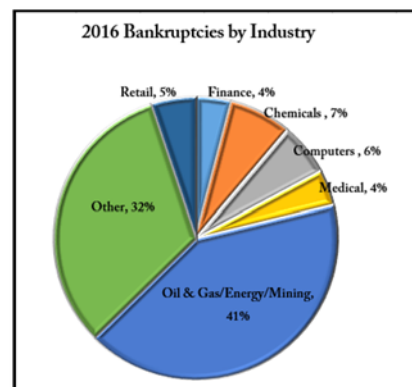


2016 Corporate Bankruptcy Recap: Bankruptcies Up 25%; 41% of Filings from Oil & Gas/Energy Sector

BankruptcyData's analysis indicates that public* company bankruptcy filings increased by more than 25% in 2016 on top of the 46% rise seen in 2015. A total of 99 publicly traded companies filed for Chapter 7/Chapter 11 protection last year with \$105 billion in combined pre-petition assets**, and 2016's crop of publicly traded filings includes an impressive 25 with assets greater than \$1 billion—compared to 19 in the previous year.

Continuing the trend we saw in 2015, 17 of 2016's 25 largest Chapter 11's were initiated by companies within the Oil & Gas, Mining and Energy sectors—and 41% of 2016's total public bankruptcies came from those industries. In fact, during the past two years alone, more than 80 public companies operating within these categories filed for U.S. Bankruptcy Court protection, with 30 of those petitioners listing more than \$1 billion in pre-petition assets.



25 Largest Public Energy, Oil & Gas & Mining Sector Bankruptcies (2015 & 2016)

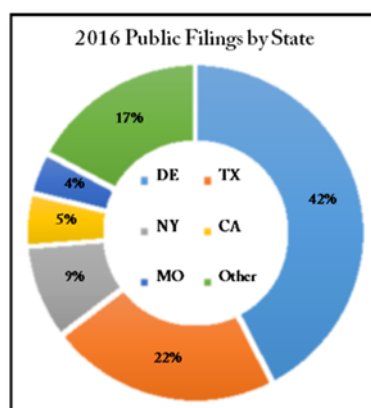
Company	Bankruptcy Date	Assets** (\$Mils)
Peabody Energy Corporation	04/13/16	\$11,021
Alpha Natural Resources, Inc.	08/03/15	\$10,736
LINN Energy, LLC	05/11/16	\$9,977
Arch Coal, Inc.	01/11/16	\$8,430
Samson Resources Corporation	09/16/15	\$5,608
Walter Energy, Inc.	07/15/15	\$5,386
Breitburn Energy Partners LP	05/15/16	\$4,872
Energy XXI Ltd	04/14/16	\$4,691
Offshore Group Investment Limited	12/03/15	\$3,507
Halcon Resources Corporation	07/27/16	\$3,459
Paragon Offshore plc	02/14/16	\$3,253
SandRidge Energy, Inc.	05/16/16	\$2,991
Molycorp, Inc.	06/25/15	\$2,576
Sabine Oil & Gas Corporation	07/15/15	\$2,438
C&J Energy Services Ltd.	07/20/16	\$2,233
Swift Energy Company	12/31/15	\$2,173
Patriot Coal Corporation	05/12/15	\$2,072
Hercules Offshore, Inc.	08/13/15	\$2,002
Seventy Seven Energy Inc.	06/07/16	\$1,903
Atlas Resource Partners, L.P.	07/27/16	\$1,731
Magnum Hunter Resources Corp.	12/15/15	\$1,670
Allied Nevada Gold Corp.	03/10/15	\$1,513
Stone Energy Corporation	12/14/16	\$1,410
Key Energy Services, Inc.	10/24/16	\$1,328
Energy & Exploration Partners, Inc.	12/07/15	\$1,308

It is also of interest to note that these statistics do not include SunEdison, the largest bankruptcy of 2016. With nearly \$12 billion in assets, SunEdison categorizes itself within the Electronics industry in SEC filings; however, the renewable power plant operator could certainly be considered an additional Energy sector bankruptcy.

25 Largest Public Bankruptcies of 2016

Company	Bankruptcy Date	Assets** (\$Mils)
SunEdison, Inc.	04/21/16	\$11,500
Peabody Energy Corporation	04/13/16	\$11,021
LINN Energy, LLC	05/11/16	\$9,977
Arch Coal, Inc.	01/11/16	\$8,430
Breitbart Energy Partners LP	05/15/16	\$4,872
Energy XXI Ltd	04/14/16	\$4,691
Republic Airways Holdings Inc.	02/25/16	\$3,494
Halcon Resources Corporation	07/27/16	\$3,459
Paragon Offshore plc	02/14/16	\$3,253
SandRidge Energy, Inc.	05/16/16	\$2,991
China Fishery Group Limited	06/30/16	\$2,653
RCS Capital Corporation	01/31/16	\$2,467
CHC Group Ltd.	05/05/16	\$2,252
C&J Energy Services Ltd.	07/20/16	\$2,233
Seventy Seven Energy Inc.	06/07/16	\$1,903
Atlas Resource Partners, L.P.	07/27/16	\$1,731
Stone Energy Corporation	12/14/16	\$1,410
Key Energy Services, Inc.	10/24/16	\$1,328
Modular Space Corporation	12/21/16	\$1,319
Noranda Aluminum Holding Corp.	02/08/16	\$1,318
Dex Media, Inc.	05/16/16	\$1,268
Illinois Power Generating Co.	12/09/16	\$1,230
Chaparral Energy, Inc.	05/09/16	\$1,205
Basic Energy Services, Inc.	10/25/16	\$1,161
Hercules Offshore, Inc.	06/05/16	\$1,108

Delaware continued to house the largest percentage of public Chapter 11's, with Delaware seeing 42% of all public filings in both 2016 and 2015. Notably, as a result of the high percentage of Oil & Gas sector restructurings, Texas continued to see more than its typical share of public company bankruptcy activity: The four Texas Districts housed 22% of all of 2016's public filings, a slight rise from 2015's already impressive 19%.



Another corporate bankruptcy uptick was seen in 2016's rise of prepackaged or pre-negotiated Chapter 11 filings. This expedited approach is utilized when a company and its creditors can agree on the key terms of a plan of reorganization before the company files its bankruptcy petition. The advantage to this approach is an expedited, less contentious proceeding, which can benefit both the debtor and its creditors with

reduced legal expenses and consumer distress. With a prepackaged filing, the plan of reorganization is drafted, circulated and approved pre-petition then filed with the U.S. Bankruptcy Court concurrently with the Chapter 11 petition.

In a pre-negotiated scenario, negotiations on the key terms of a plan are commenced pre-petition; however, a plan is not finalized before the bankruptcy filing is initiated. During 2016, 18% of the year's public filings were either prepackaged or pre-negotiated, versus just 13% in 2015. The efficiency of this approach is demonstrated by the fact that during 2016, 16 public companies confirmed Plans in three months or less. The average time between Chapter 11 filing date and a U.S. Bankruptcy Court confirmation order declined nearly 25% from 2015 to 2016. In terms of asset totals, 2016's average pre-petition figure of \$1.1 billion climbed just slightly from 2015's \$976 million. Like last year—none of 2016's bankruptcies were large enough to rank among the largest historic filings.

25 Largest All Time Public Bankruptcies

Company	Bankruptcy Date	Assets** (\$Mils)
Lehman Brothers Holdings Inc.	09/15/08	\$691,063
Washington Mutual, Inc.	09/26/08	\$327,913
WorldCom, Inc.	07/21/02	\$103,914
General Motors Corporation	06/01/09	\$91,047
CIT Group Inc.	11/01/09	\$80,449
Enron Corp.	12/02/01	\$65,503
Conseco, Inc.	12/17/02	\$61,392
Energy Future Holdings Corp.	04/29/14	\$40,970
MF Global Holdings Ltd.	10/31/11	\$40,542
Chrysler LLC	04/30/09	\$39,300
Thornburg Mortgage, Inc.	05/01/09	\$36,521
Pacific Gas and Electric Co.	04/06/01	\$36,152
Texaco, Inc.	04/12/87	\$34,940
Financial Corp. of America	09/09/88	\$33,864
Refco Inc.	10/17/05	\$33,333
IndyMac Bancorp, Inc.	07/31/08	\$32,735
Global Crossing, Ltd.	01/28/02	\$30,185
Bank of New England Corp.	01/07/91	\$29,773
General Growth Properties, Inc.	04/16/09	\$29,557
Lyondell Chemical Company	01/06/09	\$27,392
Calpine Corporation	12/20/05	\$27,216
New Century Financial Corp.	04/02/07	\$26,147
Colonial BancGroup, Inc., The	08/25/09	\$25,816
UAL Corporation	12/09/02	\$25,197
AMR Corporation	11/29/11	\$25,088

George Putnam, Publisher of New Generation Research, Inc.'s *The Turnaround Letter* and BankruptcyData, anticipates a further increase in U.S. Bankruptcy Court activity in 2017 and beyond. He notes, "While we believe that overall bankruptcy activity will remain at a high level for the foreseeable future, we think that filings in the

energy sector may have peaked. They won't dry up overnight however, and we anticipate that energy bankruptcies will gradually decline over the next 12 to 18 months." Just a few days into 2017, the Oil & Gas industry has continued to make headlines with Bonanza Creek Energy's much-anticipated \$1.3 billion Chapter 11 bankruptcy.

Although many analysts believe the Oil & Gas/Energy sector has seen its restructuring peak, *The Turnaround Letter* notes that approximately \$1.5 trillion worth of lower quality corporate debt (a combination of high yield bonds and "leveraged" bank loans) will be due over the next five years. Putnam cautions, "Some meaningful percentage of those issuers will not be able to refinance their debt and be forced to restructure when their debt matures, even if the high yield debt market strengthens again. If the junk bond market is weak for a while, the number of defaults and restructurings is likely to be even larger."

Public Companies/Assets Filing for Bankruptcy

Year	Filings	Assets** (\$Mils)	Avg. Assets** (\$Mils)
1980	62	\$1,671	\$27
1981	74	4,703	64
1982	84	9,103	108
1983	89	12,523	141
1984	121	6,530	54
1985	149	5,831	39
1986	149	13,033	87
1987	112	41,503	371
1988	122	43,488	356
1989	135	71,371	529
1990	115	82,781	720
1991	123	93,624	761
1992	91	64,226	706
1993	86	18,745	218
1994	70	8,337	119
1995	85	23,107	272
1996	86	14,201	165
1997	83	17,247	208
1998	122	29,195	239
1999	145	58,760	405
2000	187	100,882	539
2001	265	267,203	1,008
2002	229	401,063	1,751
2003	176	100,214	569

2004	93	47,802	514
2005	86	133,843	1,556
2006	66	22,257	337
2007	78	70,525	904
2008	138	1,159,351	8,401
2009	211	593,733	2,813
2010	106	89,109	840
2011	86	103,990	1,209
2012	87	70,843	814
2013	71	42,641	600
2014	54	71,918	1,332
2015	79	77,138	976
2016	99	104,666	1,057

* BankruptcyData defines publicly traded as those companies with common stock and/or bonds that are publicly traded on U.S. markets.

** Total asset figures are pre-petition and taken from each debtor's most recent Annual Report filed with the Securities and Exchange Commission (SEC).

Disclaimer: BankruptcyData collects its information from U.S. Bankruptcy Courts and the SEC. Although sources are believed to be reliable, accuracy cannot be guaranteed. New Generation Research thoroughly analyzed and audited all bankruptcy figures and statistics; however, certain details may require adjustment pending untimely SEC reporting and/or delayed U.S. Bankruptcy Court docketing.

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For additional information on corporate bankruptcies, visit BankruptcyData. A division of George Putnam, III's New Generation Research, Inc., BankruptcyData provides news, retention data, financial history, creditor information, reorganization plan analysis and more for publicly traded companies that have filed for bankruptcy protection since 1980; and its extensive databases can be searched by assets, industry, filing date and company name.

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