

U.S. Bankruptcy Court Approves Final Azure Midstream Partners Liquidation Plan

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Dallas, May 23, 2017 – On May 19, 2017 the United State Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”) approved Azure Midstream Partners LP, ’s (the “Partnership”) Fifth Amended and Restated Plan of Liquidation (the “Plan”) filed with the Court on May 18, 2017, Case No. 17-30461. The Plan is expected to become effective on June 2, 2017.

As previously disclosed, on January 30, 2017 Azure Midstream Partners LP, together with its general partner and its direct and indirect subsidiaries (collectively, “Azure” or “Debtors”), filed voluntary petitions with the Court under chapter 11 of title 11 of the U.S. Bankruptcy Code.

As previously disclosed, on March 15, 2017 Azure entered into a purchase and sale agreement with BTA Gathering LLC (“BTA”) pursuant to which Azure sold substantially all of it business and assets to BTA. The purchase and sale agreement was approved by the Court by sale order dated March 15, 2017. The sale closed on April 28, 2017.

The Plan provides that, upon the effective date of the Plan, all common units shall be deemed cancelled and an entity formed pursuant to the Plan (the “Azure Custodian”) shall thereafter hold a single new unit of Azure common units as custodian for the benefit of the former unitholders, consistent with such unitholders’ former relative priority and economic entitlements.

Under the terms of the Plan, a portion of the allowed, secured claims arising under the Debtors’ prepetition credit agreement (the “Secured Claims”) shall be paid following confirmation of the Debtors’ plan of reorganization. Thereafter, the Debtors shall pay all allowed tax claims, administrative expense claims, professional fees and expenses, general unsecured claims, and any costs associated with winding down the Debtors’ estates. After such claims have been paid in full, any remaining cash will be used to first satisfy the remainder of allowed Secured Claims. If any cash remains in the Debtors’ estates after satisfying the prepetition Secured Claims and all other allowed claims, and after liquidating the all remaining assets of the Debtors’ estates, the Plan provides that Azure Custodian shall receive all such remaining cash, which will be distributed on a pro rata share to the common unitholders. As previously disclosed, it is unlikely that any common unitholders will receive any distributions.

Copies of the Plan and the Court’s order confirming the Plan are available at www.kccllc.net/azuremlp, which is accessible through the Partnership's website at <http://www.azuremidstream.com/>. We urge you to monitor our press releases and these websites for important information.

Cautionary Note Regarding Forward Looking Statements

This press release includes "forward-looking statements" as defined by the Securities and Exchange Commission. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Partnership expects, believes or anticipates will or may occur in the future are forward-looking statements. Terminology such as "will," "would," "should," "could," "expect," "anticipate," "plan," "project," "intend," "estimate," "believe," "target," "continue," "potential," the negative of such terms or other comparable terminology are intended to identify forward-looking statements. These statements include, but are not limited to, the confirmation and consummation of the Plan and the Partnership's expectations and anticipated results with respect thereto. These statements are based on certain assumptions made by the Partnership based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances, but such assumptions may prove to be inaccurate. Such statements are also subject to a number of risks and uncertainties, many of which are beyond the control of the Partnership, which may cause the Partnership's actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks and uncertainties relating to, among other things: the ability to consummate the Plan; the ultimate receipt of proceeds and the application and distribution of proceeds, which are subject to a number of contingencies and uncertainties; and no assurance can be

made that distributions will not be made if claims by creditors are less than currently anticipated or proceeds ultimately received by the partnership are greater than currently expected. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements in this press release are qualified in their entirety by these cautionary statements. Except as required by law, the Partnership undertakes no obligation and does not intend to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

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