

- **What was announced?**

- Vanguard Natural Resources, LLC (together with its wholly owned subsidiaries, collectively “Vanguard” or the “Company”) announced that the Company has voluntarily filed petitions for relief under chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”). The chapter 11 filing will facilitate the restructuring of the Company’s balance sheet, as it continues to work through negotiations of a debt for equity exchange with its bondholders. The Company anticipates that it will be able to reduce its debt through the restructuring process. **This court-supervised process will enable Vanguard to restructure its balance sheet while continuing operations in the normal course.**

- **Why did Vanguard take this action?**

- Our industry, and in particular the Upstream E&P space, continues to operate in a difficult commodity price environment. Over the past several months, we have responded proactively to the challenging market environment by reducing expenses, decreasing our debt and focusing on operating even more efficiently, while maintaining our highest safety standards. 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 announced 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 filing for chapter 11 is the best course of action for Vanguard and will provide us the time to negotiate a solution that maximizes value for all of our stakeholders. We are confident that we are taking the right steps to provide a solid foundation to thrive in today’s low-price environment and beyond.

- **What does this mean for royalty owners? Will I still be paid?**

- We expect our operations to continue in the normal course, and we intend to make our royalty payments on a go-forward basis according to our current terms throughout this process, without any interruption.
- In addition, we have filed a motion with the Court requesting permission to make royalty payments that were due prior to the filing date of February 1, 2017.
- Throughout this process you should continue to deal with your usual contact at Vanguard.

- **Does Vanguard have sufficient liquidity to meet your business obligations?**
 - Yes, the Company has enough working capital to operate throughout the restructuring. In addition to having approximately \$34 million of cash on January 31, 2017, the Company has secured \$50 million of additional financing from a new debtor in possession (“DIP”) financing agreement with our banks.
 - We expect to meet our obligations to royalty owners on a go-forward basis and continue uninterrupted production.

- **Does this mean that Vanguard is going out of business?**
 - No, Vanguard is not closing its doors. The Company will continue to operate throughout our restructuring process and we do not expect any interruptions to our day-to-day operations. Chapter 11 is intended to provide a company with the time and protection it needs to reorganize its capital structure, not liquidate its assets.

- **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.
 - The Company has set up a toll-free hotline for royalty owners, which is available Monday through Friday, 8 a.m. to 6 p.m. Central Standard Time at 844-596-2260.
 - A special section of our website, www.vnrlc.com/restructuring has been developed to provide additional information including free access to court documents and other information on the restructuring process.