



Harvest Completes Divestiture of Appalachian Basin Assets

October 28, 2020

HOUSTON, Oct. 28, 2020 (GLOBE NEWSWIRE) -- Harvest Oil & Gas Corp. ("Harvest" or the "Company") (OTCQX: HRST) today announced that it completed the previously announced sale of its Appalachian basin assets to OWS Acquisition Co LLC ("OWS") on October 23, 2020 for total consideration of \$21.895 million. The sale has an effective date of July 1, 2020 and is subject to customary purchase price adjustments.

The Appalachian basin assets have average production of approximately 27 MMcfe per day with estimated proved reserves as of December 31, 2019 using SEC prices, of 99.6 Bcfe (34% crude oil, 63% natural gas and 3% natural gas liquids).

The transaction was funded with a \$21.895 million two-tranche senior secured seller note (the "Seller Note") which is held by EV Properties, L.P., a wholly-owned subsidiary of Harvest. In addition, a working capital reserve was funded with an equity capital contribution from affiliates of OWS. Tranche One is \$17.795 million with an 11% interest rate, monthly scheduled amortization of 1% beginning February 2021 and an additional monthly amortization based on a 90% excess cash flow sweep. Tranche Two is \$4.1 million with an interest rate, payable in kind, of 3% through April 30 2024, 7.5% from May 1, 2024 through October 31, 2025 and 11% thereafter, and monthly amortization based on a 90% excess cash flow sweep that begins after Tranche One is fully repaid.

The final maturity for Tranche One is October 31, 2025 and for Tranche Two is October 31, 2027. However, based on recent commodity strip prices, Harvest currently expects both tranches to be repaid prior to their final maturities.

The Seller Note is subject to customary covenants including maintaining certain minimum required commodity hedges, which initially are 75% of estimated proved developed producing volumes through October 2021, 60% from November 2021 through October 2022 and 50% from November 2022 through October 2023.

Intrepid Partners, LLC acted as strategic advisor and Kirkland & Ellis LLP acted as legal advisor to Harvest on these transactions.

With the completion of this divestiture, which represents substantially all of Harvest's remaining oil and gas assets, the Company intends to evaluate and undertake the process of winding-up and of returning capital to its shareholders.

About Harvest Oil & Gas Corp.

Harvest is an independent oil and gas company engaged in the efficient operation and development of onshore oil and gas properties in the continental United States. More information about Harvest is available on the internet at <https://www.hvstog.com>.

Forward Looking Statements

This press release contains certain statements that are, or may be deemed to be, "forward-looking statements." All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of its business. These forward-looking statements are subject to a number of risks and uncertainties, most of which are difficult to predict and many of which are beyond its control. Please read the Company's filings with the OTC Markets Group, the Securities and Exchange Commission, including "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2019 and other public filings and press releases for a discussion of risks and uncertainties that could cause actual results to differ from those anticipated or implied in such forward-looking statements. These risks include, but are not limited to, changes in applicable laws and regulations that adversely affect our ability to carry out the process of winding-up and returning capital to our shareholders. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "plan," "expect," "indicate" and similar expressions are intended to identify forward-looking statements. All statements other than statements of current or historical fact contained in this press release are forward-looking statements. Although the Company believes that the forward-looking statements contained in this press release are based upon reasonable assumptions, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.

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