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**ARSENAL ENERGY HOLDINGS LLC ANNOUNCES COMMENCEMENT OF A FULLY SOLICITED AND VOTED
ON PRE-PACKAGED CHAPTER 11 CASE**

95% OF SUBORDINATED NOTEHOLDERS VOTED TO SUPPORT THE PLAN

100% OF EQUITYHOLDERS VOTED TO SUPPORT THE PLAN

ALL OTHER STAKEHOLDERS ARE UNAFFECTED BY THE PLAN

PITTSBURGH, PA – February 4, 2019 – Arsenal Resources, a growing pure play natural gas operator in the Marcellus Shale, announced that its top tier holding company – Arsenal Energy Holdings LLC (“AEH”) – commenced a chapter 11 case in the Bankruptcy Court for the District of Delaware on February 4, 2019. AEH filed the chapter 11 case to implement a pre-packaged plan of reorganization (the “Plan of Reorganization”) whereby all of AEH’s outstanding subordinated notes (approximately \$861 million) will be converted into equity through a debt-for-equity exchange.

Arsenal is pleased to announce that the Plan of Reorganization has overwhelming support from its stakeholders, with over 93% of the subordinated noteholders holding over 95% in principal amount and 100% of its common equity holders voting in favor. Arsenal anticipates that the AEH Plan of Reorganization will be consummated expeditiously and has sought approval to emerge from chapter 11 by February 14, 2019.

The chapter 11 case only involves a proceeding at AEH, which does not conduct operations, and all of its creditors other than the subordinated noteholders will not be impacted by the plan. Additionally, none of Arsenal’s operating entities, including any of its subsidiaries, will be affected by the chapter 11 case or the Plan of Reorganization. All of their employees, customers, vendors and lenders will be paid in the ordinary course of business without interruption as if the chapter 11 case had not been commenced.

“We are pleased that our stakeholders have shown their confidence in the Company and have voted nearly unanimously in favor of the Plan of Reorganization. Implementing the Plan of Reorganization will provide the Company with runway to execute on our growth-focused long-term operational business plan and will allow us to continue to operate seamlessly with no impact to our employees, customers and vendors,” said Jonathan Farmer, Chief Executive Officer of AEH.

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About Arsenal Resources

Arsenal Resources is an independent exploration and production company headquartered in Pittsburgh, Pennsylvania that is engaged in the acquisition, exploration, development and production of natural gas in the Appalachian Basin. Through the strategic employment of select technologies, the company achieves continuous improvement in efficiencies and production results.

If you would like more information about Arsenal Resources, please contact (724) 940-1100 or visit www.arsenalresources.com

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