

Investor FAQs

What was announced?

- Halcón Resources Corporation (“Halcón” or the “Company”) filed a pre-packaged plan of reorganization under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in accordance with its previously announced comprehensive balance sheet restructuring efforts (the “Plan”). As part of the Plan, the Company will eliminate over \$750 million of its long-term debt and will reduce annual interest expense by more than \$40 million. The Plan has been approved by holders of 67.3% the Company’s 6.75% Senior Notes due 2025 (the “Ad Hoc Group”) who will be affected by the Plan. The Company will continue to operate its business in the ordinary course.

What is Chapter 11?

- Chapter 11 refers to the section of the Bankruptcy Code that covers court-supervised restructurings of businesses. A company that files for protection under Chapter 11 of the Bankruptcy Code continues to operate and maintain its business “in the ordinary course” – or business as usual.

What is a “pre-packaged” Chapter 11 bankruptcy?

- A “pre-packaged” Chapter 11 is a plan of reorganization that is negotiated in principle and accepted by certain of the company’s creditors and other stakeholders before the company actually files for bankruptcy protection. This shortens and simplifies the court process and reduces the uncertainty because of the known treatment to the stakeholders.

Is the Company going out of business?

- No. The Company is not going out of business and operations will continue in the ordinary course. The Company has worked diligently with a significant majority of its affected stakeholders to develop a “pre-packaged” plan to support its ongoing operations and to make the reorganization process as efficient as possible.

How will the Chapter 11 Process impact day-to-day operations?

- The Chapter 11 process is focused on restructuring Halcón’s balance sheet and should have no impact on our operations. We will continue to operate our business as usual.

Will there be management changes?

- Nothing in the Restructuring Plan calls for a change in management and there are no planned changes to the current structure.

Does the Company have adequate funding to conduct its operations during the restructuring?

- Yes. The Company has sufficient liquidity to operate throughout the restructuring and fully fund its capital programs. Halcón received a commitment from certain members of the Ad Hoc Group to provide the Company with \$35 million of availability under a debtor in possession credit facility. The

Company has also received a commitment from BMO Harris Bank, N.A. for a new \$750 million senior credit facility to be put into place upon exit from bankruptcy with an expected initial borrowing base of \$275 million. These credit facilities will provide Halcón with ample liquidity both during and after the bankruptcy filing.

How long will the Company be in Chapter 11?

- The Company expects to have emerged from Chapter 11 no later than sixty days from the date on which it filed for bankruptcy (August 7, 2019), subject to court approval. The Company intends to do everything it can to move through the process efficiently and emerge as quickly as possible.

What will existing Halcón shareholders get under the Restructuring Plan?

- Under the Plan, existing shareholders will, subject to certain exceptions, receive their pro rata share of (i) 9.0% of the common equity of the restructured company (subject to dilution), (ii) warrants to purchase common stock of the restructured company, and (iii) the right to purchase common stock of the restructured company for an aggregate purchase price of \$14,850,000 pursuant to a rights offering (as further described below). Investors should refer to the restructuring support agreement (“RSA”) filed on Form 8-K with the SEC on August 5, 2019, as well as the restructuring plan and related disclosure statement, once available, at <http://www.kcclcc.net/halcon>, for full descriptions of the common stock, warrants, and rights to purchase common stock that holders of the Company’s common stock will receive under the Restructuring Plan.

How can Halcón shareholders participate in the rights offering?

- Eligible holders of the Company’s common stock as of a certain record date, which is expected to be August 30, 2019, will receive subscription rights to purchase shares of the Company’s common stock, pursuant to a rights offering. Holders will be able to exercise their subscription rights by submitting the proper exercise forms, as well as payment for the shares issuable pursuant to their exercised subscription rights. The rights offering procedures and exercise forms will be mailed to eligible holders as of the record date, which contain additional detail that you are advised to review. Investors should refer to the rights offering procedures attached to the disclosure statement, once available, at <http://www.kccllc.net/halcon>, for a full description of the rights offering procedures.

Can I still trade my shares?

- The Company anticipates its common shares will continue to be listed on OTC Pink marketplace during the pre-packaged in-court restructuring process. Holders of the Company’s common stock who wish to exercise their subscription rights pursuant to the rights offering described above may not transfer their common stock after rights offering record date. The subscription right relating to any share of common stock that is traded after the rights offering record date will be canceled.

Can I or should I sell my shares?

- Neither the Company, nor any of its employees, advisors, or representatives will provide financial advice with respect to an investment in the Company. All investors are encouraged to consult their personal financial and or tax advisor(s) after careful consideration of all the facts.

Do I need to do anything as a common shareholder?

- As part of the bankruptcy process and subject to certain exceptions, existing shares in the Company will be canceled and new shares will automatically be issued to existing shareholders prior to emergence from bankruptcy. This process should occur seamlessly with no interruption to trading. No action is required by shareholders to receive the new shares, as applicable.

Do I need to do anything as an affected stakeholder under the Plan?

- No action is required by affected stakeholders under the Plan. You will be granted new common equity and/or cash consideration as outlined in the RSA upon the Company's emergence from bankruptcy.

I have additional questions about the restructuring. How can I obtain more information?

- See below for website, phone number and emails where more information can be obtained.
 - Website:
 - <http://www.kccllc.net/halcon>
 - The hotline numbers are as follows:
 - 866-967-1781 (US and Canada Toll-Free)
 - 310-751-2681 (International Callers)
 - General Inquiries:
 - HalconQuestions@kccllc.com

These FAQs are for information purposes only and are not a solicitation to accept or reject any proposals herein or an offer to sell or a solicitation of an offer to buy any securities of the Company.

Cautionary Statement

Statements above that are not historical fact are forward-looking statements, including the matters related to the restructuring and the impact of the restructuring on our investors, operations, customers, vendors and employees. Forward-looking statements by their nature involve substantial risks, uncertainties and assumptions, including without limitation, market conditions, government and regulatory actions and other factors described in the risks and uncertainties described in our periodic reports filed with the Securities and Exchange Commission. Many of these factors are beyond our ability to control or predict.