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Investor Presentation

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SPP
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NYSEMKT



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Oil and Gas Reserves The SEC requires oil and gas companies, in filings with the SEC, to disclose “proved oil and gas reserves” (i.e., quantities of oil and gas that are estimated with reasonable certainty to be economically producible) and permits oil and gas companies to disclose “probable reserves” (i.e., quantities of oil and gas that are as likely as not to be recovered) and “possible reserves” (i.e., additional quantities of oil and gas that might be recovered, but with a lower probability than probable reserves). Investors are urged to consider closely the disclosure in Sanchez Production Partners’ Annual Report on Form 10-K for the most recent fiscal year.

Overview

SPP's Transformation

The Old SPP / Constellation Energy Partners

Adjusted EBITDA



EV: ~\$70MM ⁽¹⁾
(As of 6/30/2013)

- ◆ **Challenge:**
 - ❖ Orphan MLP with no sponsor
 - ❖ Significant leverage with no ability to grow
- ◆ **Asset base:**
 - ❖ Legacy PDP production
 - ❖ Dominated by dry gas assets acquired in the 2007-08 timeframe
- ◆ **Distributions:**
 - ❖ Suspended in 2009

Steps of the Transformation

Established Relationship With SOG (Aug-13)

Converted from LLC to LP (Mar-15)

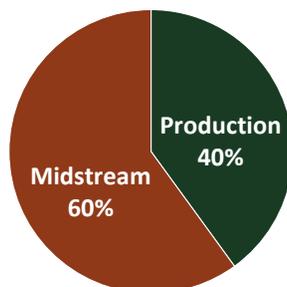
Closed First Production Transaction With SN (Mar-15)

Closed First Midstream Transaction With SN (Oct-15)

ROFO on Significant, Identified Acquisition Inventory

The New Sanchez Production Partners

Adjusted EBITDA ⁽²⁾



EV: ~\$500MM ⁽¹⁾
(As of 3/31/2016)

- ◆ **Challenge met:**
 - ❖ Sponsored partnership
 - Shared Services Agreement with SP Holdings, LLC; supported by the SOG operating platform
 - ROFO on significant, identified acquisition inventory
 - ❖ Executed transactions with SEPI and SN to deleverage and grow cash flows
- ◆ **Asset base:**
 - ❖ Fixed fee gathering and processing assets with long-term minimum volume commitments
 - ❖ Eagle Ford EWI and other Gulf Coast production assets
 - ❖ Other legacy production assets (Mid-Continent)
- ◆ **Distributions:**
 - ❖ An initial quarterly distribution per unit ("DPU") of \$0.4000 was paid in November 2015
 - ❖ A DPU of \$0.4121, a 1.5% increase over the prior quarter (the Partnership's second consecutive increase of 1.5%), will be paid in May 2016

⁽¹⁾ See Slide 12

⁽²⁾ Reflects anticipated contribution to 2016 base case Adjusted EBITDA forecast (as updated 3/30/2016) before G&A expenses; See Slide 23

"SOG" refers to Sanchez Oil & Gas Corporation; "SN" refers to Sanchez Energy Corporation (NYSE: SN); "SEPI" refers to Sanchez Energy Partners I, LP, a SOG-operated private company

2016 Forecast

<u>Base Case (\$MM) ⁽¹⁾</u>	<u>Low</u>	<u>Midpoint</u>	<u>High</u>
Adjusted EBITDA	\$ 54.0	\$ 57.0	\$ 60.0
Distributable Cash Flow ⁽²⁾	\$ 13.5	\$ 16.5	\$ 19.5
Common Unit Distributions	\$ 7.0	\$ 7.0	\$ 7.0
Distribution Coverage Ratio	1.9x	2.3x	2.8x

NOTES:

(1) Developed using the following key assumptions:

- Hedges in place and forward prices as of 12/31/2015
- Excludes contribution of the Mid-Continent assets, which have been targeted for divestiture
- No incremental asset acquisitions or divestitures
- No additional common unit repurchases

(2) Adjusted EBITDA, less:

- Cash interest expense of \$3.1 MM;
- Distributions on Class B Preferred Units of \$35.0 MM; and
- Maintenance capital of \$2.4 MM

Investment Highlights

SPP Investment Highlights

Visible Growth	<ul style="list-style-type: none"> Identified acquisition inventory of midstream and production assets with value > \$0.8 billion Growth profile supports distribution growth over time Significant liquidity to fund growth
Premier Asset Base With Stable Distributable Cash Flow	<ul style="list-style-type: none"> 15 year fixed fee gathering agreement with minimum volume commitments Well structured portfolio of production assets Limited commodity price exposure through active hedging Minimal capital requirements
Well-Sponsored Partnership	<ul style="list-style-type: none"> Aligned with Sanchez Energy Corporation (“SN”) and Sanchez Oil & Gas Corporation (“SOG”) Low cost operator with strategically located assets in a highly prolific and economic basin ROFO on SN midstream assets stemming from continued development
Capital Optimization Focus	<ul style="list-style-type: none"> Well-bore interests with flat production profile, no drilling requirements, no maintenance capital and no incremental G&A expense Well-hedged, stable cash flow profile for rolling five year periods Facilitates the cycling of capital to optimize the value of portfolio assets
Conservative Financial Management	<ul style="list-style-type: none"> Target Debt / Adjusted EBITDA of < 3.0x Target distribution coverage of 1.2x Target borrowing base utilization of < 80%

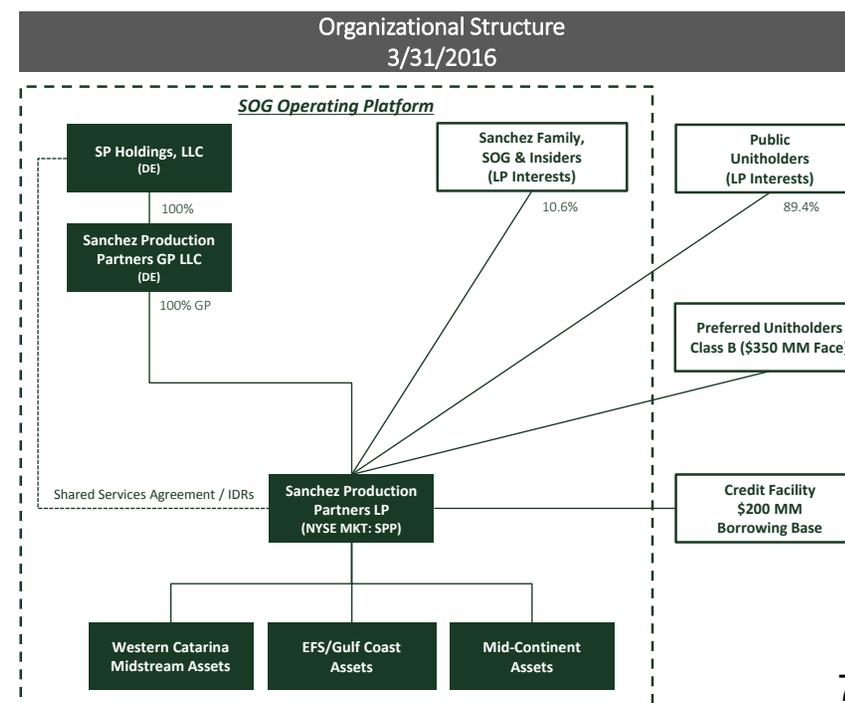


As of 3/31/2016
 Enterprise Value ⁽¹⁾ ~ \$500.0 MM

Adjusted EBITDA:

- Midstream ⁽²⁾ 60%
- Production ⁽²⁾ 40%

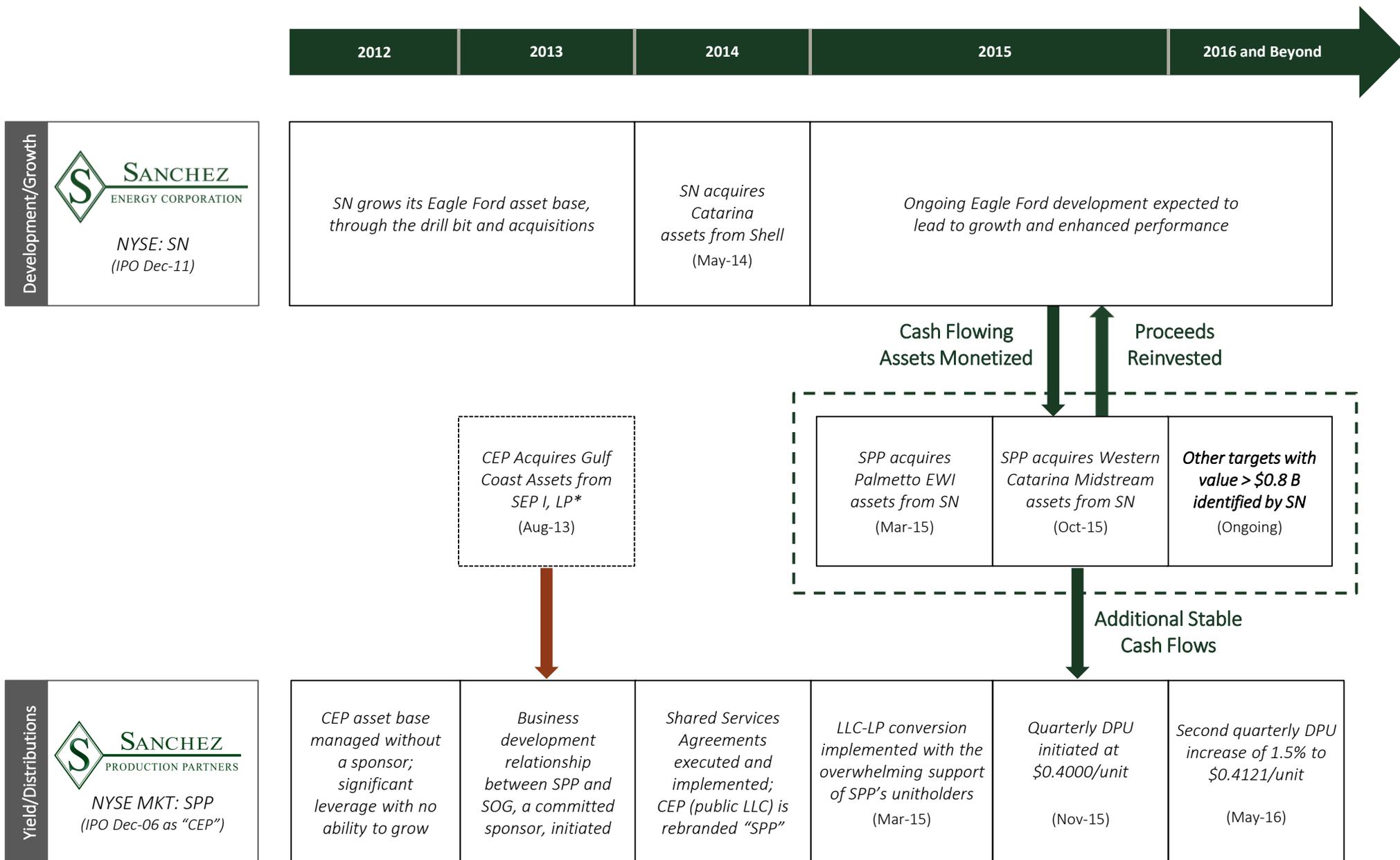
As of 5/13/2016
 Market Price \$10.14/Unit
 Yield (Annualized) 16.3%



⁽¹⁾ See Slide 12

⁽²⁾ Reflects anticipated contribution to 2016 base case Adjusted EBITDA forecast (as updated 3/30/2016) before G&A expenses; See Slide 23

Visible Growth



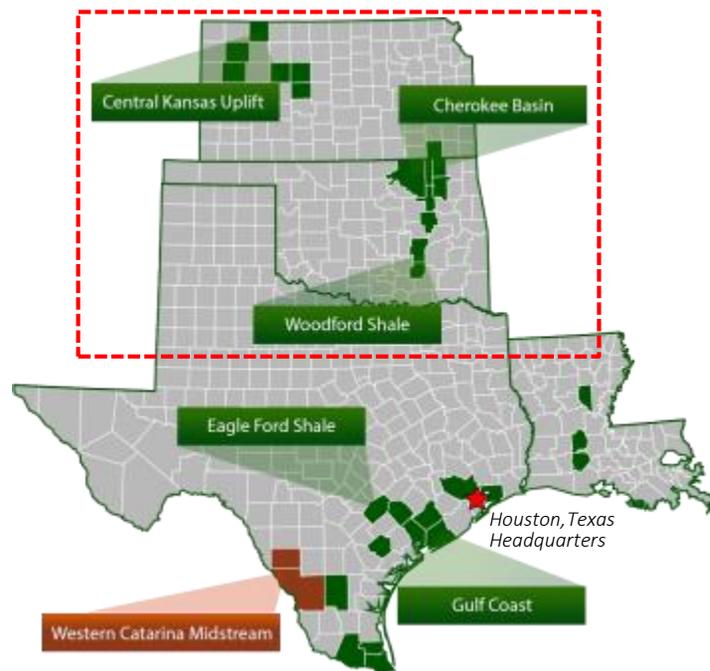
* Sanchez Energy Partners I, LP, a SOG-operated private company

Premier Asset Base

Sanchez Production Partners LP

◆ Western Catarina Midstream Assets

- ❖ Located in a dedication area covering approximately 35,000 net acres in Dimmit and Webb Counties, TX
- ❖ Includes over 150 miles of gathering lines (4" to 12" diameter), compressors, tanks, vessels and other miscellaneous production equipment
- ❖ Supports production activities across SN's Catarina asset
- ❖ Long-term fee-based throughput and gathering agreement with SN



◆ SPP Production Assets

- ❖ Gulf Coast non-operated assets acquired from Sanchez Energy Partners I, LP in 2013
- ❖ Eagle Ford Shale ("EFS") assets acquired from SN in 2015
- ❖ Mid-Continent assets:
 - Cherokee Basin operated and non-operated assets
 - Other non-operated assets, including Woodford Shale assets and Central Kansas Uplift assets

Asset Base	Midstream	Production	
% Adjusted EBITDA ⁽¹⁾	60%	40%	
Total Proved Reserves ⁽²⁾	N/A	15,327 MBOE*	
		5,252 MBOE (95% PDP)*	
		10,075 MBOE (36% PDP)*	Targeted for Divestiture

⁽¹⁾ Reflects anticipated contribution to 2016 base case Adjusted EBITDA forecast (as updated 3/30/2016) before G&A expenses; See Slide 23

⁽²⁾ As of 12/31/2015 based on forward prices

Well-Sponsored Partnership

Sanchez Oil & Gas Corporation

("SOG") | 1972

Operations and Technical Support

- ◆ Private operating platform with ~ 200 employees
- ◆ Experienced management
- ◆ Technical and operational expertise
- ◆ Active business development

Shared Services and Business Development Relationships ⁽¹⁾

Sanchez Energy Corporation ⁽²⁾

(NYSE: SN) | 2011 (IPO)

Development / Growth

- ◆ Structure: Public C-Corp
- ◆ Enterprise Value: ~ \$2.2 billion
- ◆ Asset Focus: Oil resource focus
 - ❖ Eagle Ford Shale
 - ❖ Tuscaloosa Marine Shale
- ◆ 1P Reserves: 128 MMBOE (at 12/31/2015)
- ◆ Production: ~ 56.500 BOE/D (16Q1 Average)
- ◆ Net Acres: ~ 200,000
- ◆ Acquired \$1.1 billion in assets since IPO
- ◆ Credit Rating (Sr. Unsecured): B / Caa2

*Right of
First Offer*

Sanchez Production Partners

(NYSE MKT: SPP) | 2006 (IPO)

Yield / Distributions

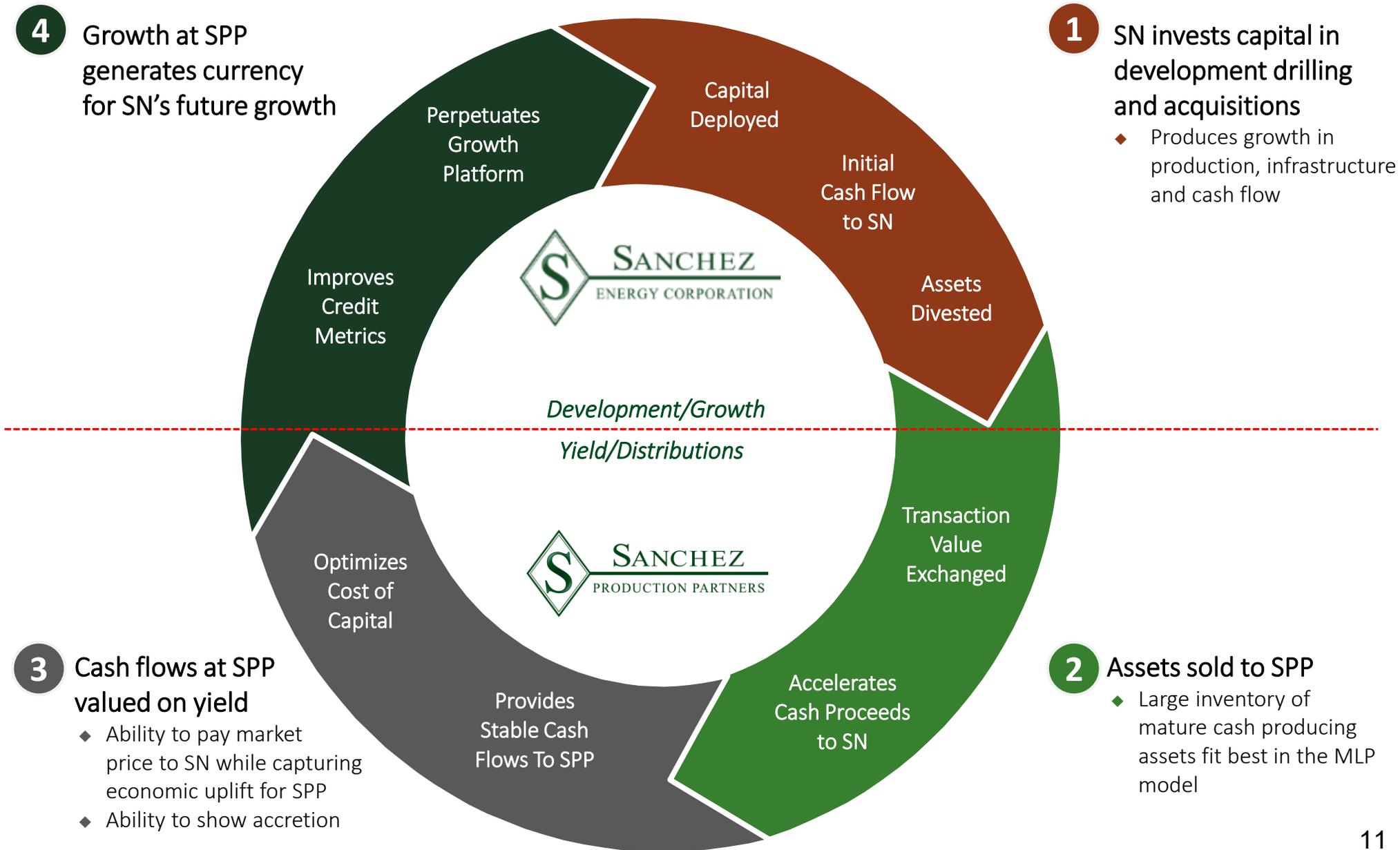
- ◆ Structure: Publicly-traded limited partnership
- ◆ Enterprise Value: ~ \$500 MM ⁽³⁾
- ◆ Asset Focus: Stable cash producing assets
 - ❖ Gathering and processing midstream assets
 - ❖ Escalating working interests
- ◆ Integrated approach to visible growth
- ◆ Initial quarterly DPU of \$0.4000 was paid in November 2015
- ◆ A DPU of \$0.4121, a 1.5% increase over the prior quarter, will be paid in May 2016

⁽¹⁾ Covers operational and technical support and business development activities; includes allocation of G&A

⁽²⁾ Source: SN Corporate Presentation – May 2016; SN market data as of 2/23/2016

⁽³⁾ See Slide 12

Capital Optimization Focus



Conservative Financial Management

<i>(\$ in 000's unless noted)</i>	<u>6/30/2013⁽¹⁾</u>	<u>3/31/2016</u>
Cash & Cash Equivalents	\$ 9,541	\$ 5,936
Borrowing Capacity	\$ 21,000	\$ 91,000
<i>= Borrowing Base</i>	55,000	200,000
<i>- Debt Outstanding</i>	34,000	109,000
Total Liquidity	\$ 30,541	\$ 96,936
<i>= Borrowing Capacity</i>	21,000	91,000
<i>+ Cash & Equivalents</i>	9,541	5,936
Net Debt	\$ 24,459	\$ 103,064
<i>= Debt Outstanding</i>	34,000	109,000
<i>- Cash & Equivalents</i>	9,541	5,936
Enterprise Value	\$ 69,054	\$ 501,295
<i>= Market Capitalization, Common Units^{(2),(3)}</i>	44,595	48,231
<i>+ Class B Preferred Units⁽⁴⁾</i>	-	350,000
<i>+ Net Debt</i>	24,459	103,064
Net Debt / Enterprise Value	35%	21%

⁽¹⁾ Quarter-end preceding SPP's acquisition of Gulf Coast non-operated assets from Sanchez Energy Partners I, LP

⁽²⁾ Based on ~2.4 MM units outstanding at an \$18.80/unit closing price of SPP on NYSE MKT (adjusted for the 1:10 reverse split effective 8/4/2015) as of 6/30/2013

⁽³⁾ Based on ~4.2 MM units outstanding at a \$11.60/unit closing price of SPP on NYSE MKT as of 3/31/2016

⁽⁴⁾ Par value

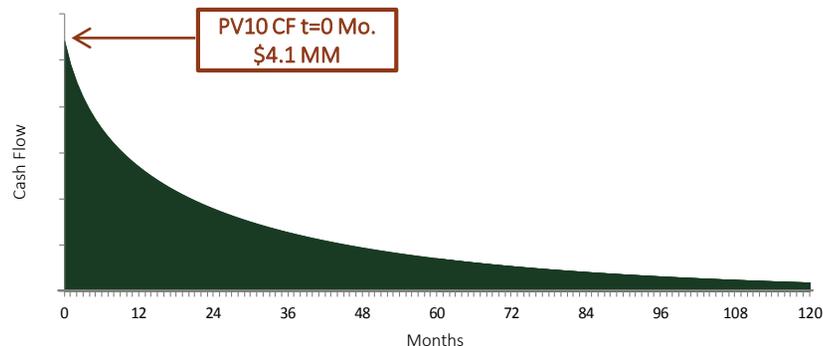
Appendix I

Escalating Working Interest Advantage

EWI Case Study: Repeatable “Win/Win” Structure⁽¹⁾

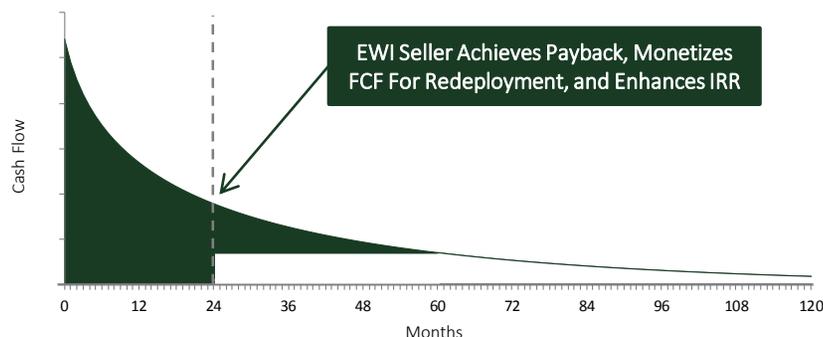
Typical Eagle Ford Well

- ◆ Eagle Ford wells are characterized by fast payback during a period of steep decline followed by a longer period of stable cash flow and low decline for the remaining life of the well
 - ❖ Years 0 - 2 = ~ 40% of production and 60% of present value
 - ❖ Years 2+ = ~ 60% of production and 40% of present value
- ◆ In this example, over the full life of the well the developer expects:
 - ❖ NPV \$4.1 MM
 - ❖ IRR 67%



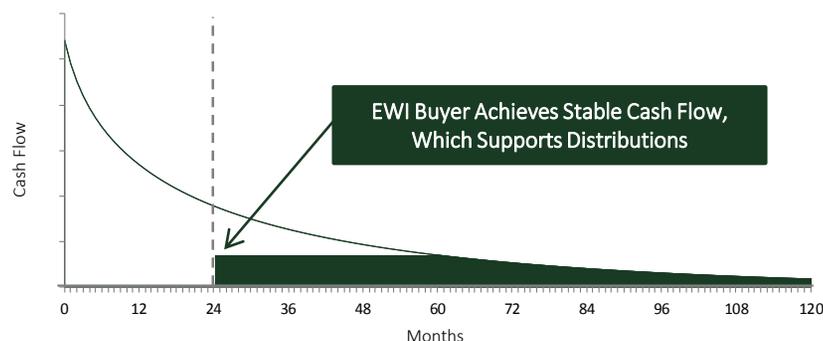
EWI – Seller’s Perspective

- ◆ From the Seller’s perspective, monetization of a portion of the well’s stable cash flow in an EWI structure enhances realized rates of return and provides capital for redeployment in the asset base
- ◆ In this example, the sale of the EWI results in:
 - ❖ NPV \$4.1 MM (unchanged)
 - ❖ IRR 89%



EWI – MLP Buyer’s Perspective

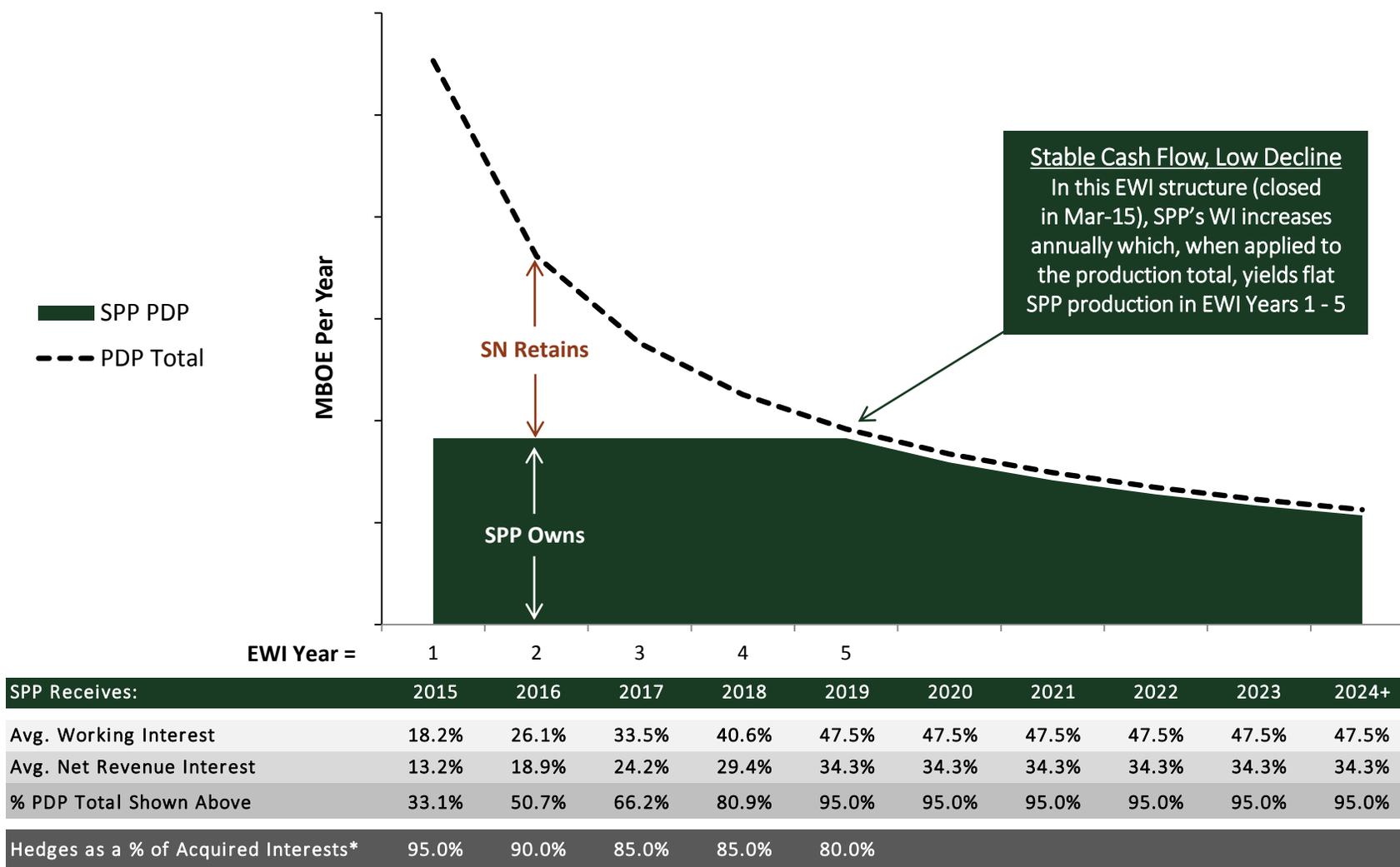
- ◆ From the MLP Buyer’s perspective, the purchase of an EWI, together with hedging (at closing) of the resulting “levelized” production from the asset, provides stable cash flow to support distributions over time while mitigating the need for maintenance capital



⁽¹⁾ Assumes initial well cost of \$4.5 MM; Three year EWI sold in Year 2 at PV10; Flat price deck of \$55/BBL and \$3.50/MCFE; 25% NGL realization; Catarina type curve

SPP Eagle Ford Acquisition

- ◆ Illustrated below, the SPP Eagle Ford Acquisition was structured to offset natural production declines, minimize maintenance capital requirements, and maintain more stable cash flows over the life of the asset for SPP
- ◆ The escalating working interests acquired from SN are expected to “levelize” production to SPP in years one through five
- ◆ Hedges covering a high percentage of production in years one through five, executed by SN, were novated to SPP at closing



* Factors shown exclude natural gas liquids production

SPP Eagle Ford Acquisition (Closed March 2015)

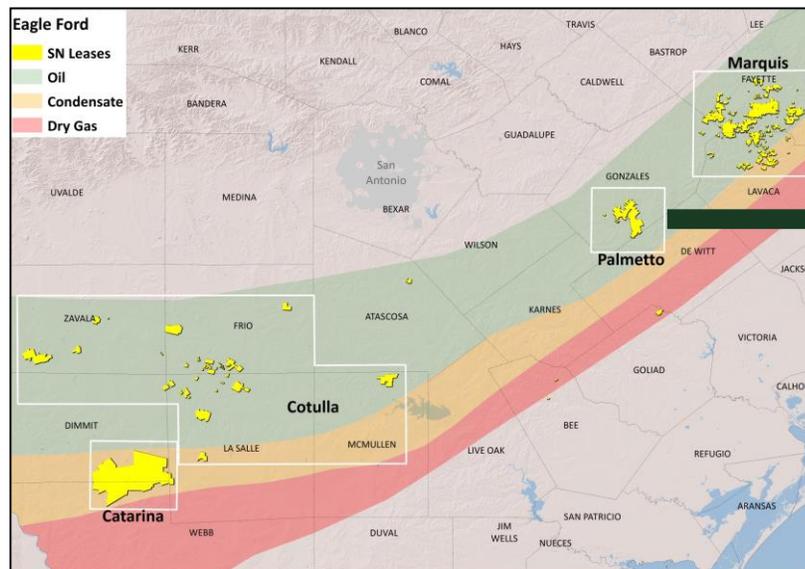
Assets Included In Transaction

Trend	Eagle Ford Shale
Field	Palmetto
Location (County)	Gonzales County, TX
Type	Wellbore Interests
Operator	Marathon
Well (Reserve) Type	Producing (PDP Only)
Well Count	59
Transaction Structure	Escalating Working Interests
Avg. WI / NRI – Year 1	18.3% / 13.2%
Avg. WI / NRI – Years 5+	47.5% / 34.3%
Forecast Net Production, 2015 through 2019	~1,000 BOE/D
Producing Horizons	Upper Eagle Ford, Lower Eagle Ford
Asset Mix, 2015-19	84.2% Oil/Liquids, 15.8% Natural Gas
Asset Mix, Life Cycle	83.9% Oil/Liquids, 16.1% Natural Gas
% PV10 Value Years 1 – 5	63.3%

Palmetto Well Characteristics

EURs (MBOE)	450 – 750
% Oil / Liquids	75% / 89%

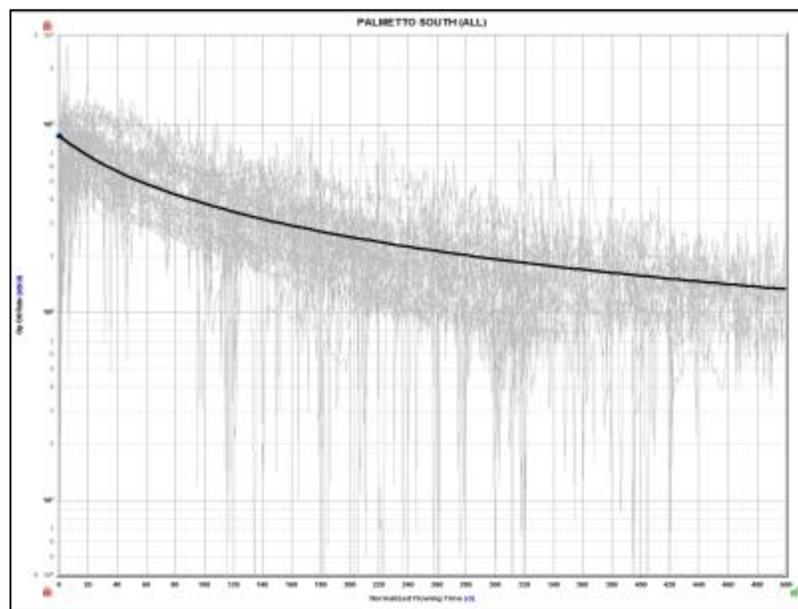
Trend



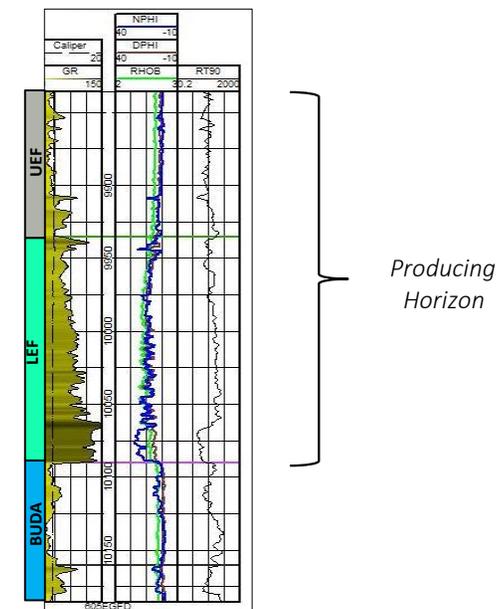
Field



Type Curve



Geology



Source: Graphics from the SN Corporate Presentation – December 2014; Transaction details provided by SN and verified by SPP

Note: All data shown is as of 3/31/2015, the date of transaction closing

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Appendix II

Western Catarina Midstream Transaction

Catarina Overview

Upper Eagle Ford

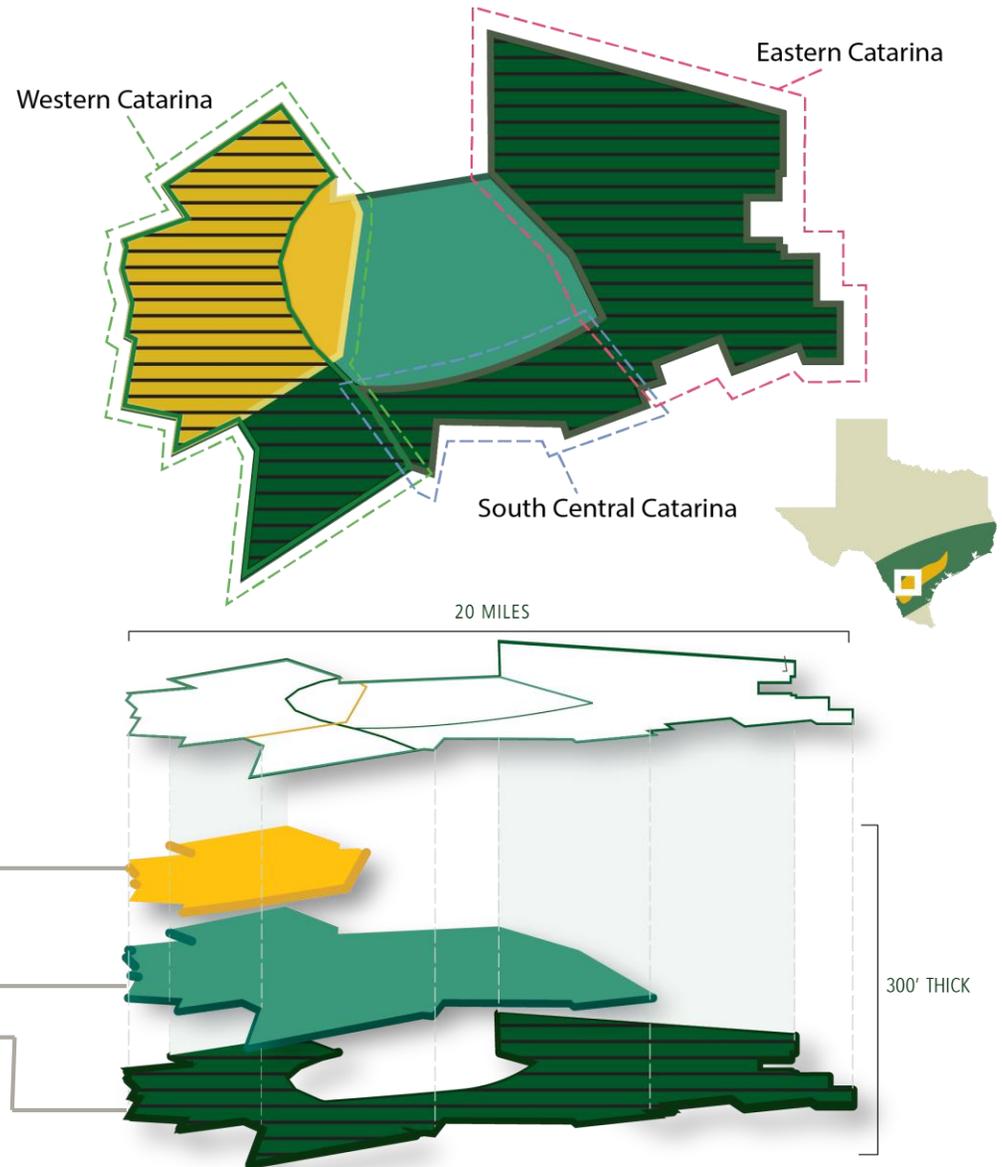
- 150+ Potential Locations
- 7 wells in stacked pilots drilled to date
- High oil yields of 250 Bbl/MMcf

Middle Eagle Ford

- 500+ potential Locations
- Large Stacked Pay Application
- Production in line with LEF Type Curve

Lower Eagle Ford

- 700+ Potential Locations
- 600-1200 Mboe EUR
- Extension into South Central

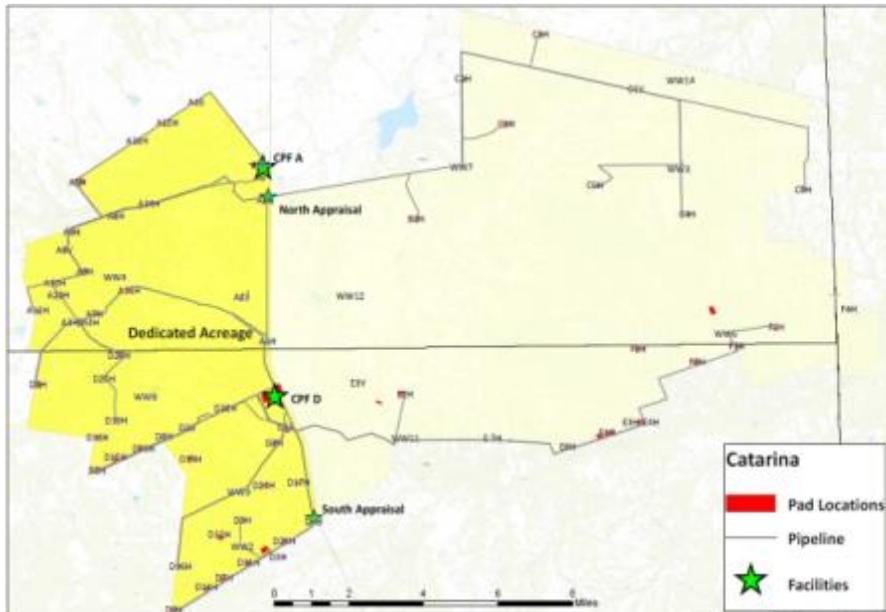


Western Catarina Midstream Asset Overview

Asset Overview

- ◆ Gathering and processing assets originally constructed by Royal Dutch Shell as part of the infrastructure for the development of the Catarina Field
 - ❖ Development and construction of the assets were promulgated under rights embedded in the lease agreement
 - ❖ Pipeline capacity can be easily expanded through small compression projects at nominal costs (~\$1 MM/year in growth capital planned)

Western Catarina Dedicated Acreage



Asset Details

Dedicated Acreage

- ◆ ~ 35,000 acres ⁽¹⁾

Pipeline Assets

- ◆ ~ 150 miles of gathering lines (ranging in diameter from 4" to 12")

Facilities

- ◆ Four main gathering and processing facilities, which include:
 - ❖ Eight stabilizers (5,000 BBL/D)
 - ❖ ~ 25,000 BBL storage capacity
 - ❖ NGL pressurized storage
 - ❖ ~ 18,000hp compression
 - ❖ ~ 300 MMCF/D dehydration capacity

Interconnections

- ◆ Crude oil:
 - ❖ Plains All American Pipeline header system delivered to Gardendale Terminal
 - ❖ Connectivity to all four takeaway pipelines to Corpus Christi
- ◆ Natural gas:
 - ❖ Southcross Energy
 - ❖ Kinder Morgan
 - ❖ Energy Transfer
 - ❖ Enterprise Products
 - ❖ Targa Resources
- ◆ Interconnections located at each of the four main processing facilities

Capacity

- ◆ Condensate: 40,000 BBL/D
- ◆ Natural Gas: 200 MMCF/D

⁽¹⁾ Covers ~ 85,000 net development acres

Western Catarina Midstream Transaction

- ◆ **Buyer:** Sanchez Production Partners LP (“SPP”)
- ◆ **Seller:** SN Catarina, LLC, a wholly-owned subsidiary of Sanchez Energy Corp. (“SN”)
- ◆ **Purchase Price:** ~ \$345 MM
- ◆ **Effective Date:** 10/14/2015
- ◆ **Closed:** 10/14/2015
- ◆ **Assets:** All of the issued and outstanding membership interests in Catarina Midstream, LLC, which owns ~ 150 miles of gathering lines, compressors, tanks, vessels and other gathering and processing infrastructure in Dimmit and Webb Counties, TX
- ◆ **Transaction Agreement:** Purchase and Sale Agreement; includes right of first offer on additional midstream asset sales by SN
- ◆ **Gathering Agreement:** Effective upon closing; 15 year term with fixed rates and a five year “Minimum Quarterly Quantity”
- ◆ **Dedicated Acreage:** ~ 35,000 acres in Western Catarina, SN’s most active development area
- ◆ **Operations:** Managed with the support of SOG since SN’s June 2014 acquisition
- ◆ **Financing Overview:** Financed through a preferred equity raise with Stonepeak Infrastructure Partners and available cash with incremental new debt capacity reserved for future growth

Appendix III

Other Information

SPP Hedging Program

- ◆ SPP intends to hedge a high percentage of PDP for up to five years
- ◆ SPP's hedge strategy primarily utilizes swaps and costless collars, as warranted by market conditions
- ◆ Hedges executed with SPP's lenders and subject to limitations in SPP's Credit Facility
- ◆ Hedges in place result in the following fixed price positions, which were in-the-money ~ \$28 MM as of 3/31/2016:

Hedge Positions ⁽¹⁾	2016	2017	2018	2019
Natural Gas Hedges ⁽²⁾				
\$/MMbtu	4.14	3.52	3.58	3.62
MMbtu	3,009,867	296,048	295,683	277,888
Crude Hedges ⁽²⁾				
\$/Bbl	73.93	64.80	65.40	65.65
Bbl	320,234	213,003	212,555	199,768

⁽¹⁾ As of 3/31/2016

⁽²⁾ NYMEX swaps

NOTE: The Partnership accounts for derivatives using the mark-to-market accounting method

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures – Historic Financials:

EBITDA and Adjusted EBITDA are non-GAAP financial measures that are reconciled to their most comparable GAAP financial measure under Reconciliation of Non-GAAP Financial Measures in this presentation. The reconciliations are only intended to be reviewed in conjunction with the presentation to which they relate.

EBITDA is defined as net income (loss) adjusted by interest (income) expense, net; income tax expense (benefit); depreciation, depletion and amortization; asset impairments; and accretion expense. Adjusted EBITDA is defined as EBITDA adjusted by (gain) loss on sale of assets; (gain) loss from equity investment; unit-based compensation programs; unit-based asset management fees; (gain) loss from mark-to-market activities; and (gain) loss on embedded derivative. Distributable Cash Flow is defined as Adjusted EBITDA less cash interest expense; distributions on preferred units; and maintenance capital.

These financial measures are used as quantitative standards by our management and by external users of our financial statements such as investors, research analysts and others to assess the financial performance of our assets without regard to financing methods, capital structure or historical cost basis; the ability of our assets to generate cash sufficient to pay interest costs and support our indebtedness; and our operating performance and return on capital as compared to those of other companies in our industry, without regard to financing or capital structure. These financial measures are not intended to represent cash flows for the period, nor are they presented as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP.

Use of Non-GAAP Financial Measures – Forecast Financials:

In addition to Adjusted EBITDA, we provide a forecast of Distributable Cash Flow in this presentation. Distributable Cash Flow is defined as Adjusted EBITDA less cash interest expense; distributions on preferred units; and maintenance capital.

We are unable to reconcile our forecast range of Adjusted EBITDA or Distributable Cash Flow to GAAP net income, operating income or net cash flow provided by operating activities because we do not predict the future impact of adjustments to net income (loss), such as (gains) losses from mark-to-market activities and equity investments or asset impairments due to the difficulty of doing so, and we are unable to address the probable significance of the unavailable reconciliation, in significant part due to ranges in our forecast impacted by changes in oil and natural gas prices and reserves which affect certain reconciliation items.

Summary of Non-GAAP Financial Measures :

Non-GAAP Measure	Slide(s) Where Used in Presentation	Most Comparable GAAP Measure	Slide Containing Reconciliations
Adjusted EBITDA, EBITDA	5, 24	Net Income	25

Recent Financial Results

	16Q1 vs. 15Q4		16Q1 vs. 15Q1	
	16Q1	15Q4	16Q1	15Q1
<i>(\$ in 000's unless noted)</i>				
Production (MBOE)	303	336	303	324
Oil and gas sales	\$ 12,398	\$ 11,264	\$ 12,398	\$ 12,656
Midstream sales	13,875	11,725	13,875	-
Gain (loss) on mark-to-market activities	(3,104)	3,109	(3,104)	(732)
Revenue	\$ 23,169	\$ 26,098	\$ 23,169	\$ 11,924
Operating expenses, production ⁽¹⁾	5,324	5,058	5,324	5,475
Operating expenses, midstream	3,054	2,176	3,054	-
General and administrative expenses	6,157	5,440	6,157	9,547
Other (income) expense ⁽²⁾	(6,354)	9,264	(6,354)	4
EBITDA	\$ 14,988	\$ 4,160	\$ 14,988	\$ (3,102)
DD&A ⁽³⁾	8,812	46,865	8,812	86,238
Interest expense, net	899	1,767	899	646
Income tax expense	-	52	-	-
Net income (loss)	\$ 5,277	\$ (44,524)	\$ 5,277	\$ (89,986)
Adjusted EBITDA, As Reported	\$ 13,521	\$ 11,961	\$ 13,521	\$ (437)
Add Back: Non-Recurring Items⁽⁴⁾	-	-	-	5,318
Equals: Adjusted EBITDA Excluding Non-Recurring Items	\$ 13,521	\$ 11,961	\$ 13,521	\$ 4,881

⁽¹⁾ Includes lease operating expenses, cost of sales and production taxes

⁽²⁾ Includes loss (gain) on asset sale and loss on embedded derivative, which are non-cash items

⁽³⁾ Includes accretion expense and asset impairments, which are non-cash items

⁽⁴⁾ Includes employee severance charges of \$4.4 MM, transaction charges of \$0.6 MM, conversion charges of \$0.3 MM, and litigation charges of less than \$0.1 MM in 15Q1

See Reconciliation Items, Slide 25

Reconciliation Items

Reconciliation of Net Income (Loss) to Adjusted EBITDA (\$ in 000s)	<u>15Q1</u>	<u>15Q4</u>	<u>16Q1</u>
Net income (loss)	\$ (89,986)	\$ (44,524)	\$ 5,277
Interest expense, net	646	1,767	899
Income tax expense	-	52	-
DD&A ⁽¹⁾	86,238	46,865	8,812
EBITDA	<u>\$ (3,102)</u>	<u>\$ 4,160</u>	<u>\$ 14,988</u>
(Gain) on sale of assets	(59)	-	-
Unit-based compensation programs	1,992	(9)	438
Unit-based asset management fees	-	937	1,285
(Gain) loss on mark-to-market activities	732	(3,109)	3,104
(Gain) loss on embedded derivative	-	9,982	(6,294)
Adjusted EBITDA ^{(1),(2)}	<u>\$ (437)</u>	<u>\$ 11,961</u>	<u>\$ 13,521</u>

⁽¹⁾ Includes accretion expense and asset impairments

⁽²⁾ Includes employee severance charges of \$4.4 MM, transaction charges of \$0.6 MM, conversion charges of \$0.3 MM, and litigation charges of less than \$0.1 MM in 15Q1; Excluding these non-recurring items in the quarterly results shown, 15Q1 Adjusted EBITDA was \$4.9 MM