

Frequently Asked Questions

1. What is Chapter 11?

Chapter 11 of the U.S. Bankruptcy Code is a legal mechanism for the court-supervised restructuring of the Company's obligations. Chapter 11 provides a way for companies to address their financial issues in order to become a viable entity, while continuing day-to-day operations.

2. Does this mean that Emerald Oil is going out of business?

No. Emerald Oil filed for bankruptcy protection under Chapter 11 in order to address its immediate liquidity needs. The Company will operate in a “business as usual” mode as it seeks a sale of its assets.

The Company intends to work closely with its suppliers, and suppliers will be paid under normal terms for all goods and services provided on or after the date of the filing.

3. Does Emerald Oil have enough cash to stay in business?

Yes. Emerald Oil has reached agreements to provide sufficient cash for operations throughout the bankruptcy process.

4. How long will the Chapter 11 process take?

There is no way to predict today with certainty how long the process will ultimately take. The Company hopes to complete the sale process as soon as possible.

5. Will suppliers continue to be paid for goods and services they provide to Emerald Oil?

The Company intends to pay suppliers under normal terms for goods received and services rendered after the filing on March 22, 2016. Any claims for goods received or services rendered after the filing date are considered “administrative claims”, which receive a priority status. At the First Day hearing, the Court will consider the Company’s request for interim approval to use funds from the cash collateral of the senior secured lenders and for debtor-in-possession financing.

Suppliers who provided goods or rendered services to Emerald Oil prior to the filings (March 22, 2016) may have what are referred to as “pre-petition claims.” These claims cannot be paid at this time, unless specifically authorized by the Court, and will be addressed through a Chapter 11 plan that will be filed later in the case. If you have such pre-petition claims, you will receive additional information from the Company’s claims agent at a later date. Emerald Oil sincerely regrets the difficulties that this may cause your company.

6. I have unpaid invoices dated before the bankruptcy date (*i.e.*, pre-petition invoices). What should I do?

Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof of claim form and instructions on how to file the form.

7. Will I need a claim form, or will I automatically be paid for the outstanding, pre-petition amount owed to me?

Yes, you will need a claim form. At some point in the case, every creditor will receive a copy of a Bar Date Notice which will be accompanied by a proof of claim form with instructions as to deadlines, etc. If you have any questions regarding filing a claim, please seek the advice of legal counsel.

8. Why can't the Company pay me what I am owed?

United States bankruptcy laws generally prohibit the payment of all unpaid invoices incurred before the Company filed for bankruptcy, unless specifically authorized by the Court. Emerald Oil sincerely regrets the difficulties that this may cause your company.

9. What is my current balance? What is my pre-petition balance?

The Company cannot provide current balances outstanding at this point because the Company is in the process of reviewing all of its records and separating pre- and post-petition invoices. However, Emerald Oil will be filing a "Schedule of Assets and Liabilities." In this document, the Company will list balances it believes are owed to its creditors. If you have further questions about this, please contact your company's legal advisor.

10. When will I receive payment for goods and services delivered after the bankruptcy date?

Goods and services delivered after the bankruptcy filing date (March 22, 2016) are anticipated to be paid according to established terms.