



CreditRiskMonitor’s warning of Ultra Petroleum Corp.’s (“Ultra Petroleum”) bankruptcy risk was determined by a combination of factors:

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# MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor’s FRISK® score had been warning of financial stress at Ultra Petroleum (OTC: OPLCQ) for more than a year. We issued a special [High Risk Report](#), dated March 26, 2019 and published [industry analysis](#) that identified highly distressed oil & gas operators on April 15, 2020. **The company ultimately filed for bankruptcy on May 14, 2020.**

Natural gas and natural gas liquids collapsed on oversupply factors, whereby prices sank to three year lows.

Ultra Petroleum failed to meet NASDAQ stock exchange compliance requirements and was delisted to OTC markets.

Fitch Ratings affirms LT IDR of “CCC” and downgraded second lien notes to “CCC” on pricing and production guidance.

Business Name	2019							2020				
	J	J	A	S	O	N	D	J	F	M	A	M
Ultra Petroleum Corp.	1	1	1	1	1	1	1	1	1	1	1	1

**BANKRUPT!**

2Q revenue declined by 18.3% year-over-year and EBIT fell 71.6%, partially offset by derivative hedge settlements on natural gas.

Ultra Petroleum provided a notification that its Form 10-K annual filing would be delayed and acknowledged a potential restructuring.

The FRISK® score is 96% accurate\* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® Score	BANKRUPTCY RISK RELATIVE TO THE HISTORICAL AVERAGE	
	FROM	TO
10	0.00x	0.12x
9	0.12x	0.27x
8	0.27x	0.34x
7	0.34x	0.55x
6	0.55x	0.87x
5	0.87x	1.40x
4	1.40x	2.10x
3	2.10x	4.00x
2	4.00x	9.99x
1	9.99x	50.00x

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. **A FRISK® score of 5 or less is an important warning sign.**

\* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

## THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

## Crowdsourced CreditRiskMonitor® Usage Data

[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

**The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:**

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

## DO NOT MISS THIS – MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Making misleading or fraudulent statements in an MD&A is against the law – and Sarbanes-Oxley subjects CEOs and CFOs to heavy fines or even jail time for doing so. A vital feature of the CreditRiskMonitor service is the ability to quickly access a Company’s Management Discussion and Analysis (MD&A) history. Let it sink in: there are no two people in the world with better knowledge of a company’s liquidity risk than the CEO and CFO. More than any credit manager. More than any trade group. And they’re personally liable if they’re lying.

According to the Financial Accounting Standards Board (FASB), “MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed.”

You MUST understand trends, commitments, demands and uncertainties likely to result in a material change in Liquidity and Capital Resources, like if they can continue as a going concern. If you don’t, you need help.

### Ultra Petroleum Corp.

116 Inverness Dr E Ste 400

ENGLEWOOD, CO 80112-5125 United States

Ticker: UPLCQ

Filed for Bankruptcy on 5/14/2020  
Case #20-32631, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

### Management Discussion and Analysis History

During the year ended December 31, 2019, we funded our operations primarily through cash flows from operating activities and borrowings under the Revolving Credit Facility. In addition to cash flows from operations, the Revolving Credit Facility is our primary source of liquidity. At December 31, 2019, the Company’s cash position was \$1.7 million, with \$64.7 million of outstanding borrowings under the Revolving Credit Facility.

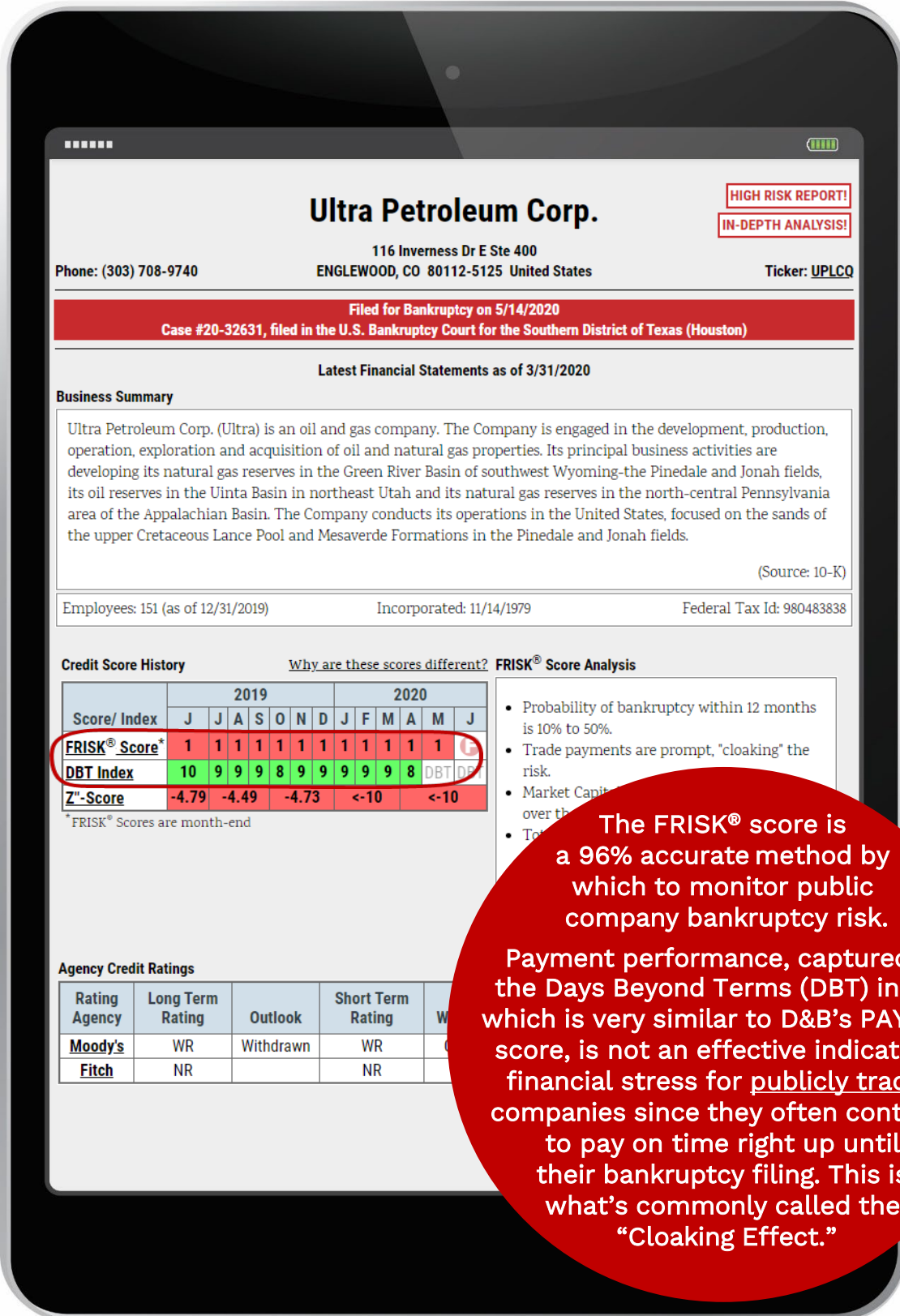
At December 31, 2019, the Company had a commitment of \$200.0 million under its Revolving Credit Facility and a borrowing base of \$1.175 billion, of which \$64.7 million was outstanding. Availability under the Revolving Credit Facility is the undrawn portion of the commitment, net of any outstanding letters of credit outstanding, plus the unrestricted cash of the Company.

Based on the Sixth Amendment, the commitment amount under the Revolving Credit Facility was reduced from \$120 million to \$100 million, with the associated borrowing base set at \$1.075 billion, effective April 1, 2020. The Sixth Amendment also reduced the borrowing base as part of the anti-cash hoarding provisions and established a quarterly, non-prorated reduction of the borrowing base. The next borrowing base redetermination is scheduled for April 1, 2020.

Because the audit report for the year ended December 31, 2019, includes an explanatory paragraph indicating that the Company is in default under each of the covenants in the Credit Agreement, the Company is in violation of the Credit Agreement on the date of the financial statements. As a result of the going concern qualification in the independent auditor’s report on the Company’s December 31, 2019 financial statements, the Company has restricted access to its Revolving Credit Facility beginning on April 1, 2020.

Management disclosed that cash balances were minimal, it had entered into a sixth credit amendment which reduced the borrowing base, and that it was in violation of one of its credit covenants. Contact your account manager to discuss red flags in this report.

# COMPANY REPORT DETAIL



## Ultra Petroleum Corp.

**HIGH RISK REPORT!**  
**IN-DEPTH ANALYSIS!**

116 Inverness Dr E Ste 400  
ENGLEWOOD, CO 80112-5125 United States  
Phone: (303) 708-9740 Ticker: UPLCO

**Filed for Bankruptcy on 5/14/2020**  
**Case #20-32631, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)**

Latest Financial Statements as of 3/31/2020

### Business Summary

Ultra Petroleum Corp. (Ultra) is an oil and gas company. The Company is engaged in the development, production, operation, exploration and acquisition of oil and natural gas properties. Its principal business activities are developing its natural gas reserves in the Green River Basin of southwest Wyoming-the Pinedale and Jonah fields, its oil reserves in the Uinta Basin in northeast Utah and its natural gas reserves in the north-central Pennsylvania area of the Appalachian Basin. The Company conducts its operations in the United States, focused on the sands of the upper Cretaceous Lance Pool and Mesaverde Formations in the Pinedale and Jonah fields.

(Source: 10-K)

Employees: 151 (as of 12/31/2019) Incorporated: 11/14/1979 Federal Tax Id: 980483838

### Credit Score History

[Why are these scores different?](#)

### FRISK® Score Analysis

Score/ Index	2019					2020							
	J	J	A	S	O	N	D	J	F	M	A	M	J
<b>FRISK® Score*</b>	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>DBT Index</b>	10	9	9	9	8	9	9	9	9	8	DBT	DBT	DBT
<b>Z™-Score</b>	-4.79	-4.49			-4.73	<-10	<-10	<-10	<-10	<-10			

\*FRISK® Scores are month-end

- Probability of bankruptcy within 12 months is 10% to 50%.
- Trade payments are prompt, "cloaking" the risk.
- Market Capitalization over the last 12 months.
- Total Debt to Capitalization Ratio.

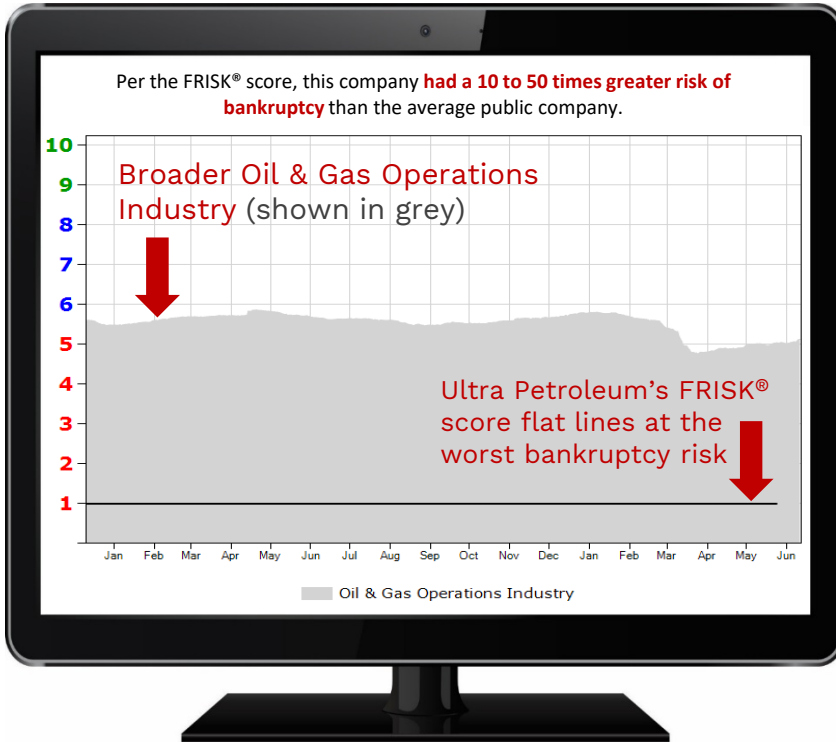
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk. Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

### Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	W
<b>Moody's</b>	WR	Withdrawn	WR	C
<b>Fitch</b>	NR		NR	



# FRISK® DEEP DIVE



The FRISK® score relative to the broader Oil & Gas Operations industry raised an additional red flag signaling heightened risk relative to peers, as well...

**MAKING IMMEDIATE ATTENTION REQUIRED.**

# ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

# FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	California Resources Corp	United States	1
2	Ultra Petroleum Corp.	United States	1
3	Chesapeake Energy Corporation	United States	1
4	Extraction Oil & Gas Inc	United States	1
5	HighPoint Resources Corp	United States	1
6	Denbury Resources Inc.	United States	1
7	Shelf Drilling Ltd	Cayman Islands	1
8	Chaparral Energy Inc	United States	1
9	Unit Corporation	United States	1
10	Lonestar Resources US Inc	United States	1

## FRISK® Stress Index - SIC classification: Crude petroleum and natural gas

See COVID-19 Impact on Frisk Scores around the world...

Primary industry codes only  Primary and secondary industry codes

Businesses From:  CLEAR

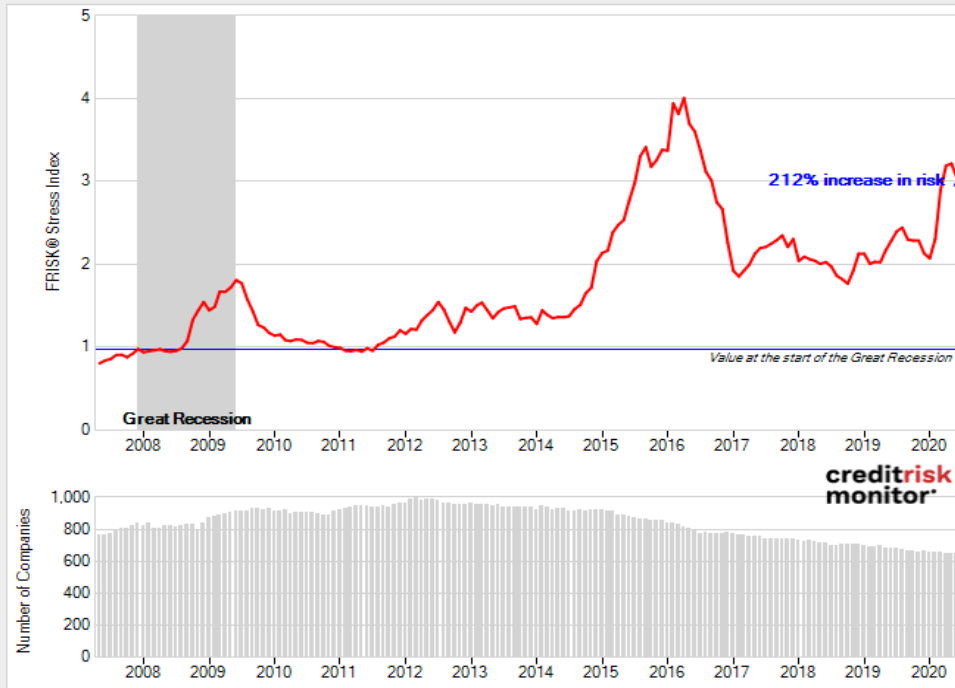
In Industry:

Country:

**UPDATE RESULTS**

Scale:

Total Companies in all months **1,602**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 1311 (Crude petroleum and natural gas) has increased 212% since 2007. Ultra Petroleum was among the weakest names in the industry as evidenced by its FRISK® score of 1.

[Request a Personalized Demo](#)

# PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Calendar Year/Quarter: 2020.1

Businesses in Peer Group: 3345

	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
<b>Credit Ratings</b>						
Z-Score	378	429	-17.32	-19,063.73	0.88	88.10
<b>Performance ratios:</b>						
Net Sales (Thousands of U.S. Dollars)	88	190	130,076	0	80,097	60,029,000
Gross Margin % Of Sales	150	391	57.35	-19,295.00	41.68	116.56
Gross Margin % Of Sales -- TTM	145	395	60.82	-3,509.54	44.52	189.55
SGA % Of Sales	152	398	9.44	0.17	12.93	80,218.18
SGA % Of Sales -- TTM	89	409	5.54	0.07	12.07	61,761.03
Operating Margin % Of Sales	344	421	-179.62	-93,518.18	-4.74	358.85
Operating Margin % Of Sales -- TTM	289	426	-21.83	-58,275.75	2.34	3,917.14
EBITDA Margin Of Sales	259	325				
EBITDA Margin Of Sales -- TTM	185	355				
Net Profit Margin % Of Sales	336	419				
Net Profit Margin % Of Sales -- TTM	290	424				
Pre-tax Income % Of Sales	336	419				
Effective Tax Rate	123	373				
Depreciation % Of Prop/Plant/Equipment	231	389				
Capital Expense % Of Prop/Plant/Equipment	10	350				
Interest Coverage	226	324				
Interest Coverage -- TTM	214	358	0.39	-14,049.79	2.06	1,634.81
<b>Liquidity ratios:</b>						
Cash Ratio	412	449	0.00	0.00	0.27	84.50
Quick Ratio	415	422	0.02	0.00	0.64	86.92
Current Ratio	438	449	0.05	0.00	1.13	87.15
<b>Efficiency ratios:</b>						
Accounts Receivable Turnover	171	428	8.62	-15.65	7.82	606.10
Days Sales Outstanding	199	422				
% of Inventory Financed by Vendors		208				
% of Inventory Financed by Vendors -- TTM		210				
Inventory Turnover		266				
Inventory Turnover -- TTM	90	269				
Days Sales in Inventory		257				
Inventory to Working Capital		264				
Accounts Payable Turnover	25	293				
Accounts Payable Turnover -- TTM	67	295				
<b>Leverage &amp; debt coverage:</b>						
Total Debt to Equity Ratio		359		0.00	0.62	358.87
Debt to Tangible Equity Ratio		356		0.00	0.69	358.87
Total Debt to Assets Ratio	387	401	1.38	0.00	0.29	15,929.56
Short-Term Debt % of Total Debt	324	338	100.00	0.00	19.86	100.00
Short-Term Debt % of Working Capital	262	341	-97.17	-5,447.14	0.00	2,656.88
Liabilities to Net Worth Ratio		412		0.00	1.14	467.55
Total Liabilities to Equity Ratio		416		0.00	1.06	467.55
TTM EBITDA to Total Debt	212	341	0.03	-8,896.46	0.18	1,740.71
Net Debt to TTM EBITDA	210	220	29.20	-393.17	2.17	91.42

Rank	Company Name
1	Reserve Petroleum Co
2	CKX Lands Inc
3	Running Fox Resource Corp
4	Houston American Energy Corporation
5	Everflow Eastern Partners LP

Rank	Company Name
1	Houston American Energy Corporation
2	Brigham Minerals Inc
3	Epsilon Energy Ltd
4	Strata-X Energy Ltd
5	Pan Orient Energy Corp.

Green - Ranked in Upper Quartile of Peer Group  
 White - Ranked in the Middle Two Quartiles of Peer Group  
 Red - Ranked in Lower Quartile of Peer Group  
 Orange - Confidential  
 Grey - Data is Not Available

TTM = trailing 12 months  
 N/A = Not Available

Ultra Petroleum demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.



# QUARTERLY PERFORMANCE RATIOS

Sales fell by double digits year-over-year as production volumes and NG prices decreased

Net profitability declined and interest coverage ratio was weak

## Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2020	3 mos 12/31/2019	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019
<b>Net Sales \$</b>	<b>\$130,076</b>	<b>\$170,929</b>	<b>\$144,238</b>	<b>\$155,406</b>	<b>\$271,461</b>
% change	-23.90%	18.50%	-7.19%	-42.75%	-0.64%
<b>Gross Margin \$</b>	<b>\$74,598</b>	<b>\$109,358</b>	<b>\$85,131</b>	<b>\$96,211</b>	<b>\$197,536</b>
% change	-31.79%	28.46%	-11.52%	-51.29%	0.63%
% of sales	57.35%	63.98%	59.02%	61.91%	72.77%
change as % of incremental sales	n/m	90.77%	n/m	n/m	n/m
<b>SG&amp;A \$</b>	<b>\$12,273</b>	<b>\$6,967</b>	<b>\$6,595</b>	<b>\$7,433</b>	<b>\$7,052</b>
% change	76.16%	5.64%	-11.27%	5.40%	-19.61%
% of sales	9.44%	4.08%	4.57%	4.78%	2.60%
change as % of incremental sales	n/m	1.39%	n/m	n/m	n/m
<b>Operating margin \$</b>	<b>(\$233,644)</b>	<b>\$66,367</b>	<b>\$18,419</b>	<b>\$17,729</b>	<b>\$138,026</b>
% change	-452.05%	260.32%	3.89%	-87.16%	-2.41%
% of sales	-179.62%	38.83%	12.77%	11.41%	50.85%
change as % of incremental sales	n/m	179.64%	n/m	n/m	n/m
<b>EBITDA \$</b>	<b>(\$184,266)</b>	<b>\$100,212</b>	<b>\$81,528</b>	<b>\$73,455</b>	<b>\$189,965</b>
% change	-283.88%	22.92%	10.99%	-61.33%	-4.05%
% of sales	-141.66%	58.63%	56.52%	47.27%	69.98%
change as % of incremental sales	n/m	70.00%	n/m	n/m	n/m
<b>EBIT \$</b>	<b>(\$231,550)</b>	<b>\$52,988</b>	<b>\$31,947</b>	<b>\$17,686</b>	<b>\$138,312</b>
% change	-536.99%	65.86%	80.63%	-87.21%	-5.07%
% of sales	-178.01%	31.00%	22.15%	11.38%	50.95%
change as % of incremental sales	n/m	78.83%	n/m	n/m	n/m
<b>Pre-tax income \$</b>	<b>(\$217,654)</b>	<b>(\$2,187)</b>	<b>\$11,513</b>	<b>\$56,964</b>	<b>\$40,647</b>
% change	-9,852.17%	-119.00%	-79.79%	40.14%	2.37%
% of sales	-167.33%	-1.28%	7.98%	36.66%	14.97%
change as % of incremental sales	n/m	-51.33%	n/m	n/m	n/m
<b>Net income (loss) \$</b>	<b>(\$217,605)</b>	<b>(\$1,306)</b>	<b>\$11,513</b>	<b>\$57,105</b>	<b>\$40,675</b>
% change	-16,561.94%	-111.34%	-79.84%	40.39%	2.44%
% of sales	-167.29%	-0.76%	7.98%	36.75%	14.98%
change as % of incremental sales	n/m	-48.03%	n/m	n/m	n/m
<b>Tax expense \$</b>	<b>(\$49)</b>	<b>(\$881)</b>	<b>\$0</b>	<b>(\$141)</b>	<b>(\$28)</b>
Effective tax rate	0.02%	40.28%	0.00%	-0.25%	-0.07%
<b>Depreciation expense \$</b>	<b>\$47,284</b>	<b>\$47,224</b>	<b>\$49,581</b>	<b>\$55,769</b>	<b>\$51,654</b>
% of sales	36.35%	27.63%	34.37%	35.89%	19.03%
% of capital expenses	7,342.24%	585.40%	87.89%	65.92%	55.80%
% of PP&E, net (annualized)	12.31%	11.11%	11.56%	13.14%	12.95%
<b>Capital expenditures \$</b>	<b>\$644</b>	<b>\$8,067</b>	<b>\$56,414</b>	<b>\$84,601</b>	<b>\$92,563</b>
% change	-92.02%	-85.70%	-33.32%	-8.60%	4.36%
% of PP&E, net (annualized)	0.17%	1.90%	13.15%	19.94%	23.20%
% of working capital (annualized)	-0.12%	-2.81%	-239.62%	-281.39%	-365.68%
<b>Interest coverage ratio</b>	<b>(4.49)</b>	<b>1.82</b>	<b>1.90</b>	<b>1.70</b>	<b>1.95</b>
% change	-347.17%	-4.30%	11.70%	-12.65%	4.12%
<b>Free cash flow \$</b>	<b>\$72,962</b>	<b>\$16,867</b>	<b>\$5,943</b>	<b>(\$20,166)</b>	<b>\$58,127</b>
% change	332.57%	183.81%	129.47%	-134.69%	168.45%
Source:	10-Q 6/4/2020	10-K 4/15/2020	10-Q 11/7/2019	10-Q 8/9/2019	10-Q 8/9/2019

# QUARTERLY LEVERAGE RATIOS

Tangible net worth was in a deep deficit, indicating limited borrowing capacity

Short-term debt increased to 100% after a covenant breach on its credit and term loan agreements

## Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
<b>Total debt \$</b>	\$2,078,035	\$2,150,210	\$2,157,037	\$2,159,208	\$2,145,436
% change	-3.36%	-0.32%	-0.10%	0.64%	-3.16%
<b>Stockholders' equity \$</b>	(\$1,061,196)	(\$844,814)	(\$843,798)	(\$856,225)	(\$914,003)
% change	-25.61%	-0.12%	1.45%	6.32%	12.84%
<b>Tangible net worth \$</b>	(\$1,061,196)	(\$844,814)	(\$843,798)	(\$856,225)	(\$914,003)
% change	-25.61%	-0.12%	1.45%	6.32%	12.84%
<b>Total assets \$</b>	\$1,500,658	\$1,815,276	\$1,846,558	\$1,873,226	\$1,834,368
% change	-17.33%	-1.69%	-1.42%	2.12%	5.83%
<b>Total debt to assets ratio</b>	1.38	1.18	1.17	1.15	1.17
% change	16.90%	1.40%	1.34%	-1.44%	-8.50%
<b>Tangible assets \$</b>	\$1,500,658	\$1,815,276	\$1,846,558	\$1,873,226	\$1,834,368
% change	-17.33%	-1.69%	-1.42%	2.12%	5.83%
<b>Short-term debt \$</b>	\$2,078,035	\$2,150,210	\$9,750	\$9,750	\$9,750
% change	-3.36%	21,953.44%	0.00%	0.00%	33.32%
<b>Short-term debt % of total debt</b>	100.00%	100.00%	0.45%	0.45%	0.45%
% change	0.00%	22,023.89%	0.09%	-0.64%	37.69%
<b>Short-term debt % of working capital</b>	-97.17%	-97.79%	-9.96%	-10.77%	-6.50%
% change	0.64%	-881.41%	7.51%	-65.77%	53.36%
<b>Total liabilities \$</b>	\$2,561,854	\$2,660,090	\$2,690,356	\$2,729,451	\$2,748,371
% change	-3.69%	-1.13%	-1.43%	-0.69%	-1.21%
<b>Total debt to EBITDA ratio (annualized)</b>	n/a	5.36	6.61	7.35	2.82
% change	n/a	-18.90%	-9.99%	160.27%	0.93%
Source:			10-Q	10-Q	10-Q
			11/7/2019	8/9/2019	5/9/2019

Debt to assets ranked in bottom decile compared to exploration & production industry peers

# QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Recurring negative working capital

Weak cash, quick, and current ratios

## Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
<b>Current assets \$</b>	<b>\$103,122</b>	<b>\$125,489</b>	<b>\$111,293</b>	<b>\$142,258</b>	<b>\$138,631</b>
% change	-17.82%	12.76%	-21.77%	2.62%	-35.44%
% of short-term debt	4.96%	5.84%	1,141.47%	1,459.06%	1,421.86%
<b>Current liabilities \$</b>	<b>\$2,241,744</b>	<b>\$2,324,221</b>	<b>\$209,139</b>	<b>\$232,757</b>	<b>\$288,652</b>
% change	-3.55%	1,011.33%	-10.15%	-19.36%	8.02%
<b>Working capital \$</b>	<b>(\$2,138,622)</b>	<b>(\$2,198,732)</b>	<b>(\$97,846)</b>	<b>(\$90,499)</b>	<b>(\$150,021)</b>
% change	2.73%	-2,147.14%	-8.12%	39.68%	-185.86%
% of sales (annualized)	-411.03%	-321.59%	-16.96%	-14.56%	-13.82%
<b>Cash \$</b>	<b>\$6,571</b>	<b>\$1,664</b>	<b>\$3,365</b>	<b>\$5,191</b>	<b>\$10,469</b>
% change	294.89%	-50.55%	-35.18%	-50.42%	-38.47%
% of short-term debt	0.32%	0.08%	34.51%	53.24%	107.37%
<b>Cash ratio</b>	<b>0.00</b>	<b>0.00</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>
% change	314.29%	-95.65%	-27.80%	-38.57%	-43.01%
<b>Quick assets \$</b>	<b>\$49,024</b>	<b>\$79,985</b>	<b>\$55,900</b>	<b>\$60,860</b>	<b>\$103,933</b>
% change	-38.71%	43.09%	-8.15%	-41.44%	-35.61%
% of short-term debt	2.36%	3.72%	573.33%	624.21%	1,065.98%
<b>Quick ratio</b>	<b>0.02</b>	<b>0.03</b>	<b>0.27</b>	<b>0.26</b>	<b>0.36</b>
% change	-36.34%	-87.13%	2.22%	-27.38%	-40.38%
<b>Current ratio</b>	<b>0.05</b>	<b>0.05</b>	<b>0.53</b>	<b>0.61</b>	<b>0.48</b>
% change	-14.81%	-89.85%	-12.94%	27.25%	-40.23%
Source:	10-Q 6/4/2020	10-K 4/15/2020	10-Q 11/7/2019	10-Q 8/9/2019	10-Q 5/9/2019

Poor returns on total assets

## Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2020	3 mos 12/31/2019	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019
<b>Return on total assets</b>	<b>-13.12%</b>	<b>-0.07%</b>	<b>0.62%</b>	<b>3.08%</b>	<b>2.28%</b>
% change	-18,307.85%	-111.52%	-79.91%	35.09%	-3.54%
<b>Return on tangible assets</b>	<b>-13.12%</b>	<b>-0.07%</b>	<b>0.62%</b>	<b>3.08%</b>	<b>2.28%</b>
% change	-18,307.85%	-111.52%	-79.91%	35.09%	-3.54%
Source:	10-Q 6/4/2020	10-K 4/15/2020	10-Q 11/7/2019	10-Q 8/9/2019	10-Q 8/9/2019

# ANNUAL STATEMENT OF CASH FLOWS

Fifth amendment on credit agreement stalled capex spend and production

## Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	12 mos 12/31/2019	12 mos 12/31/2018	12 mos 12/31/2017	12 mos 12/31/2016	12 mos 12/31/2015
				<b>Restated</b>	
				12/31/2017	
<b>Cash Flows from Operating Activities:</b>					
Net income	\$107,988	\$85,207	\$177,140	\$56,151	(\$3,207,220)
Depreciation/depletion	204,227	204,255	161,945	125,121	401,200
Deferred taxes	n/a	n/a	0	1	(990)
Non-cash Items	(57,038)	74,699	(435,015)	44,402	3,251,881
Changes in working capital	47,239	(53,264)	161,198	85,395	70,667
<b>Total cash from operating activities</b>	<b>302,416</b>	<b>310,897</b>	<b>65,268</b>	<b>311,070</b>	<b>515,538</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(241,645)	(433,229)	(560,734)	(269,643)	(494,576)
Other investing cash flow items, total	(28,507)	31,519	125,423	(9,257)	(18,181)
<b>Total cash from investing activities</b>	<b>(270,152)</b>	<b>(401,710)</b>	<b>(435,311)</b>	<b>(278,900)</b>	<b>(512,757)</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	(1,440)	(9,773)	(296,930)	0	(17,043)
Issuance/retirement of stock, net	(75)	(2,378)	564,193	(379)	(2,514)
Issuance/retirement of debt, net	(46,613)	104,000	(284,000)	369,000	12,000
<b>Total cash from financing activities</b>	<b>(48,128)</b>	<b>91,849</b>	<b>(16,737)</b>	<b>368,621</b>	<b>(7,557)</b>
<b>Net change in cash</b>	<b>(15,864)</b>	<b>1,036</b>	<b>(386,780)</b>	<b>400,791</b>	<b>(4,776)</b>
<b>Net cash-beginning balance</b>	<b>19,305</b>	<b>18,269</b>	<b>405,049</b>	<b>4,258</b>	<b>8,919</b>
<b>Net cash-ending balance</b>	<b>\$3,441</b>	<b>\$19,305</b>	<b>\$18,269</b>	<b>\$405,049</b>	<b>\$4,143</b>
<b>Supplemental Disclosures:</b>					
Cash interest paid	\$143,738	\$135,230	\$317,120	\$4,793	\$169,867
Cash taxes paid, supplemental	\$0	\$0	\$0	\$94	\$0
Auditor/Opinion:	Ernst & Young LLP	Ernst & Young LLP	Ernst & Young LLP	Ernst & Young LLP	Ernst & Young LLP
	<b>Unqualified</b>	<b>Unqualified</b>	<b>Unqualified</b>	<b>Unqualified</b>	<b>Unqualified</b>
Source:	10-K	10-K	10-K	10-K	10-K
	4/15/2020	3/8/2019	2/28/2018	2/28/2018	2/29/2016

## NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p><b>Fitch downgraded Ultra Petroleum's credit rating to CCC+ and senior unsecured notes to CCC-, while placing both on Ratings Watch Negative. The analyst team determined that only 20% of the company's drilling locations were economically viable in the current natural gas pricing environment.</b></p>		
05/20/2019	Fitch Ratings	Fitch Downgrades Ultra Petroleum's Long-Term IDR to 'CCC+'; On Ratings Watch
<p><b>In early May, management announced an Exchange Offer for senior unsecured notes, however, bondholder participation was exceedingly low at only 3.4% even after providing multiple extensions over a several month period. The Exchange Offer was terminated and all tendered notes would be returned to their respective owners.</b></p>		
07/11/2019	Globe Newswire	Ultra Petroleum Corp. Announces Termination of Exchange Offer for 7.125% Senior Notes due 2025
<p><b>Ultra Petroleum Corp. disclosed that it received approval from lenders to remove financial maintenance covenants, a reduction of future natural gas hedging requirements, and a tightening of allowable capital expenditures. These alterations were an indication that the company's credit profile was weakening.</b></p>		
09/16/2019	CRMZ News Service	Ultra Petroleum Corp. Proactively Enters Into Amended Credit Facility
<p><b>Ultra Petroleum announced that the Vice President, Drilling, and Completions, would be retiring from the company. Such departures in combination with financial stress is a serious warning signal prior to a company's eventual bankruptcy filing.</b></p>		
10/07/2019	CRMZ News Service	Ultra Petroleum Corp. files (8-K) Disclosing Change in Directors or Principal Officers
<p><b>Q3 2019 filing – net sales declined by 29.2% compared to the same period in the previous year, operating income decreased by 75.2%, and net income dropped by 38%. Fixed operating expenses, including facility lease and gathering fees, were the primary cause of the declines in profitability.</b></p>		
11/12/2019	CRMZ News Service	Ultra Petroleum Corp – updated financials available
<p><b>Ultra Petroleum entered into a Sixth Amendment to its Credit Agreement, which lowered its borrowing base to \$1.075 billion, established quarterly redeterminations, and reduced its threshold of permissible cash on hand. These alterations in clauses pointed to its deteriorating liquidity profile.</b></p>		
02/18/2020	CRMZ News Service	Ultra Petroleum Corp. files (8-K) Disclosing Entry into a Material Definitive Agreement
<p><b>The coronavirus pandemic caused demand destruction for natural gas in 2020, keeping the commodity's price suppressed. Those circumstances, in addition to an excessive debt burden, would lead Ultra Petroleum to file for Chapter 11 bankruptcy restructuring for the second time since April 2016.</b></p>		
05/14/2020	Dow Jones & Company, Inc.	Ultra Petroleum Tumbles Back Into Bankruptcy – Market Talk



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