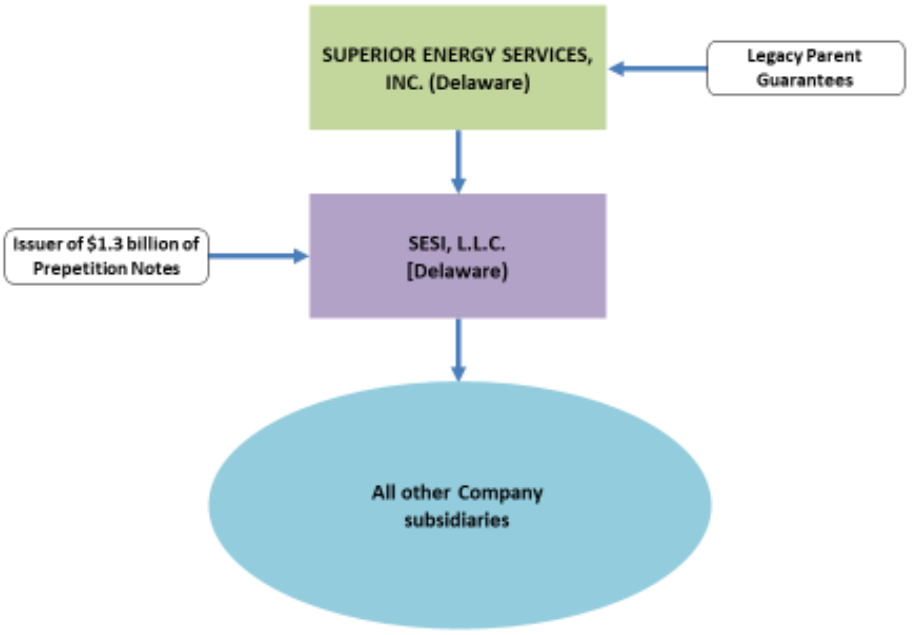
The Parent was originally formed as a Delaware corporation on April 26, 1991 and its common shares were listed and publicly traded on the New York Stock Exchange (the "**NYSE**") under the ticker symbol "SPN." Debtor SESI, L.L.C. ("**SESI**") is the issuer of all **of the Company's** funded ~~debt for the Company~~**indebtedness**. As described more fully below, the Parent was recently delisted from the NYSE and subsequently commenced trading on the OTCQX Market under the symbol "SPNX."

The Debtors and their indirect subsidiaries are oilfield services providers serving the drilling, completion, and production-related needs of oil and gas companies through a diversified portfolio of specialized oilfield services and equipment that are used throughout the economic life cycle of oil and gas wells. In particular, the Debtors manufacture, rent, and sell specialized equipment and tools for use with well drilling, completion, production, and workover activities, and offer fluid handling and well servicing rigs. The Debtors also provide coiled tubing services, electric line, slickline, and pressure control tools and services, as well as snubbing and hydraulic workover services.

The Debtors and their indirect subsidiaries' geographical reach is worldwide, and in 2019, the Debtors and their non-Debtor affiliates conducted business in more than fifty countries, including throughout Africa, Asia-Pacific, Europe, the Middle East, Latin America, and North America. The Debtors' headquarters are located in Houston, Texas, with offices across Texas, Louisiana, and Oklahoma. In addition, the Debtors' foreign non-debtor affiliates have regional offices in Argentina, Malaysia, the United Kingdom, and the United Arab Emirates.

The Parent has approximately seventy-five (75) direct and indirect subsidiaries as of the date hereof. Of those entities, however, only **the** seventeen (17) entities that are liable on the Debtors' funded indebtedness (which is described in further detail below) are Debtors in these Chapter 11 Cases. A copy of the Debtors' organizational chart is attached hereto as Exhibit F.

The Parent does not own any material assets other than its equity interests in its direct subsidiary, SESI. As described below, SESI is the issuer of, and primarily liable for, the entire amount of the Prepetition Notes Claims that exceed $1.30 billion. As shown in the Valuation Analysis attached hereto as Exhibit E, the estimated enterprise value of the Reorganized Debtors is between $710 million and $880 million. Therefore, SESI is worth substantially less than the face amount of the Prepetition Notes Claims and, in turn, the Parent has no residual value for its creditors or equityholders other than pursuant to a $125,000 distribution provided for under the Plan. This structure is reflected in the chart below.



B. OVERVIEW OF THE DEBTORS' BUSINESSES

The Debtors offer a wide variety of specialized oilfield services and equipment generally categorized by their typical use during the economic life of a well.

1. The Company's Business Segments

The Debtors' business primarily consists of the following ~~highly-integrated~~ offerings, as described further below: (a) drilling products and services, which includes rentals; (b) onshore completion and workover services, which includes service rigs and fluid management; (c) production services, which includes coiled tubing and wireline; and (d) technical solutions.

(a) Drilling Products and Services

The Company's drilling products and services segment manufactures, rents, and sells specialized equipment for well drilling, completion, production, and workover activities. These products include onshore and offshore accommodation units and accessories, as well as downhole drilling tools, such as tubulars, consisting primarily of drill pipe strings, landing strings, completion tubulars and associated accessories, and bottom hole tools including stabilizers, non-magnetic drill collars, and hole openers. In the three months ending on September 30, 2020, revenue for this segment decreased by approximately 50% compared to the same period in 2019, from $111.2 million to $56.0 million, primarily because of a decrease in demand for premium drill pipe and further negative impacts of otherwise challenging industry conditions.

(b) Onshore Completion and Workover Services

The Company's onshore completion and workover services segment includes fluid handling and well servicing. Fluid handling includes services used to obtain, move, store, and dispose of fluids involved in the exploration, development, and production of oil and gas, including mobile piping systems, specialized trucks, fracturing tanks, and other assets used to transport, heat, pump, and dispose of fluids. Workover services include a variety of well completion, workover and maintenance services, including installations, completions, sidetracking of wells, and support for perforating operations. In the three months ending on September 30, 2020, revenue for this segment decreased by approximately 72% compared to the same period in 2019, from $76.0 million to $21.6 million. This decline in revenue is primarily due to a ~~73%~~**significant** decrease in **the North American** rig count in ~~North America in~~ the third quarter of 2020 ~~that~~**relative to the third quarter of 2019, which** primarily resulted from the Saudi-Russian oil price war and the COVID-19 pandemic.

(c) Production Services

The Company's production services segment includes well intervention services and the provision of pressure control tools. Well intervention services include services to enhance, maintain, and extend oil and gas production during the life of the well through coiled tubing, cased hole, mechanical wireline, hydraulic workover, snubbing, and pressure control services, as well as production testing and optimization. Pressure control tools include the provision of blowout preventers, choke manifolds, fracturing blowback trees, and downhole valves. In the three months ending on September 30, 2020, revenue for this segment decreased by 43% compared to the same period in 2019, from $98.8 million to $56.4 million, primarily due to a decrease in coiled tubing and pressure control activities during the third quarter of 2020 that, once again, stemmed from the negative impacts of the Saudi-Russian oil price war and the COVID-19 pandemic.

(d) Technical Solutions

The Company's technical solutions segment includes products and services which address customer-specific needs for specialized engineering, manufacturing, or project planning, as well as completion tools and products. These operations are generally in offshore environments during the completion, production, and decommissioning phase of an oil and gas well. The products and services in this segment primarily include completion tools and services**,** and well control services. The completion tools and services include products and services used during the completion phase of an offshore well to control sand and maximize oil and gas production, including sand control systems, well screens and filters, and surface-controlled subsurface safety valves. The Debtors' well control services resolve well control and pressure control problems through firefighting, engineering, and well control training.[6] In the three months ending on September 30, 2020, revenue for this segment decreased by 53% compared to the same period in 2019, from $70.6 million to $33.0 million, primarily ~~from~~**due to** a decrease

[6] The Technical Solutions segment also includes revenues from oil and gas production related to ~~Debtor Wild Well Control Inc.'s 51% non-operating interest in~~ the Debtors' **51% ownership interest in their** sole federal offshore oil and gas property (which the Debtors refer to in their 2019 Form 10-K as the "oil and gas property") and related assets~~. This oil and gas property is located in the Gulf of Mexico and was acquired by the Debtors in February 2010~~.

in demand for completion tools and products. These downturns were once again due primarily to the negative impacts of the Saudi-Russian oil price war and the COVID-19 pandemic.

2. Superior's Customers

The Company's customers are major and independent oil and gas exploration and production companies active in the geographic areas in which the Debtors operate. No customers exceeded 10% of the Debtors' total revenues through September 2020, or in 2019, 2018 or 2017. Similar to the Debtors, their customers in the oil and gas sector were also impacted by the global pandemic and Saudi-Russian oil price war. Many of the Debtors' customers have initiated cost saving measures of their own and have otherwise delayed projects as a result of the current economic environment.

3. Superior's Competitors

The Debtors provide products and services worldwide in highly competitive markets, with competitors comprised of both small and large companies. The Debtors believe the principal competitive factors are price, performance, product and service quality, safety, response time and breadth of products and services available. The Debtors are consistently bidding for contracts traditionally awarded on the basis of competitive bids or are engaged in direct negotiations with their customers.

4. Superior's Employees

As of the Petition Date, the Debtors employed approximately ~~2,000~~**1,978** employees (consisting of approximately ~~600~~**589** salaried and ~~approximately 1,400~~**1,389** hourly)~~, with approximately 3,400 total employees worldwide for all of the Company's entities~~. Approximately 12% of the Company's employees ~~were~~**are** subject to union contracts, all of ~~them~~**whom are** located in international locations. Accordingly, none of the Debtors' **domestic** employees are subject to a collective bargaining agreement or similar labor agreement. **The Debtors also employ certain independent contractors. The number of independent contractors utilized by the Debtors at any given time fluctuates based on whether the Debtors are in a peak business season and the Debtors' specific needs at any given time. The Debtors currently employ 20 independent contractors.**

5. Incentive and Retention Bonus Programs

The Debtors have historically maintained incentive-based bonus programs primarily consisting of an annual cash bonus program and a long-term equity and cash incentive program (collectively, the "**Incentive and Retention Bonus Programs**"). Earlier in 2020, the Debtors, with the assistance of their compensation advisors, reviewed their Incentive and Retention Bonus Programs to determine whether they fulfilled the purposes of retaining and incentivizing key employees given the decline in the price of Parent's stock. The Company determined that these programs did not adequately fulfill these purposes and made the decision to establish a new program which would more efficiently achieve the Company's goals, replacing the annual cash bonus program and the long-term equity and cash incentive program.

That new program, the Key Employee Retention Plan (the "**KERP**") provides a means of rewarding both executive and non-executive key employees in an amount approximately equal to

each key employee's target annual incentive program opportunity. The KERP covers six executives and 80 key non-executive employees. In order to be compensated under the KERP, eligible employees were required to waive their right to any 2020 annual incentive bonus and any outstanding unvested long-term equity and cash incentives, with the exception of 2018 and 2019 cash-based performance units. The KERP was implemented in two stages, the first being adopted in September of 2020, with SESI making payments under the KERP to eligible participants and providing that such payments, net of taxes, would be clawed back if a KERP participant voluntarily terminated without "good reason" or was terminated for "cause" within one year following the payment date. The second stage of the KERP, which was adopted in October of 2020, provided that participants would receive three equal payments on October 19, 2020, January 18, 2021 and April 19, 2021, in each case subject to the applicable participant's continued employment through such payment dates. The estimated total cost of the KERP (including both stages described above) is approximately $11.9 million.

6. Deferred Compensation Plans

The Debtors also offer deferred compensation plans to certain employees, including the supplemental executive retirement plan ("**SERP**"), the non-qualified deferred compensation plan ("**NQDC Plan**"), and the non-qualified deferred compensation plan for Directors ("**Director NQDC Plan**" and, together with the SERP and NQDC Plan, the "**Deferred Compensation Plans**"). In total, approximately 28 current employees and approximately 12 retired employees participate in the Deferred Compensation Plans, including six current Directors. Although Debtors have unfunded liabilities of up to approximately $15.70 million on account of the Deferred Compensation Plans, the Debtors do not currently owe any outstanding amounts under the Deferred Compensation Plans.

7. Revenue

In 2019, the Company's revenue totaled approximately $1.425 billion, but the Company ended the year with a net loss of $255.7 million. The Company's 2019 revenue represented a 4% decrease from their 2018 revenue of $1.479 billion. The decrease in revenue was largely attributable to a decrease in the Debtors' U.S. onshore portfolio,[7] which decreased by 14% during 2019. In North America, the negative pricing pressures **and lower utilization** that began during the fourth quarter of 2018 continued to impact the demand for the Debtors' completion services during 2019. The decrease in revenue generated in the U.S. land market area was primarily due to decreased revenues from the Debtors' coiled tubing services, fluid management and well servicing rigs. The decrease in revenue is also attributable to the disposition of the Debtors' land drilling rigs service line during the second quarter of 2019.

Revenue breakdown by geographical area for the three months ended December 31, 2019 was as follows: U.S. Land (41%), U.S. Offshore (28%), and International (31%). Revenue breakdown by business segment was as follows: Drilling Products and Services (29%), Onshore

[7] The Debtors attribute their revenue to major geographic regions based on the location where their services are performed or the destination of the rental or sale of their products. The Debtors categorize their geographic regions for revenue purposes as follows: (i) U.S. land market area, (ii) Gulf of Mexico land area, and (iii) International land area.

Completion and Workover Services (20%), Production Services (30%), and Technical Solutions (21%).

8. Directors and Executive Officers

The directors and executive officers of the Parent consist of the following individuals:

Name	Position
David D. Dunlap	President, Chief Executive Officer and Director
Westervelt T. Ballard	Executive Vice President, Chief Financial Officer and Treasurer
A. Patrick Bernard	Executive Vice President
Brian Moore	Executive Vice President
William B. Masters	Executive Vice President and General Counsel
James W. Spexarth	Chief Accounting Officer
Terence E. Hall	Chairman of the Board of Directors
Peter D. Kinnear	Director
Janiece M. Longoria	Director
Michael M. McShane	Director
James M. Funk	Director
W. Matt Ralls	Director

C. PREPETITION INDEBTEDNESS

As set forth below, as of the date of this Disclosure Statement, the Debtors have outstanding funded debt obligations consisting of approximately $1.30 billion.

1. Prepetition Credit Agreement

Certain of the Debtors are party to ~~that certain~~**a** Fifth Amended and Restated Credit Agreement, dated as of October 20, 2017 (as the same may be amended, restated, amended and restated, waived, modified and/or supplemented from time to time, the "**Prepetition Credit Agreement**"), by and among SESI, as borrower, ~~the~~ Parent**,** as parent guarantor, the other guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent and issuing lender, the other issuing lenders party thereto from time to time and the lenders party thereto from time to time (the "**Prepetition Credit Agreement Lenders**"), providing for a $300 million asset-based revolving loan facility, including an aggregate $150 million commitment for the issuance of letters of credit. Availability of funds under the Prepetition Credit Agreement is subject to a borrowing base, which, as of November ~~15~~**30**, 2020 was ~~approximately $96.1~~**$96.0** million.[8] Availability under the Prepetition Credit Agreement is (a) the lesser of (i) the commitments, (ii) the borrowing base~~,~~ and (iii) the highest principal amount permitted to be secured under the 2021 Indenture (as defined herein) without triggering the equal and ratable provisions thereof, minus (b) the outstanding amount of loans and letters of credit under the

[8] The borrowing base was submitted to the Prepetition Credit Agreement Lenders on November 30, 2020~~,~~ based on relevant data ~~as of October 31, 2020~~**for the period 9/30/2020 through 10/31/2020**.

Prepetition Credit Agreement. The Debtors' obligations under the Prepetition Credit Agreement are secured by security interests in, and liens upon, substantially all of their assets other than real property, and Parent, along with a number of its domestic subsidiaries, all of which are Debtors in these Chapter 11 Cases, have guaranteed the obligations under the Prepetition Credit Agreement. As of the Petition Date, there were no outstanding loans under the Prepetition Credit Agreement, but the Debtors had approximately $47.4 million in outstanding letters of credit issued under the Prepetition Credit Agreement.

The Prepetition Credit Agreement provides for interest on loans at a rate equal to, at SESI's election, either (a) a base rate plus an applicable margin ranging between 0.75% per annum and 1.50% per annum, or (b) a eurodollar rate plus an applicable margin ranging between 1.75% per annum and 2.50% per annum, in each case based upon the Debtors' leverage ratio. The Prepetition Credit Agreement provides for (a) a fronting fee in respect of letters of credit of no less than 0.125% and (b) a letter of credit fee rate ranging between 1.75% to 2.50% based upon the Debtors' leverage ratio.

2. Prepetition Notes

SESI is the issuer of two tranches of senior unsecured notes. First, SESI issued $800 million **in** aggregate principal amount of 7.125% senior unsecured notes due 2021 (the "**2021 Notes**") pursuant to that certain Indenture, dated as of December 6, 2011, by and among SESI, each of the guarantors party thereto, and The Bank of New York Mellon Trust Company, N.A. as trustee (as amended, modified, or supplemented to date, the "**2021 Indenture**"). Second, SESI issued $500 million **in** aggregate principal amount of 7.750% senior unsecured notes due 2024 (the "**2024 Notes**", and together with the 2021 Notes, the "**Prepetition Notes**") pursuant to that certain Indenture, dated as of August 17, 2017 (as amended, modified, or supplemented to date, the "**2024 Indenture**" and together with the 2021 Indenture, the "**Prepetition Notes Indentures**") by and among SESI, each of the guarantors party thereto, and The Bank of New York Mellon Trust Company, N.A. as trustee.

The Parent and certain of SESI's domestic subsidiaries, all of which are Debtors in these Chapter 11 Cases, have guaranteed SESI's obligations under the Prepetition Notes Indentures. As of the Petition Date, the Debtors remain obligated under the Prepetition Notes Indentures for an outstanding principal amount of ~~approximately~~ $1.30 billion in the aggregate, plus accrued but unpaid interest, fees, costs, and expenses.

3. Decommissioning Liabilities

The Company's decommissioning liabilities associated with its oil and gas property and related assets include liabilities related to the plugging of wells, removal of the related platform and equipment, and site restoration. The Company reviews the adequacy of its planning for decommissioning liabilities whenever indicators suggest that the estimated cash flows and/or related timing needed to satisfy the liability have changed materially. The Company had decommissioning liabilities of $~~137.3~~**141.6** million as of ~~September 30~~**October 31**, 2020.

4. Legacy Parent Guarantees

The Parent is a party to certain performance guarantees related to a legacy business that owned oil and gas interests and was sold in 2008. Specifically, the Parent sold ownership

interests in one of its subsidiaries, SPN Resources LLC ("**SPN Resources**"), to Dynamic Offshore Resources, LLC ("**Dynamic**") pursuant to a purchase agreement between certain Debtors and Dynamic dated as of February 25, 2008. Through a number of M&A transactions over the years, Fieldwood Energy LLC and certain of its affiliates[9] ("**Fieldwood**") became Dynamic's ultimate successor in ownership of the interests acquired from the Parent. Consequently, Fieldwood and its direct and indirect subsidiaries are now party to a number of leases and Fieldwood is also the designated operator for all properties titled in the name of its subsidiaries where Fieldwood and its subsidiaries have the power to designate the operator. The Parent serves as guarantor of the obligations of SPN Resources to certain predecessors in title to oil and gas interests under certain guarantees, set forth on Exhibit G, attached hereto (such guarantees, the "**Legacy Parent Guarantees**" and such claims, the "**Legacy Parent Guarantee Claims**"). The Legacy Parent Guarantees may expose the Parent to contingent liabilities to the extent that asset retirement obligations are matured for any leases supported by the Legacy Parent Guarantees and the predecessors in title who are the beneficiaries of the Legacy Parent Guarantees become liable for such obligations. As of the Petition Date, the Parent does not have outstanding obligations on account of the Legacy Parent Guarantees.

5. Trade Debt and Related Obligations

The Debtors incur trade debt with certain vendors in connection with the ordinary course operation of their businesses. The Debtors believe that, as of the Petition Date, they have trade debt and other related obligations in the aggregate amount of approximately $27.5 million.

D. EVENTS LEADING TO THE CHAPTER 11 FILING

1. Current State of the Oil & Gas Industry and Impact on Debtors.

The Debtors' operations have been and likely will continue to be affected by the volatility of oil and natural gas prices. The oil and gas industry has been in one of the longest, steepest, and most sustained declines in oil and gas prices in recent history. Oil and natural gas prices are dependent on factors beyond the Company's control, including the supply of and demand for oil, weather conditions, and political conditions, among others. As a result of the sustained market downturn, oil and gas companies around the world have dramatically curtailed capital and operating expenditures dedicated to oil and gas exploration, development and production, which in turn has contributed to the financial distress of numerous oilfield services companies. In fact, dozens of oilfield services companies, whose business is dependent on spending by oil and gas companies, have filed for bankruptcy in the last several years.

2. The Debtors' Attempted Prepetition Strategic ~~Divestiture~~Divestitures.

In the wake of the 2015-2016 oil and gas industry correction and the protracted downturn, the Debtors worked tirelessly to rationalize its operational footprint and cost structure. In addition, they explored options to maximize value through a strategic transaction of its hydraulic fracturing operation, which is a business focused on using high-

[9] On August 3, 2020, Fieldwood, together with certain of its affiliates, filed a chapter 11 case in the United States Bankruptcy Court for the Southern District of Texas titled *In re Fieldwood Energy LLC*, et al., Case No. 20-33948 (MI) (Bankr. S.D. Tex. 2020) (the "**Fieldwood Cases**").

powered pumps to force sand, water, and chemicals underground to release trapped oil and gas.

In ~~the wake of the 2015 oil and gas industry correction and the protracted downturn~~**2017-2018**, the Debtors determined that their strategy of a mid-cap, globally diversified energy service company would systemically be out of favor with stakeholders, and determined that more narrowly focused energy service companies would be more attractive to the investment community.

After engaging ~~**In 2016, the Debtors engaged**~~ Lazard Frères & Co. ~~**LLC to explore options to maximize stakeholder value. The**~~**L.L.C., the** Debtors determined ~~**that**~~ the separation of their U.S. onshore **well service and fluids** business units from their ~~**global**~~**globally oriented** business units would create significant value for stakeholders. ~~**The Debtors identified four distinct divisions of**~~

The well services business provides essential completion and production services. The well services business also provides pre- and post- fracturing support activities generally related to fluids utilized or generated during the completion and production phase. While not actively considered for divestiture, prior to 2017, the Debtors received several unsolicited inquiries from strategic buyers to discuss a potential transaction for their fluids business. The Debtors engaged a financial advisor in 2017 to run a formal, targeted bid solicitation process. However, upon the announced merger between two competing industry participants in 2017, the Debtors suspended the solicitation process.

In 2019, with continued oil price volatility, the Debtors recognized that in addition to the need for separating the company, they also realized that it was unlikely that cash flow alone would be sufficient in providing enough resources to adequately retire its 7.125% senior unsecured notes due 2021. To address these items, the Debtors focused their attention on the divestiture of non-core assets and sold their artificial lift and subsea well control system businesses for a combined approximate $34.6 million (realized in 2020).

Additionally, the **Debtors categorized their** U.S. onshore business **units into four distinct divisions**. While each division is predominately attached to U.S. onshore operations, they are distinct business units with little to no synergies among them. The four distinct divisions of the U.S. onshore business were: (a) hydraulic fracturing; (b) contract drilling; (c) accommodations rentals; and (d) well services.

The ~~**hydraulic fracturing business focused on using high-powered pumps to force sand, water, and chemicals underground to release trapped oil and gas. Beginning in 2018, the Debtors engaged**~~**Debtors re-engaged** with numerous hydraulic fracturing service providers regarding a potential sale of the business line. Sale discussions did not proceed beyond initial stages and the Debtors ultimately decided to discontinue operations of the hydraulic fracturing business in December 2019.

The contract drilling business operated ~~**oil**~~**drilling** rigs for the benefit of customers, **and was** fully supported by experienced superintendents, tool pushers, mechanics, and electricians. In 2018, the Debtors began a focused sale process and in June 2019, the Debtors agreed to divest

their **contract** drilling ~~**rig service line**~~**business**, resulting in approximately $74 million in cash proceeds at closing.

The accommodations rentals business is a niche onsite accommodations rental operation primarily servicing U.S. land operators. While the Debtors' accommodation rentals business has historically been a positive free cash flow generator, given their unique niche rental offering and limited geographical expansion opportunities, the Debtors **hired a financial advisor and** began a sale solicitation process for the business in 2017. After a fulsome bidding process, the Debtors did not receive any actionable bids and the business was ultimately not sold.

~~**The well services business provides essential pre- and post- fracturing support activities generally related to fluids that are utilized or generated during the completion and production phase. While not actively considered for divestiture, between 2014 and 2016, the Debtors received several unsolicited inquiries from strategic buyers to discuss potential stock-for-stock mergers. The Debtors engaged Goldman Sachs in 2017 to run a formal, targeted bid solicitation process. However, upon the announced merger between two competing industry participants in 2017, the Debtors suspended the solicitation process.**~~

~~**Subsequently, from 2017 through the first quarter of**~~**Through** 2019, the Debtors initiated contact with numerous U.S. onshore well service management teams and boards of directors in order to better understand competitor strategies and market leadership capabilities. In December 2019, after consulting with advisors and examining a number of strategic options, the Debtors decided to divest their accommodation rentals and well services businesses, including their U.S. service rig, coiled tubing, wireline, pressure control, flowback, fluid management, and accommodations service lines (collectively, the "**NAM Business**"). The Debtors intended to combine their NAM Business entities with another independent oilfield services contractor, Forbes Energy Services Ltd. ("**Forbes**"), to create a new consolidated platform for U.S. completion, production**,** and water solutions (the "**NAM Combination**").

On December 18, 2019, the Parent and Forbes entered into a definitive merger agreement (the "**NAM Merger Agreement**") in connection with the NAM Combination. The NAM Merger Agreement contemplated a separation of the NAM Business entities from the Company, a combination of the NAM Business entities and Forbes, and a corresponding uptier bond exchange, resulting in a deleveraging of the Debtors following the NAM Combination. However, as described further below, deteriorating market conditions, amplified by the significant reduction in crude oil prices caused primarily by the COVID-19 pandemic and the Saudi-Russian **oil** price war, resulted in a significant decline in the demand for services provided by the Debtors, including the NAM Business entities, and Forbes. ~~**While**~~**Consequently, while** the Debtors believed ~~**that**~~ their businesses should be separated into two distinct companies, it became impractical to complete the NAM Combination with Forbes**,** and the **NAM** Merger Agreement was terminated on June 1, 2020 in accordance with its terms.

3. The Impact of the COVID-19 Pandemic on the Debtors' Industry

The Company's revenues and earnings can be affected by several factors, including changes in competition, fluctuations in drilling and completion activity, perceptions of future prices of oil and gas, government regulation, disruptions caused by weather**,** and general

economic conditions. However, the first three quarters of 2020 were characterized by unforeseeable shocks to the global economy generally, and the energy sector in particular. Specifically, the Saudi-Russian oil price war, combined with the COVID-19 pandemic, led to a decrease in the price of oil which was exacerbated by the decreased demand for oil. These unanticipated events have had a devastating near-term impact on the Debtors' operations and ~~their~~**its various** business lines, and ~~have~~**has negatively** impacted the Debtors' customers, vendors, and suppliers in all geographic areas where the Debtors operate. In fact, the U.S. oil and gas rig count fell by approximately 25% during the first quarter of 2020 and, as a further result of the COVID-19 pandemic and the Saudi-Russian oil price war, plunged by more than 60% in the second quarter of 2020. Further, **according to the Baker Hughes' weekly worldwide and international rig count data for 2020,** the number of oil and gas rigs outside of the U.S. and Canada fell by more than 20% in the second quarter of 2020~~. Each~~**, each** resulting in a decrease in demand for the Debtors**'** products and services.

As a result, the ~~Debtors'~~**Company's** revenue in the second quarter of 2020 decreased by 43% to $183.9 million, as compared to $321.5 million in the first quarter of 2020. As the Debtors' customers continue to revise their capital budgets in order to adjust spending levels in response to lower commodity prices, the Debtors continue to experience significant pricing pressure for their products and services. **The Company's revenue further decreased by approximately 9% to $166.9 million in the third quarter of 2020.**

4. Prepetition Efforts to Combat Market Downturn

The COVID-19 pandemic and the Saudi-Russian oil price war led to a decline in the price of oil and gas which severely impacted the Debtors' cash flow, borrowing capacity and ability to service their outstanding indebtedness. In response, the Debtors implemented a number of cost-saving contingencies to protect their business from further deterioration.

(a) Cost Reduction Initiatives

Before commencing these Chapter 11 Cases, the Debtors took a number of steps to improve their position in the market, and more recently, their capital structure and liquidity needs, without resorting to a comprehensive in-court restructuring, including cutting costs, reducing capital expenditures and managing liquidity.

Specifically, in the months leading up to these Chapter 11 Cases, the Debtors implemented a number of cost reduction activities to "right size" operations to the current business environment. In the second quarter of 2020, the Debtors implemented actions to reduce their payroll costs through a combination of salary reductions, reductions in force and furloughs. The Debtors also limited their expected capital expenditures to no more than $50 million for the full fiscal year 2020. Additionally, the Debtors have realized cost savings through leveraging governmental relief efforts to defer payroll and other tax payments, resulting in higher future cash flows for 2020, including a tax refund of $30.5 million received in July 2020.

(b) Prepetition Credit Agreement Amendment

On August 5, 2020, the Debtors amended the Prepetition Credit Agreement to permit the use of up to the lesser of (a) $100 million and (b) 105% of the face value of certain third-party letters of credit, surety, judgment, appeal, or performance bonds, and similar obligations of the

Debtors, to cash collateralize such obligations. The Debtors were required to reduce the amount of letters of credit issued pursuant to the Prepetition Credit Agreement to bring availability thereunder to at least $37.5 million, and to deposit $25 million in an account under their lenders' control to further secure their obligations under the Prepetition Credit Agreement~~, in each case within five business days after the effective date of the amendment. The amendment also prohibits the Debtors~~. **The Debtors were also prohibited** from requesting any loans under the Prepetition Credit Agreement and ~~restricts~~ the Debtors' flexibility **was restricted** under certain of the investment, indebtedness, junior debt repayment, and restricted payment covenants thereunder. Although these actions on the surface may have appeared to have a negligible effect on liquidity, as a result of these actions, the Debtors were able to avoid breaching certain covenants under the Prepetition Credit Agreement that would have required the Debtors to ~~give the lenders~~**enter** cash dominion and to supply weekly borrowing base reports.

(c) The New York Stock Exchange Delisting Notice and Transition to OTCQX Market

On March 30, 2020, the NYSE notified the Parent that it no longer was in compliance with the NYSE's continued listing standards because the Parent's average global market capitalization over a consecutive 30 trading-day period had dropped below $50 million and its stockholders' equity was simultaneously below $50 million. In accordance with the applicable NYSE rules, on May 14, 2020, the Parent submitted its plan to cure such deficiency and regain compliance with the NYSE continued listing standards, and, on June 25, 2020, the NYSE accepted the plan. On September 17, 2020, the NYSE notified the Parent that the NYSE would commence proceedings to delist and suspend trading of the Parent's common stock from the NYSE due to ~~its noncompliance with the NYSE continued listing standards that requires maintaining an average global market capitalization over a consecutive 30-day trading period of at least $15 million~~**failure to meet the foregoing standard**. Effective September 18, 2020, the Parent's common stock commenced trading in the over-the-counter securities marketplace on the OTCQX Market under the symbol "SPNX." The Parent's transition to the OTCQX Market did not, and is not expected to, affect its or the other Debtors' business operations. On October 2, 2020, the NYSE filed a Form 25 delisting the Debtors' common stock from trading on the NYSE, which delisting became effective 10 days after the filing of the Form 25.

5. The Debtors' Prepetition Restructuring Efforts

As the global outbreak of the COVID-19 pandemic continued to rapidly evolve, the Company's management expected it to continue to materially and adversely affect the Company's revenue, financial condition, profitability, and cash flow for an indeterminate period of time. As a result, the Debtors decided to take the alternative and necessary actions to right-size the business for expected activity levels across the business. As such, beginning in the summer of 2020, the Parent's board of directors authorized the retention of advisors, including Latham & Watkins LLP ("**Latham**"), as legal counsel, Ducera Partners ~~LLC~~**L.L.C.** ("**Ducera**") and Johnson Rice & Company ("**Johnson Rice**"), as investment bankers, and Alvarez & Marsal North America, ~~LLC~~**L.L.C.** ("**A&M**"), as financial advisor, to assist the Debtors' evaluation of various strategic alternatives in the face of the market downturn as a result of the COVID-19 pandemic and the ~~Russia-Saudi~~**Saudi-Russian** oil price war. Over the course of several

months, the Debtors and their advisors engaged in extensive discussions and negotiations with various stakeholders, including the Prepetition Credit Agreement Lenders represented by Simpson Thacher & Bartlett LLP, as legal counsel, and FTI Consulting, Inc., as financial advisor, and the Ad Hoc Noteholder Group represented by Davis Polk & Wardwell LLP, as legal counsel, and Evercore Group L.L.C., as financial advisor, regarding a potential restructuring of the Debtors' balance sheet and business operations.

6. The Debtors' Entry into the Restructuring Support Agreement[10]

The Debtors, their advisors, the Ad Hoc Noteholder Group and their advisors focused on proactively exploring a wide range of strategic alternatives, taking into account various factors, including ~~but not limited to~~ market feedback, the Debtors' deteriorating economic outlook, as well as the deteriorating industry-wide environment. Ultimately, the aforementioned negotiations were successful and resulted in the ~~Restructuring agreed upon in~~**execution of** the Restructuring Support Agreement ~~by and among the Parent and its direct and indirect wholly-owned domestic subsidiaries, and the Ad Hoc Noteholder Group~~. As further described below, the terms of the **restructuring as contemplated within the** Restructuring Support Agreement would substantially deleverage the Debtors' long-term debt and related interest costs, provide access to exit financing, **ultimately** eliminate the potential Legacy Parent Guarantee Claims at the Parent level, and establish a capital structure that the Parent believes will allow its businesses to thrive in a low-commodity-price environment.

~~6. The Debtors' Entry into the Restructuring Support Agreement[10]~~

On December 4, 2020, the Debtors and the Consenting Noteholders entered into the Restructuring Support Agreement whereby the Consenting Noteholders have agreed to ~~a series of deleveraging transactions (the "~~**the** Restructuring~~") that~~**, which** will eliminate approximately $1.30 billion of funded debt obligations of the Debtors through the Plan. The Restructuring contemplates the equitization of all amounts outstanding under the Debtors' Prepetition Notes and the refinancing of the amounts outstanding under the Prepetition Credit Agreement through the Exit Facility.

The Original Restructuring Support Agreement contemplated ~~a 2.0% equity recovery and issuance of warrants to~~**that** Holders of Old Parent Interests **would receive 2.0% of the equity of Parent issued upon emergence from these Chapter 11 Cases**. However, after executing the Original Restructuring Support Agreement, the Ad Hoc Noteholder Group ~~was informed~~**learned** that there may be substantial liabilities (albeit contingent) at the Parent. After being made aware of this information, the Ad Hoc Noteholder Group informed the Debtors that they were no longer willing to discharge and fully equitize their ~~Claims~~**claims** pursuant to the transaction structure contemplated by the Original Restructuring Support Agreement. Because the Legacy Parent Guarantee Claims exist only against the Parent and there are virtually no assets at the Parent that would permit a recovery to any creditor of the Parent, the Original

[10] **This summary is qualified in its entirety by the Restructuring Support Agreement. To the extent that any provision of this summary is inconsistent with the Restructuring Support Agreement, the Restructuring Support Agreement will control.**

[10] ~~This summary is qualified in its entirety by the Restructuring Support Agreement. To the extent that any provision of this summary is inconsistent with the Restructuring Support Agreement, the Restructuring Support Agreement will control.~~

Restructuring Support Agreement was amended to eliminate any recovery to **and discharge of claims held by** Holders of Old Parent Interests to allow for a recovery to the creditors of the Parent, including Holders of the Legacy Parent Guarantee Claims.

Under the terms of the Original Restructuring Support Agreement, the Ad Hoc Noteholder Group also informed the Company that it would not make the election to split the Company.[11]

The Ad Hoc Noteholder Group, pursuant to the Restructuring Support Agreement, is obligated to support the Plan that will discharge their claims in exchange for:

- In the case of Holders of Prepetition Notes Claims against the Parent, each Holder's Pro Rata share (calculated together with the Claims in Class 6) of the Parent GUC Recovery Cash Pool; *provided* that the Holders of the Prepetition Notes Claims against the Parent will waive any distribution from the Parent GUC Recovery Cash Pool; and
- In the case of Prepetition Notes Claims against any Affiliate Debtor,
  - (~~i~~**a**) the Cash Payout or

~~•~~ (~~ii~~**b**) solely to the extent that such Holder timely and validly elects to be a Cash Opt-Out Noteholder on the Ballot provided to such Holder or is otherwise deemed to be a Cash Opt-Out Noteholder, (~~A~~**i**) 100% of the New Common Stock Pool, subject to dilution from and after the Effective Date on account of the New MIP Equity, and (~~B~~**ii**), to the extent such Holder is an Accredited Cash Opt-Out Noteholder, Subscription Rights.

Under the terms of the Restructuring Support Agreement, the Ad Hoc Noteholder Group, which includes Holders of Claims arising under the Prepetition Notes, have agreed to vote to accept the Plan. The Restructuring will provide substantial benefits to the Debtors and all of their stakeholders**,** and will leave the Debtors' business intact and substantially deleveraged, providing for the reduction of approximately $1.30 billion of debt. The Restructuring will also eliminate **potentially** millions of dollars in ~~potential~~**contingent** liability consisting of the Legacy Parent Guarantee Claims. This deleveraging, coupled with the elimination of ~~the potentially~~**potential** substantial Legacy Parent Guarantee Claims, will enhance the Debtors' long-term growth prospects ~~and~~**,** competitive position**,** and allow the Debtors to emerge from the Chapter 11 Cases as reorganized entities better positioned to succeed in the oil and gas services industry.

In addition, the Restructuring will allow the Debtors' management team to focus on operational performance and value creation. A significantly improved balance sheet will provide the Reorganized Debtors with increased financial flexibility and the ability to pursue value-maximizing opportunities that will strengthen the Reorganized Debtors' customer service offerings. **However, to be able to achieve all of this, the Debtors must be able to emerge from bankruptcy as quickly and responsibly as possible. Without a quick exit from**

[11] Pursuant to the Original Restructuring Support Agreement, the Restructuring provided the Ad Hoc Noteholder Group the option to elect to either (i) split the Company (as defined below) into two distinct companies whereby the holders of Prepetition Notes Claims would own over 95% of both companies or (ii) keep the Company intact and own 98% of the Reorganized Debtors.

bankruptcy, the Debtors risk being mired in an expensive and value-destructive process that causes its customers nationally, and more importantly internationally, to lose confidence in the Debtors' ability to restructure and emerge from bankruptcy as a healthier and more sustainable business partner.

The Restructuring Support Agreement includes certain milestones for the progress of the Chapter 11 Cases, which include the dates by which the Debtors are required to, among other things, obtain certain court orders and complete the Restructuring. The Restructuring Support Agreement milestones are subject to federal holidays and Bankruptcy Court availability for hearings.

Milestone	Deadline
Commencement of Solicitation	No later than December 6, 2020
Commencement of Chapter 11 Cases	No later than December 7, 2020
Filing of Chapter 11 Plan, Disclosure Statement, and Solicitation Procedures Motion	No later than December 7, 2020
Entry of orders approving first day relief	No later than December 11, 2020
Entry of order confirming the Chapter 11 Plan	No later than January 25, 2021
Chapter 11 Plan Effective Date	No later than February 1, 2021

7. DIP Financing

To ensure access to letters of credit during these Chapter 11 Cases, the Debtors negotiated the DIP Financing with certain of their existing Prepetition Credit Agreement Lenders. The DIP Financing is critical to the Debtors' ability to operate postpetition and ultimately emerge from these Chapter 11 Cases. The structure of the DIP Financing ~~substantially mirrors the~~**is similar to the Debtors'** prepetition debt financing under ~~the~~**their** Prepetition Credit Agreement. As described above, there are no outstanding loans under the Prepetition Credit Agreement, but the Debtors ~~had~~**have** approximately $47.4 million in outstanding letters of credit issued under the Prepetition Credit Agreement **(i.e., the DIP Financing simply rolls the Prepetition Credit Agreement forward into these Chapter 11 Cases).**

As such, the proposed DIP Financing essentially seeks to roll-up the Debtors' outstanding letters of credit into a DIP Financing facility that will be used to fund the Debtors' operations during the Chapter 11 Cases, similar to how the Debtors were funding its business prior to the Chapter 11 Cases. The DIP Financing will consist of senior secured postpetition obligations on a superpriority basis in respect of a senior secured superpriority letter of credit facility in the aggregate principal amount of $120 million (the "**DIP Facility**"). The Debtors are **also** seeking to have the outstanding amounts of the letters of credit under the Prepetition Credit Agreement to be ~~deemed issued under~~**converted into** the DIP Facility and

for those letters of credit to be ~~deemed issued under~~**used as part of** the Exit Facility ~~(as defined in the Plan), to the extent such letters of credit are still outstanding~~.

The DIP Facility was the product of extensive arm's-length, good-faith negotiations with certain of the Prepetition Credit Agreement Lenders. The proposed DIP Facility **provides the Debtors with immediate and critical access to liquidity that is necessary to ensure that the Debtors' businesses are stabilized, that chapter 11 administrative costs are paid in full, and that value is preserved during the course of the Debtors' Chapter 11 Cases. It also** ensures that the outstanding letters of credit under the Prepetition Credit Agreement stay in place and can continue to be relied upon by the Debtors ~~and~~**,** their customers**,** and vendors.

The DIP Facility demonstrates the ongoing support of the Prepetition Credit Agreement Lenders for the Debtors' ~~financial and operational restructuring~~**restructuring. Without access to the DIP Facility, the Debtors would have to rely only on their unencumbered cash on hand. Although the Debtors can continue to operate in the near term with their current limited liquidity, the DIP Facility will provide stability for the Debtors to maintain their ordinary course of business, provide comfort to their employee, customer, and vendor constituencies, and support the administration of these Chapter 11 Cases**. Obtaining access to the DIP Facility will allow the Debtors to send a clear message to **their** customers and ~~their~~ vendor base that the Debtors will continue to be a reliable partner and that they will be ready to capitalize on gaining market share upon ~~the~~**an** industry turnaround. In addition, relying solely on cash collateral ~~may~~**could** constrain the Debtors' financial position in the event the Debtors would have to cash collateralize any obligations arising from letters of credit ~~issued under the Prepetition Credit Agreement~~. Accordingly, the proposed DIP Facility will provide much-needed stabilization to the Debtors' business operations ~~and~~**,** the economic terms of the proposed DIP Facility are highly competitive**,** and reflect the support of the Debtors' preexisting lenders for the Debtors' restructuring. As a result, the proposed DIP Facility is in the best interests of the Debtors' estates.

III.
ANTICIPATED EVENTS DURING THE CHAPTER 11 CASE

A. CHAPTER 11 FIRST DAY MOTIONS AND CERTAIN RELATED RELIEF

In accordance with the Restructuring Support Agreement, the Debtors anticipate filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code on or around December 7, 2020. The filing of the petitions will commence the Chapter 11 Cases at which time the Debtors will be afforded the benefits and become subject to the limitations of the Bankruptcy Code.

The Debtors intend to continue operating their businesses in the ordinary course during the pendency of the Chapter 11 Cases as they have been doing prior to the intended Petition Date. To facilitate the efficient and expeditious implementation of the Plan through the Chapter 11 Cases, and to minimize disruptions to the Debtors' operations on the Petition Date, the Debtors intend to seek to have all of the Chapter 11 Cases assigned to the same bankruptcy judge and administered jointly, and to file various motions seeking important and urgent relief from the Bankruptcy Court. Such relief, if granted, will assist in the administration of the Chapter 11

Professionals or other Entities asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on counsel to the Reorganized Debtors, counsel to the Ad Hoc Noteholder Group and such other Entities who are designated in the Confirmation Order an application for final allowance of such Professional Fee Claim no later than the Professional Fees Bar Date; provided that no application or notice to or order of the Bankruptcy Court will be required in order for the Reorganized Debtors to pay Professionals for any work performed after the Effective Date, including those reasonable and documented fees and expenses incurred by Professionals in connection with the implementation and consummation of the Plan.

Objections to any Professional Fee Claim must be Filed and served on counsel to the Reorganized Debtors, counsel to the Ad Hoc Noteholder Group and the requesting party by no later than twenty-one (21) days after the Filing of the applicable final request for payment of the Professional Fee Claim. Each Holder of an Allowed Professional Fee Claim will be paid in full in Cash by the Reorganized Debtors, first from the Professional Fee Claim Reserve, within five (5) Business Days after entry of the order approving such Allowed Professional Fee Claim. The Reorganized Debtors will not commingle any funds contained in the Professional Fee Claim Reserve and will use such funds to pay only the Professional Fee Claims, as and when allowed by order of the Bankruptcy Court. Notwithstanding anything to the contrary contained in the Plan, the failure of the Professional Fee Claim Reserve to satisfy in full the Professional Fee Claims will not, in any way, operate or be construed as a cap or limitation on the amount of Professional Fee Claims due and payable by the Reorganized Debtors. The Professional Fee Claim Reserve will be maintained in trust for the Professionals and will not be considered property of the Debtors' Estates; *provided* that the Reorganized Debtors will have a reversionary interest in the Unused Cash Reserve Amount. To the extent that funds held in the Professional Fee Claim Reserve do not or are unable to satisfy the full amount of the Allowed Professional Fee Claims, such Professionals will have an Allowed Administrative Claim for any such deficiency, which will be satisfied in full in Cash in accordance with Article II.~~**Error! Reference source not found.**~~A of the Plan.

2. DIP Super-Priority Claims

The DIP Super-Priority Claims will be Allowed in the full amount due and owing under the DIP Documents, including all principal, accrued and accruing postpetition interest, costs, fees and expenses. On the Effective Date, the Allowed DIP Super-Priority Claims will, in full satisfaction, settlement, discharge and release of, and in exchange for such DIP Super-Priority Claims, be indefeasibly paid in full in Cash from the proceeds of each Exit Facility and the DIP Liens will be deemed discharged, released, and terminated for all purposes without further action of or by any Person or Entity, or will be deemed by the Confirmation Order to continue so as to secure the Exit Facility, as the case may be; *provided* that the DIP Contingent Obligations will survive the Effective Date on an unsecured basis and will be paid by the Reorganized Debtors as and when due; *provided further* that any Allowed DIP Super-Priority Claims related to letters of credit issued and outstanding as of the Effective Date, or to cash management obligations or hedging obligations in existence on the Effective Date, may be deemed outstanding under the Exit ABL Facility or receive such other treatment as may be acceptable to the Debtors, the DIP Agent and the Required Consenting Noteholders.

3. Priority Tax Claims

Subject to ~~H~~Article VIII of the Plan, on the Effective Date or as soon as reasonably practicable thereafter, each Holder of an Allowed Priority Tax Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtors or Reorganized Debtors, as applicable: (i) Cash equal to the amount of such Allowed Priority Tax Claim; (ii) such other less favorable treatment as to which the Debtors (with the consent of the Required Consenting Noteholders) or Reorganized Debtors, as applicable, and the Holder of such Allowed Priority Tax Claim have agreed upon in writing; (iii) such other treatment such that it will not be Impaired pursuant to section 1124 of the Bankruptcy Code; or (iv) pursuant to and in accordance with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular taxing authority and the Debtors or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code; *provided, however*, that Priority Tax Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business following the occurrence of the Effective Date by the applicable Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. Any installment payments to be made under clause (iii) or (iv) above will be made in equal quarterly Cash payments beginning on the Effective Date (or as soon as reasonably practicable thereafter), and continuing on a quarterly basis until payment in full of the applicable Allowed Priority Tax Claim.

C. CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

1. Summary

The Plan constitutes a separate plan of reorganization for each Debtor. All Claims and Equity Interests, except Administrative Claims, DIP Super-Priority Claims, and Priority Tax Claims, are placed in the Classes set forth below. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors (*i.e.*, there will be twelve (12) Classes for each Debtor); *provided*, that any Class that is vacant as to a particular Debtor will be treated in accordance with Article III.D of the Plan.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including, without limitation, for voting, confirmation and distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remaining portion of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid, released, disallowed or otherwise settled prior to the Effective Date.

Summary of Classification and Treatment of Classified Claims and Equity Interests

~~Class~~	~~Claim/Equity Interest~~	~~Status~~	~~Voting Rights~~
1.	Other Priority Claims	Unimpaired	Presumed to Accept
2.	Other Secured Claims	Unimpaired	Presumed to Accept
3.	Secured Tax Claims	Unimpaired	Presumed to Accept
4.	Prepetition Credit Agreement Claims	Unimpaired	Presumed to Accept
5.	***Prepetition Notes Claims Against Parent***	***Impaired***	***Entitled to Vote***
6.	***General Unsecured Claims Against Parent***	***Impaired***	***Entitled to Vote***
7.	***Prepetition Notes Claims Against Affiliate Debtors***	***Impaired***	***Entitled to Vote***
8.	General Unsecured Claims Against Affiliate Debtors	Unimpaired	Presumed to Accept
9.	Intercompany Claims	Unimpaired	Presumed to Accept
10.	Old Parent Interests	Impaired	Deemed to Reject
11.	Intercompany Equity Interests	Unimpaired	Presumed to Accept
12.	510(b) Equity Claims	Impaired	Deemed to Reject

2. Classification and Treatment of Claims and Equity Interests

(a) Class 1 – Other Priority Claims

- *Classification*: Class 1 consists of the Other Priority Claims.
- *Treatment*: Subject to ~~H~~**Article VIII** of the Plan, on the Effective Date or as soon as reasonably practicable thereafter, each Holder of an Allowed Class 1 Claim will receive in full and final satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 1 Claim, at the election of the Debtors or Reorganized Debtors, as applicable (with the consent of the Required Consenting Noteholders): (A) Cash equal to the amount of such Allowed Class 1 Claim; (B) such other less favorable treatment as to which the Debtors or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 1 Claim will have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the

Bankruptcy Code; *provided, however*, that Class 1 Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business following the occurrence of the Effective Date by the applicable Reorganized Debtor in accordance with the terms and conditions of any agreements relating thereto without further notice to or order of the Bankruptcy Court.

- *Voting*: Class 1 is an Unimpaired Class, and the Holders of Claims in Class 1 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 are not entitled to vote to accept or reject the Plan. Holders of Claims in Class 1 will be provided a Notice of Non-Voting Status solely for purposes of affirmatively opting-out of the Third Party Releases.

(b) Class 2 – Other Secured Claims

- *Classification*: Class 2 consists of the Other Secured Claims. Class 2 consists of separate subclasses for each Other Secured Claim.

- *Treatment*: Subject to ~~H~~**Article VIII** of the Plan, on the Effective Date or as soon as reasonably practicable thereafter, each Holder of an Allowed Class 2 Claim will receive in full and final satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 2 Claim, at the election of the Debtors or Reorganized Debtors, as applicable (with the consent of the Required Consenting Noteholders in the manner set forth in the Restructuring Support Agreement): (A) Cash equal to the amount of such Allowed Class 2 Claim; (B) such other less favorable treatment as to which the Debtors or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 2 Claim will have agreed upon in writing; (C) the Collateral securing such Allowed Class 2 Claim; or (D) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; *provided, however*, that Class 2 Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business following the occurrence of the Effective Date by the applicable Reorganized Debtor in accordance with the terms and conditions of any agreements relating thereto without further notice to or order of the Bankruptcy Court.

- *Voting*: Class 2 is an Unimpaired Class, and the Holders of Claims in Class 2 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 2 are not entitled to vote to accept or reject the Plan. Holders of Claims in Class 2 will be provided a Notice of Non-Voting Status solely for purposes of affirmatively opting-out of the Third Party Releases.

(c) Class 3 - Secured Tax Claims

- *Classification*: Class 3 consists of the Secured Tax Claims.

- *Treatment*: Subject to ~~H~~**Article VIII** of the Plan, on the Effective Date or as soon as reasonably practicable thereafter, each Holder of an Allowed Class 3 Claim will receive in full and final satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class 3 Claim, at the election of the Debtors or Reorganized Debtors, as applicable (with the consent of the Required Consenting Noteholders in the manner set forth in the Restructuring Support Agreement): (A) Cash equal to the amount of such Allowed Class 3 Claim; (B) such other less favorable treatment as to which the Debtors or Reorganized Debtors, as applicable, and the Holder of such Allowed Class 3 Claim will have agreed upon in writing; (C) the Collateral securing such Allowed Class 3 Claim; (D) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; or (E) pursuant to and in accordance with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Class 3 Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular taxing authority and the Debtors or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code; *provided*, *however*, that Class 3 Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business following the occurrence of the Effective Date by the applicable Reorganized Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. Any installment payments to be made under clause (D) or (E) above will be made in equal quarterly Cash payments beginning on the Effective Date (or as soon as reasonably practicable thereafter), and continuing on a quarterly basis until payment in full of the applicable Allowed Class 3 Claim.

- *Voting*: Class 3 is an Unimpaired Class, and the Holders of Claims in Class 3 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 3 are not entitled to vote to accept or reject the Plan. Holders of Claims in Class 3 will be provided a Notice of Non-Voting Status solely for purposes of affirmatively opting out of the Third Party Releases.

(d) Class 4 – Prepetition Credit Agreement Claims

- *Classification:* Class 4 consists of the Prepetition Credit Agreement Claims.

- *Allowance*: The Prepetition Credit Agreement Claims are deemed Allowed in the aggregate principal amount of $47,357,274.86, plus accrued and unpaid interest thereon.

- *Treatment:* On the Effective Date, the Allowed Prepetition Credit Agreement Claims, other than Prepetition Credit Agreement Claims related to any

Order. The actions to effectuate the Restructuring Transactions may include: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, disposition, liquidation, or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable state law and such other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, duty, or obligation on terms consistent with the terms of the Plan and having such other terms to which the applicable Entities may agree; (iii) the filing of appropriate certificates or articles of merger, amalgamation, consolidation, or dissolution pursuant to applicable state law; (iv) the creation of one or more new Entities; and (v) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law in connection with such transactions, in each case in form and substance reasonably acceptable to the Required Consenting Noteholders and to the extent necessary to implement the Plan or as set forth in the Reorganization Steps Overview, and in all cases subject to the terms and conditions of the Restructuring Support Agreement, the Plan, and the Restructuring Documents and any consents or approvals required thereunder.

2. Continued Corporate Existence

Subject to the Restructuring Transactions permitted by Article V.~~**Error! Reference source not found.**~~A of the Plan, after the Effective Date, the Reorganized Debtors will continue to exist as separate legal Entities in accordance with the applicable law in the respective jurisdiction in which they are incorporated or formed and pursuant to their respective certificates or articles of incorporation and by-laws, or other applicable corporate governance documents, in effect immediately prior to the Effective Date, except to the extent such certificates or articles of incorporation and by-laws, or other applicable corporate governance documents, are amended, restated or otherwise modified under the Plan (subject to such amendment, restatement, or replacement being in accordance with applicable law of the Debtor's jurisdiction of incorporation), including pursuant to the Amended/New Corporate Governance Documents, in each case in form and substance reasonably acceptable to the Required Consenting Noteholders. Notwithstanding anything to the contrary in the Plan, the Claims against a particular Debtor or Reorganized Debtor will remain the obligations solely of such Debtor or Reorganized Debtor and will not become obligations of any other Debtor or Reorganized Debtor solely by virtue of the Plan or the Chapter 11 Cases.

3. Vesting of Assets in the Reorganized Debtors Free and Clear of Liens and Claims

Except as otherwise expressly provided in the Plan, the Confirmation Order, or any Restructuring Document, pursuant to sections 1123(a)(5), 1123(b)(3), 1141(b) and (c) and other applicable provisions of the Bankruptcy Code, on and after the Effective Date, all property and assets of the Estates of the Debtors, including all claims, rights, and Retained Litigation Claims of the Debtors, and any other assets or property acquired by the Debtors or the Reorganized Debtors during the Chapter 11 Cases or under or in connection with the Plan (other than the Claims or Causes of Action subject to the Debtor Release, Professional Fee Claim Reserve and any rejected Executory Contracts and/or Unexpired Leases), will vest in each of the Reorganized

Debtors free and clear of all Claims, Liens, charges, and other encumbrances, subject to the Liens which survive the occurrence of the Effective Date as described in ~~Error! Reference source not found.~~Article III of the Plan (including, without limitation, the Liens that secure the Exit Facilities). On and after the Effective Date, each of the Reorganized Debtors may (i) operate their respective businesses, (ii) use, acquire, and dispose of their respective property and (iii) compromise or settle any Claims, in each case without notice to, supervision of or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the Plan or the Confirmation Order.

4. Exit Facility Loan Documents

On the Effective Date, the Debtors and the Reorganized Debtors, as applicable, will be authorized to execute and deliver, and to consummate the transactions contemplated by, the Exit Facility Loan Documents, in each case in form and substance acceptable to the Required Consenting Noteholders in the manner set forth in the Restructuring Support Agreement and, in the case of an Exit DDTL Facility, the Delayed-Draw Term Loan Commitment Letter and to the applicable Exit Facility Lenders and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity (other than as expressly required by the applicable Exit Facility Loan Documents or as set forth as conditions precedent in the DIP Facility). On the Effective Date, each Exit Facility Loan Document will constitute legal, valid, binding and authorized indebtedness and obligations of the Reorganized Debtors party thereto, enforceable in accordance with its respective terms and such indebtedness and obligations will not be, and will not be deemed to be, enjoined or subject to discharge, impairment, release or avoidance under the Plan, the Confirmation Order or on account of the Confirmation or Consummation of the Plan.

5. New Common Stock; Book Entry

On the Effective Date, subject to the terms and conditions of the Plan and the Restructuring Transactions and as described more fully in the Reorganization Steps Overview, Reorganized Parent will issue the New Common Stock pursuant to the Plan and the Amended/New Corporate Governance Documents. For the avoidance of doubt, no distributions will be made to Holders of Unexercised Equity Interests under the Plan, and any such Unexercised Equity Interests will be deemed automatically terminated and cancelled as of the Effective Date.

Distributions of the New Common Stock may be made by delivery or book-entry transfer thereof by the applicable Distribution Agent in accordance with the Plan and the Amended/New Corporate Governance Documents. Upon the Effective Date, after giving effect to the transactions contemplated hereby, the authorized share capital or other equity securities of Reorganized Parent will be that number of shares of New Common Stock as may be designated in the Amended/New Corporate Governance Documents.

6. Listing of New Securities; SEC Reporting

Prior to the Effective Date, the Required Consenting Noteholders will determine, in consultation with the Debtors, whether to list the New Common Stock for trading on the New

to the treatment of such securities under applicable securities laws. DTC will accept and be entitled to conclusively rely upon the Plan or the Confirmation Order in lieu of a legal opinion regarding whether such securities are exempt from registration and/or eligible for DTC book entry delivery, settlement and depository services.

10. Release of Liens and Claims

To the fullest extent provided under section 1141(c) and other applicable provisions of the Bankruptcy Code, except as otherwise provided in the Plan (including, without limitation, Article V.D of the Plan), in the Confirmation Order, or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to ~~G~~**Article VII** of the Plan, all Liens, Claims, mortgages, deeds of trust, or other security interests against the assets or property of the Debtors or the Estates will be fully released, canceled, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity. The filing of the Confirmation Order with any federal, state, or local agency or department will constitute good and sufficient evidence of, but will not be required to effect, the termination of such Liens, Claims and other interests to the extent provided in the immediately preceding sentence. Any Person or Entity holding such Liens, Claims or interests will, pursuant to section 1142 of the Bankruptcy Code and in the case of any DIP Liens at the sole cost and expense of the Reorganized Debtors, promptly execute and deliver to the Reorganized Debtors such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtors.

11. Corporate Governance Documents of the Reorganized Debtors

The respective corporate governance documents of each of the Debtors will be amended and restated or replaced (as applicable) by the Amended/New Corporate Governance Documents. Such corporate governance documents will: (i) to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting equity securities; (ii) authorize the issuance of New Common Stock in an amount not less than the amount necessary to permit the distributions thereof required or contemplated by the Plan; and (iii) to the extent necessary or appropriate, include such provisions as may be needed to effectuate and consummate the Plan and the transactions contemplated herein. After the Effective Date, the Reorganized Debtors may, subject to the terms and conditions of the Amended/New Corporate Governance Documents, amend and restate their respective corporate governance documents as permitted thereby and by applicable law.

12. New Board; Initial Officers

The initial members of the New Board will be selected in accordance with the terms and conditions of the Restructuring Support Agreement. After the initial directors of the New Board are selected, future directors will be elected in accordance with Amended/New Corporate Governance Documents. All officers of the Debtors immediately prior to the Effective Date will be retained in their existing positions upon the Effective Date, subject to the terms of the Plan.

the name of and on behalf of the Debtors and the Reorganized Debtors, in each case in form and substance acceptable to the Required Consenting Noteholders, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person or Entity. The secretary and any assistant secretary of the Debtors and the Reorganized Debtors will be authorized to certify or attest to any of the foregoing actions.

14. Cancellation of Notes, Certificates and Instruments

On the Effective Date, except to the extent otherwise provided in the Plan and the Restructuring Documents (including, without limitation, Article II.B and ~~**Error! Reference source not found..2**~~**Article V.B** of the Plan), all notes, indentures, instruments, certificates, agreements and other documents evidencing or relating to any Impaired Claim (including, for the avoidance of doubt and without limitation, the Prepetition Notes Indentures and the Prepetition Notes) or any Claim being paid in full in Cash under the Plan will be fully released, terminated, extinguished and discharged (including, in respect of DIP Documents, any duties or obligations of the DIP Agent thereunder), in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person or Entity and in the case of any Claim being paid in full in Cash upon the indefeasible payment of such Claim in full in Cash as contemplated by the Plan; *provided* that the Prepetition Debt Documents and the DIP Documents will continue in effect for the limited purpose of (i) allowing Holders of Claims thereunder to receive, and allowing and preserving the rights of the Prepetition Credit Agreement Agent, the Prepetition Notes Indenture Trustee or other applicable Distribution Agents thereunder to make, distributions under the Plan; (ii) permitting the Prepetition Notes Indenture Trustee to exercise its Prepetition Notes Indenture Trustee Charging Lien against such distributions for payment of the Prepetition Notes Indenture Trustee Fees and Expenses; (iii) preserving any rights of the DIP Agent to payment of fees, costs and expenses and otherwise allowing the DIP Agent to take any actions contemplated by the Plan, and (iv) preserving the DIP Contingent Obligations as contemplated by Article II.B of the Plan; *provided further* that, upon completion of the distribution with respect to a specific Prepetition Debt Claim, the Prepetition Debt Documents in connection thereto and any and all notes, securities and instruments issued in connection with such Prepetition Debt Claim will terminate completely without further notice or action and be deemed surrendered.

15. Existing Equity Interests

On the Effective Date, the Old Parent Interests will be terminated and cancelled without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person or Entity.

On the Effective Date, the Intercompany Equity Interests will remain effective and outstanding, except to the extent modified pursuant to the terms of the Reorganization Steps Overview, and will be owned and held by the same applicable Person or Entity that held and/or owned such Intercompany Equity Interests immediately prior to the Effective Date. Each Parent Subsidiary will continue to be governed by the terms and conditions of its applicable corporate

relieved, pursuant to and to the extent set forth in section 365(k) of the Bankruptcy Code, from any further liability under such assigned Executory Contract or Unexpired Lease.

3. Rejection of Executory Contracts and Unexpired Leases

The Debtors reserve the right, at any time prior to the Effective Date, except as otherwise specifically provided in the Plan, to seek to reject (with the consent of the Required Consenting Noteholders) any Executory Contract or Unexpired Lease and to file a motion requesting authorization for the rejection of any such contract or lease. All Executory Contracts and Unexpired Leases listed on a Plan Schedule as rejected Executory Contracts and Unexpired Leases will be deemed rejected as of the Effective Date. The Confirmation Order will constitute an order of the Bankruptcy Court approving the rejections described in ~~E.21~~**Article VI** of the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise will not constitute a termination of any preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases.

4. Claims on Account of the Rejection of Executory Contracts or Unexpired Leases

All proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after service of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection.

Any Person or Entity that is required to file a proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so will be forever barred, estopped and enjoined from asserting such Claim, and such Claim will not be enforceable, against the Debtors, the Reorganized Debtors or the Estates, and the Debtors, the Reorganized Debtors and their Estates and their respective assets and property will be forever discharged from any and all indebtedness and liability with respect to such Claim unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan. All such Claims will, as of the Effective Date, be subject to the permanent injunction set forth in ~~J.7~~**Article X.G** of the Plan.

5. D&O Liability Insurance Policies

On the Effective Date, each D&O Liability Insurance Policy will be deemed and treated as an Executory Contract that is and will be assumed by the Debtors (and assigned to the applicable Reorganized Debtors, if necessary) pursuant to section 365(a) and section 1123 of the Bankruptcy Code as to which no proof of Claim, request for administrative expense, or cure claim need be Filed, and all Claims arising from the D&O Liability Insurance Policies will survive the Effective Date and be Unimpaired. Unless previously effectuated by separate order entered by the Bankruptcy Court, entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtors' assumption of each of the D&O Liability Insurance Policies.

After assumption of the D&O Liability Insurance Policies, nothing in the Plan otherwise alters the terms and conditions of the D&O Liability Insurance Policies. Confirmation and Consummation of the Plan will not impair or otherwise modify any available defenses of the Reorganized Debtors under the D&O Liability Insurance Policies. For the avoidance of doubt,

9. Extension of Time to Assume or Reject

Notwithstanding anything to the contrary set forth in ~~Error! Reference source not found.~~Article VI of the Plan, in the event of a dispute as to whether a contract is executory or a lease is unexpired, the right of the Reorganized Debtors to move to assume or reject such contract or lease will be extended until the date that is ten (10) days after entry of a Final Order by the Bankruptcy Court determining that the contract is executory or the lease is unexpired. The deemed assumption provided for in Article VI.A of the Plan will not apply to any such contract or lease, and any such contract or lease will be assumed or rejected only upon motion of the Reorganized Debtors following the Bankruptcy Court's determination that the contract is executory or the lease is unexpired.

10. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed by the Debtors or the Reorganized Debtors will include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing has been previously rejected or repudiated or is rejected or repudiated hereunder. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases will not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

G. PROVISIONS GOVERNING DISTRIBUTIONS

1. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the "Treatment" sections in ~~Error! Reference source not found.~~Article III of the Plan or as ordered by the Bankruptcy Court, distributions to be made on account of Claims that are Allowed Claims as of the Effective Date will be made on the Effective Date or as soon as reasonably practicable thereafter. Any payment or distribution required to be made under the Plan on a day other than a Business Day will be made on the next succeeding Business Day. Distributions on account of Disputed Claims that first become Allowed Claims after the Effective Date will be made pursuant to ~~Error! Reference source not found.~~Article VIII of the Plan.

2. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan, the Confirmation Order or Final Order of the Bankruptcy Court, or required by applicable bankruptcy law (including, without limitation, as required pursuant to section 506(b) or section 511 of the Bankruptcy Code), postpetition interest will not accrue or be paid on any Claims (except DIP Super-Priority Claims) and no Holder of a Claim (except a DIP Super-Priority Claim) will be entitled to interest accruing on or after the Petition Date on any Claim.

(d) Undeliverable Distributions

- *Holding of Certain Undeliverable Distributions*: If the distribution to any Holder of an Allowed Claim is returned to the Distribution Agent as undeliverable or is otherwise unclaimed, no further distributions will be made to such Holder unless and until the Distribution Agent is notified in writing of such Holder's then current address in accordance with the time frames described in ~~Article~~ **Article VII.D.4(b)** of the Plan, at which time (or as soon as reasonably practicable thereafter) all currently due but missed distributions will be made to such Holder. Undeliverable distributions will remain in the possession of the Reorganized Debtors or in the applicable reserve, subject to ~~Article~~ **Article VII.D.4(b)** of the Plan, until such time as any such distributions become deliverable. Undeliverable distributions will not be entitled to any additional interest, dividends or other accruals of any kind on account of their distribution being undeliverable.

- *Failure to Claim Undeliverable Distributions*: Any Holder of an Allowed Claim (or any successor or assignee or other Person or Entity claiming by, through, or on behalf of, such Holder) that does not assert a right pursuant to the Plan for an undeliverable or unclaimed distribution within ninety (90) days after the later of the Effective Date or the date such distribution is due will be deemed to have forfeited its rights for such undeliverable or unclaimed distribution and will be forever barred and enjoined from asserting any such rights for an undeliverable or unclaimed distribution against the Debtors or their Estates, the Reorganized Debtors or their respective assets or property, or any Distribution Agent. In such case, any Cash, Plan Securities, or other property reserved for distribution on account of such Claim will become the property of the Reorganized Debtors, free and clear of any Claims or other rights of such Holder with respect thereto and notwithstanding any federal or state escheat laws to the contrary. Any such Cash, Plan Securities, or other property will thereafter be distributed or allocated in accordance with the applicable terms and conditions of the Plan; provided, however if the aggregate amount of Allowed Claims in Class 6 is less than the Parent GUC Recovery Cash Pool, then the excess Parent GUC Recovery Cash Pool will constitute property of the Reorganized Debtors. Nothing contained in the Plan will require the Debtors, the Reorganized Debtors, or any Distribution Agent to attempt to locate any Holder of an Allowed Claim.

- *Failure to Present Checks*: Checks issued by the Distribution Agent on account of Allowed Claims will be null and void if not negotiated within ninety (90) days after the issuance of such check. Requests for reissuance of any check will be made directly to the Distribution Agent by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within ninety (90) days after the date of mailing or other delivery of such check will have its rights for such un-negotiated check discharged and be forever barred,

Unless satisfied or waived pursuant to the provisions of ~~IV.I.3~~Article IX.C of the Plan, the following are conditions precedent to Confirmation of the Plan.

(a) The Plan and the Restructuring Documents are in form and substance reasonably acceptable to the Debtors and the Required Consenting Noteholders;

(b) The Confirmation Order has been entered by the clerk of the Bankruptcy Court, and such order is in form and substance consistent in all respects with the Restructuring Term Sheet and the Restructuring Support Agreement and otherwise reasonably acceptable to the Debtors and to the Required Consenting Noteholders; and

(c) The Restructuring Support Agreement is in full force and effect and has not been validly terminated in accordance with its terms, and no event has occurred or action has been taken that, with the passage of time or the giving of notice, would permit the Required Consenting Noteholders to terminate the Restructuring Support Agreement.

2. *Conditions Precedent to Consummation*

Unless satisfied or waived pursuant to the provisions of ~~IV.I.3~~Article IX.C of the Plan, the following are conditions precedent to Consummation of the Plan.

(a) The Confirmation Order has become a Final Order and such order has not been amended, modified, vacated, stayed, or reversed;

(b) The Bankruptcy Court has entered one or more Final Orders (which may include the Confirmation Order), in form and substance reasonably acceptable to the Debtors and Required Consenting Noteholders, authorizing the assumption, assumption and assignment and rejection of the Executory Contracts and Unexpired Leases by the Debtors as contemplated in the Plan and the Plan Supplement;

(c) The Plan and the Restructuring Documents have not been amended or modified other than in a manner in form and substance consistent in all respects with the Restructuring Term Sheet, and otherwise reasonably acceptable to the Debtors and the Required Consenting Noteholders;

(d) The Restructuring Documents (including the Exit Facility Loan Documents) have been filed, tendered for delivery, and have been effectuated or executed by all Persons and Entities party thereto (as appropriate), and in each case in full force and effect , each to the extent required prior to Consummation. All conditions precedent to the effectiveness of such Restructuring Documents, including, without limitation, the Exit Facility Credit Agreements, have been satisfied or waived pursuant to the terms of such applicable Restructuring Documents (or will be satisfied concurrently with the occurrence of the Effective

financial condition or results of operations of the Reorganized Debtors, taken as a whole; and

(o) Since the Petition Date, there will have been no event, change, effect, occurrence, development, circumstance, condition, result, state of fact or change of fact (each, an "Event") that, individually or together with all other Events, has had, or would reasonably be expected to have, a material adverse effect on either the business, operations, finances, properties, condition (financial or otherwise), assets or liabilities of the Debtors, taken as a whole, or the ability of the Debtors taken as a whole, to perform their respective obligations under, or to consummate the Restructuring Transactions; provided, however, that in no case will any Event arising from, as a result of, or in connection with (a) the public announcement of the Restructuring Support Agreement, the Plan, or any other Restructuring Document, (b) the pursuit or public announcement of the Restructuring Transaction, (c) the commencement or prosecution of the Chapter 11 Cases, or (d) the pursuit of Confirmation or Consummation, be taken into account in determining whether there has been, or would reasonably be expected to be, a material adverse effect for purposes of the Plan.

3. Waiver of Conditions

Subject to section 1127 of the Bankruptcy Code, the conditions to Confirmation and Consummation of the Plan set forth in ~~IV.I~~**Article IX** of the Plan may be waived by the Debtors, with the consent of the Required Consenting Noteholders, without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan. The failure of the Debtors or Reorganized Debtors to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each right will be deemed an ongoing right that may be asserted at any time.

4. Effect of Non-Occurrence of Conditions to Confirmation or Consummation

If the Confirmation or the Consummation of the Plan does not occur with respect to one or more of the Debtors, then the Plan will, solely with respect to such applicable Debtor or Debtors, be null and void in all respects and nothing contained in the Plan or the Disclosure Statement will: (1) constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors, any Holders or any other Person or Entity; (3) constitute an Allowance of any Claim or Equity Interest; or (4) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders or any other Person or Entity in any respect.

J. RELEASE, DISCHARGE, INJUNCTION AND RELATED PROVISIONS

1. General

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan will constitute a good faith compromise and settlement of all Claims and Equity Interests and controversies resolved pursuant to the Plan.

5. *Exculpation*

Effective as of the Effective Date, to the fullest extent permitted by law, the Exculpated Parties will neither have nor incur any liability to any Person or Entity for any claims or Causes of Action arising prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or effecting the Confirmation or Consummation of the Plan, the Disclosure Statement, the Restructuring Documents, the DIP Documents, or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan, including the Restructuring Support Agreement, or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors, the approval of the Disclosure Statement or Confirmation or Consummation of the Plan; *provided, however*, that the foregoing provisions of this exculpation will not operate to waive or release: (i) any Causes of Action arising from willful misconduct, fraud, or gross negligence of such applicable Exculpated Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; and/or (ii) the rights of any Person or Entity to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan or assumed pursuant to the Plan or Final Order of the Bankruptcy Court; *provided, further*, that each Exculpated Party will be entitled to rely upon the advice of counsel concerning its respective duties pursuant to, or in connection with, the above referenced documents, actions or inactions. The foregoing exculpation will be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity. Notwithstanding the foregoing, nothing in this Article X.E will or will be deemed to prohibit the Debtors or the Reorganized Debtors from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action or liabilities they may have against any Person or Entity that is based upon an alleged breach of a confidentiality or non-compete obligation owed to the Debtors or the Reorganized Debtors, in each case unless otherwise expressly provided for in the Plan.

6. Preservation of Causes of Action

(a) Maintenance of Causes of Action

Except as otherwise provided in ~~**Error! Reference source not found.**~~**Article X** of the Plan (including, without limitation, and for the avoidance of doubt, the Releases contained in Article X.B and Exculpation contained in Article X.E of the Plan) or elsewhere in the Plan or the Confirmation Order, after the Effective Date, the Reorganized Debtors will retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Retained Litigation Claims, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Cases. The Reorganized Debtors, as the successors-in-interest to the Debtors and the Estates, may, and will have the exclusive right to, enforce, sue on, settle, compromise, transfer or assign (or decline to do any of the foregoing) any or all of such Retained Litigation Claims without notice to or approval from the Bankruptcy Court.

(b) Preservation of All Causes of Action Not Expressly Settled or Released

Date, *provided, however* that the Reorganized Debtors will reserve the right to commence actions in all appropriate forums and jurisdictions;

(g) enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan, the Plan Supplement or the Disclosure Statement;

(h) resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation or enforcement of the Plan or any Person or Entity's obligations incurred in connection with the Plan;

(i) hear and determine all Causes of Action that are pending as of the Effective Date or that may be commenced in the future;

(j) issue injunctions and enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with Consummation or enforcement of the Plan;

(k) enforce the terms and conditions of the Plan, the Confirmation Order, and the Restructuring Documents;

(l) resolve any cases, controversies, suits or disputes with respect to the Release, the Exculpation, the indemnification and other provisions contained in ~~IV.J~~**Article X** of the Plan and enter such orders or take such others actions as may be necessary or appropriate to implement or enforce all such provisions;

(m) hear and determine all Retained Litigation Claims;

(n) enter and implement such orders or take such other actions as may be necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

(o) resolve any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any release or exculpation adopted in connection with the Plan; and

(p) enter an order concluding or closing the Chapter 11 Cases.

Notwithstanding the foregoing, (i) any dispute arising under or in connection with the Exit Facility or any other contract or agreement binding on the Reorganized Debtors that contains provisions governing jurisdiction for litigation of disputes thereunder will be addressed in accordance with the provisions of the applicable document and (ii) if the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the

matters set forth in Article of the Plan, the provisions of ~~Error! Reference source not found.~~Article XI of the Plan will have no effect upon and will not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

L. MISCELLANEOUS PROVISIONS

1. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), will be deemed to occur on the Effective Date.

2. Payment of Statutory Fees; Post-Effective Date Fees and Expenses

All fees payable pursuant to section 1930 (a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code to the extent necessary, will be paid by each of the Debtors or the Reorganized Debtors (or the Distribution Agent on behalf of each of the Debtors or Reorganized Debtors), as applicable, for each quarter (including any fraction thereof) until the earliest to occur of the entry of (a) a final decree closing such Debtor's Chapter 11 Case, (b) an order dismissing such Debtor's Chapter 11 Case, or (c) an order converting such Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

The Reorganized Debtors may pay the liabilities and charges that they incur on or after the Effective Date for Professionals' fees, disbursements, expenses, or related support services (including reasonable fees, costs and expenses incurred by Professionals relating to the preparation of interim and final fee applications and obtaining Bankruptcy Court approval thereof) in the ordinary course of business and without application or notice to, or order of, the Bankruptcy Court, including, without limitation, the reasonable fees, expenses, and disbursements of the Distribution Agents and the fees, costs and expenses incurred by Professionals in connection with the implementation, enforcement and Consummation of the Plan and the Restructuring Documents.

3. Statutory Committee

On the Effective Date, the current and former members of the Committee, if any, and their respective officers, employees, counsel, advisors and agents, will be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases and the Committee will dissolve. Following the completion of the Committee's remaining duties set forth above, the Committee will be dissolved, and the retention or employment of the Committee's respective attorneys, accountants and other agents will terminate without further notice to, or action by, any Person or Entity.

4. Conflicts

In the event that a provision of the Restructuring Documents or the Disclosure Statement (including any and all exhibits and attachments thereto) conflicts with a provision of the Plan or the Confirmation Order, the provision of the Plan and the Confirmation Order (as applicable) will govern and control to the extent of such conflict. In the event that a provision of the Plan

RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Debtors' creditors than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims than that which is proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan.

Respectfully submitted,

/s/ *Westervelt T. Ballard*
Superior Energy Services, Inc.
By:
Title: Title:
Dated: December ~~5~~7, 2020

Prepared by:

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