

Unit Corporation Restructuring

Royalty Owner Frequently Asked Questions (“FAQs”)

1. What was announced?

- Today, we announced that Unit Petroleum Company (“Unit,” the “Company” or “we”) and its parent company entered into a Restructuring Support Agreement with certain of the Company’s bondholders and senior lenders.
- The restructuring transactions contemplated by the agreement will significantly reduce Unit’s debt by more than \$650 million and provide Unit with enhanced financial flexibility.
- To implement the terms of the agreement, the Company has voluntarily filed for relief under Chapter 11 of the U.S. Bankruptcy Code in the Southern District of Texas, Houston Division.
- This agreement and the court-supervised process will enable Unit to restructure its balance sheet while continuing operations in the ordinary course.

2. Why did we take this action?

- Our industry continues to operate in a challenging commodity price environment, worsened with the COVID-19 pandemic. Over the past several months, we have responded proactively to the challenging market environment by reducing expenses and focusing on operating efficiently.
- We have also been working with our key financial stakeholders on a comprehensive solution to deleverage our balance sheet and strengthen our financial position.
- The actions we are announcing today represent the next step in our efforts to strengthen the Company’s balance sheet and position it for long-term success.
- We believe that entering into the agreement and implementing it through a court-supervised process is the best course of action for us.
- We are confident that we are taking the right steps to provide a solid foundation for the Company to thrive in today’s low-price environment and beyond.

3. What does this mean for royalty owners? Will I still be paid?

- We expect our operations to continue in the ordinary course, and we intend to make our regular royalty payments throughout this process, without any interruption.
- In addition, we have filed a motion with the Bankruptcy Court requesting permission to make our regular royalty payments related to production from and after March 2020 as well as some minor payments related to production before March due to certain adjustments.
- Throughout this process, you should continue to deal with your usual contact at Unit.

4. Do you have sufficient liquidity to meet your business obligations?

- We believe Unit has sufficient liquidity, including securing a debtor-in-possession loan and funds generated from ongoing operations, to continue its operations and support the business in the ordinary course during the financial restructuring process.
- We expect to pay royalties to our royalty owners going forward just as we have in the past in the ordinary course of our business.

5. What is the expected timeline for Unit’s Chapter 11 process?

- We expect the Chapter 11 cases to proceed on a relatively quick and efficient timeline.
- We intend to move through this court-supervised process supported by our critical financial stakeholders quickly and efficiently.

- We are confident that we are taking the right steps to provide a solid foundation for a successful future.

6. How can I get updates and additional information?

- We will continue to keep you informed of new information as we move through this financial restructuring process.
- Also, our claims agent has set up a website that includes free access to court documents and other information on the Bankruptcy Court process at <https://cases.primeclerk.com/UnitCorporation>.
- Our claims agent has also established an information hotline at (877) 720-6581 (Toll-Free), or (646) 979-4412 (Local), to address specific questions and concerns.