



CreditRiskMonitor’s warning of Sanchez Energy Corporation’s (“Sanchez Energy”) 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 Sanchez Energy Corporation (OTC: SNECQ) for more than a year.

We issued a special High Risk Report, dated March 19, 2019, as conditions continued to deteriorate and become more troubling.

The company ultimately filed for bankruptcy on August 11, 2019.

Business Name	2018					2019							
	A	S	O	N	D	J	F	M	A	M	J	J	A
Sanchez Energy Corporation	2	1	1	1	1	1	1	1	1	1	1	1	1

BANKRUPT!

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.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best 10	0.00%	0.12%	
9	0.12%	0.27%	
8	0.27%	0.34%	
7	0.34%	0.55%	
6	0.55%	0.87%	
5	0.87%	1.40%	
4	1.40%	2.10%	
3	2.10%	4.00%	
2	4.00%	9.99%	
Worst 1	9.99%	50.00%	

While the percentage 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

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”](#)

COMPANY REPORT DETAIL

Sanchez Energy Corporation

1000 Main St Ste 3000

Phone: (713) 783-8000

HOUSTON, TX 77002-6342 United States

Ticker: SNECQ

Filed for Bankruptcy on 8/11/2019
Case #19-34508, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

Latest Financial Statements as of 6/30/2019

Business Summary

Sanchez Energy Corporation is an independent exploration and production company. The Company is focused on the acquisition and development of the United States onshore unconventional oil and natural gas resources. It primarily focuses on the Eagle Ford Shale in South Texas, and also holds an undeveloped acreage position in the Tuscaloosa Marine Shale (TMS) in Mississippi and Louisiana. As of December 31, 2018, the Company had assembled approximately 472,000 gross leasehold acres (271,000 net acres) in the Eagle Ford Shale. In its Catarina area, the Company had approximately 106,000 net acres in Dimmit, LaSalle and Webb Counties, Texas, at December 31, 2018.

Employees: (as of 12/31/2018)

Incorporated: 8/22/2011

Federal Tax Id: 453090102

Credit Score History

[Why are these scores different?](#)

Auditor Information

Score/ Index	2018					2019							
	A	S	O	N	D	J	F	M	A	M	J	J	A
FRISK® Score*	2	1	1	1	1	1	1	1	1	1	1	1	1
DBT Index	9	9	8	8	8	9	9	9	9	9	9	9	9
Z¹-Score	-1.08	-1.39				-1.35				-1.61			-2.04

Last Audit: 12/31/2018
 Auditors: KPMG LLP
 Opinion: Un

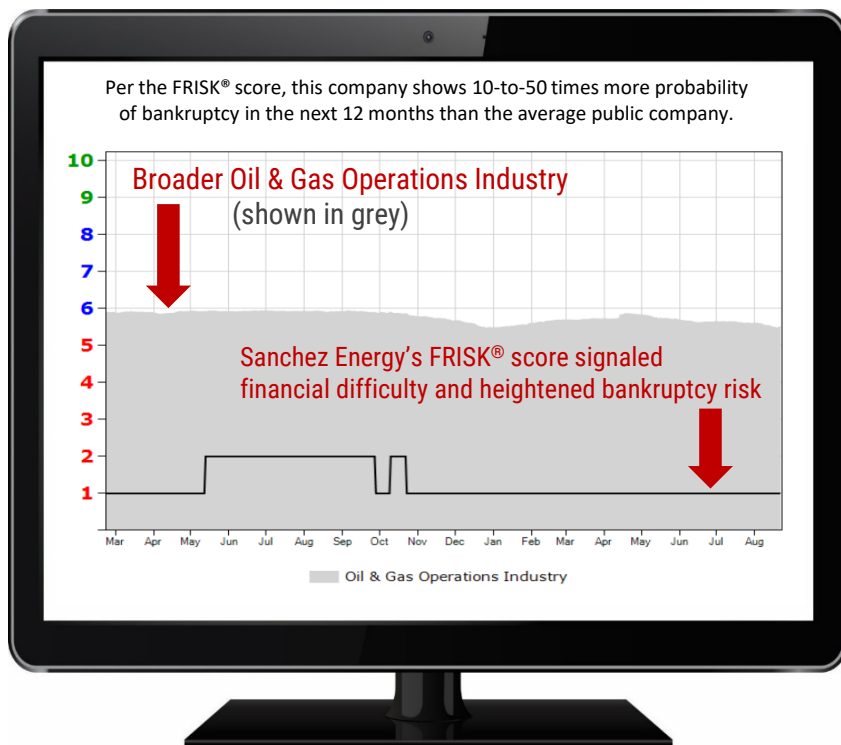
*FRISK® Scores are month-end

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating
Moody's	WR	Withdrawn	WR

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."

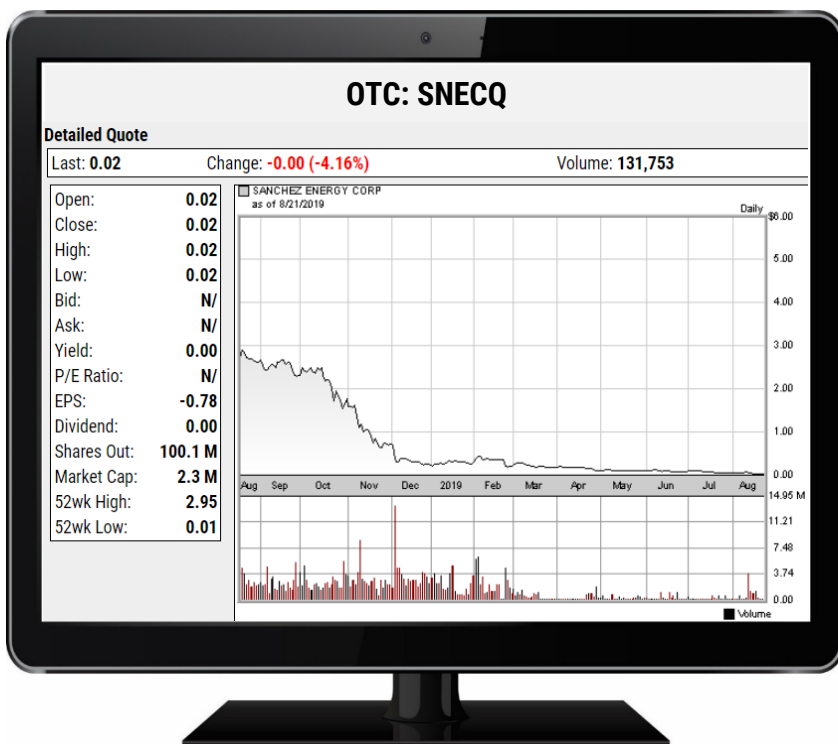
FRISK® DEEP DIVE



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	FRISK® score
1	Approach Resources Inc.	United States	1
2	Bellatrix Exploration Ltd	Canada	1
3	California Resources Corp	United States	1
4	Contango Oil & Gas Company	United States	1
5	Denbury Resources Inc.	United States	1
6	Dommo Energia SA	Brazil	1
7	Energi Mega Persada Tbk PT	Indonesia	1
8	EP Energy LLC	United States	1
9	Halcon Resources Corp	United States	1
10	HighPoint Resources Corp	United States	1

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

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

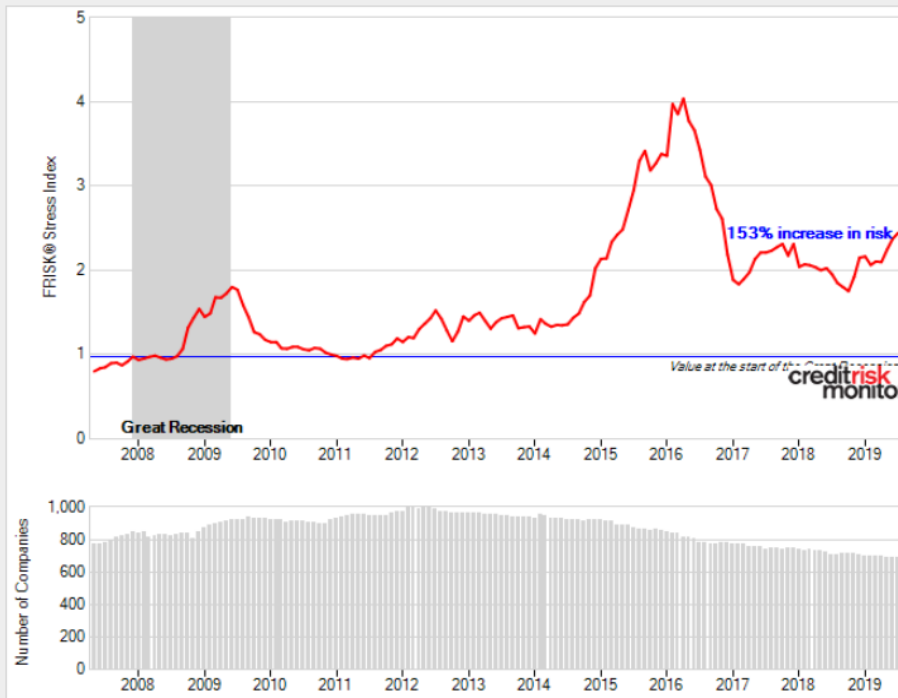
In Industry: SIC 1311: Crude petroleum and natural gas

Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 4,587



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 153% since 2007. Sanchez Energy was among the weakest names in the industry as evidenced by its FRISK® score of 1.

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: 2019.2

Businesses in Peer Group: 3465	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	281	345	-2.04	-37,500.46	1.45	454.27
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	94	196	195,083	0	166,099	107,098,000
Gross Margin % Of Sales	179	347	52.58	-60.89	54.15	110.03
Gross Margin % Of Sales -- TTM	156	349	59.22	-217.57	55.24	110.03
SGA % Of Sales	281	356	2			
SGA % Of Sales -- TTM	190	358	1			
Operating Margin % Of Sales	327	378	-1			
Operating Margin % Of Sales -- TTM	166	379	1			
EBITDA Margin Of Sales	199	301	2			
EBITDA Margin Of Sales -- TTM	144	310	1			
Net Profit Margin % Of Sales	332	378	-2			
Net Profit Margin % Of Sales -- TTM	270	379	1			
Pre-tax Income % Of Sales	336	378	-2			
Effective Tax Rate	64	346	-0.71	-2,287.50	18.71	1,115.85
Depreciation % Of Prop/Plant/Equipment	175	357	9.65	0.00	9.92	400.32
Capital Expense % Of Prop/Plant/Equipment	41	315	2.63	0.04	11.98	52,686.90
Interest Coverage	245	266	0.95	-427.44	6.36	306.00
Interest Coverage -- TTM	234	308	1.59	-2,868.36	4.27	463.14
Liquidity ratios:						
Cash Ratio	116	360	0.49	0.00	0.22	336.33
Quick Ratio	174	345	0.68	0.00	0.69	337.84
Current Ratio	236	360	0.80	0.00	1.05	337.84
Efficiency ratios:						
Accounts Receivable Turnover	118	368	9.87	0.00	7.84	277.08
Days Sales Outstanding	146	379	36.99	0.00	43.79	3,573.23
% of Inventory Financed by Vendors		156		0.55	174.54	25,412.60
% of Inventory Financed by Vendors -- TTM		179		0.70	159.70	26,115.53
Inventory Turnover		228				
Inventory Turnover -- TTM		230				
Days Sales in Inventory		216				
Inventory to Working Capital		207				
Accounts Payable Turnover	12	253	2			
Accounts Payable Turnover -- TTM	13	260	2			
Leverage & debt coverage:						
Total Debt to Equity Ratio		311				
Debt to Tangible Equity Ratio		304				
Total Debt to Assets Ratio	324	336	0.80	0.00	0.26	324.51
Short-Term Debt % of Total Debt	7	274	0.00	0.00	11.46	100.00
Short-Term Debt % of Working Capital	9	275	0.00	-27,020.32	0.04	5,112.68
Liabilities to Net Worth Ratio		334		0.00	1.03	28.06
Total Liabilities to Equity Ratio		341		0.00	0.99	15.06
TTM EBITDA to Total Debt	240	363	0.17	-312.48	0.40	273.36
Net Debt to TTM EBITDA	224	254	5.44	-109.73	1.75	179.77

Rank	Company Name
1	Edison SpA
2	United States Lime & Minerals Inc
3	Callon Petroleum Company
4	Delek Drilling Limited Partnership
5	Bonanza Creek Energy Inc

Rank	Company Name
1	Valeura Energy Inc.
2	Corridor Resources Inc.
3	Adams Resources & Energy Inc
4	Tengasco, Inc.
5	Ipek Dogal Enerj Kynklr Arstrm v Urtm AS

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

Sanchez Energy demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Declining operating margin turns negative

Cumulative negative net income & free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018
Net Sales \$	\$195,083	\$216,722	\$268,663	\$277,710	\$259,314
% change	-9.98%	-19.33%	-3.26%	7.09%	3.22%
Gross Margin \$	\$102,583	\$117,786	\$167,436	\$179,656	\$162,376
% change	-12.91%	-29.65%	-6.80%	10.64%	58.59%
% of sales	52.58%	54.35%	62.32%	64.69%	62.62%
change as % of incremental sales	n/m	n/m	n/m	93.93%	741.85%
SG&A \$	\$48,492	\$20,483	\$24,003	\$21,312	\$29,467
% change	136.74%	-14.66%	12.63%	-27.68%	31.43%
% of sales	24.86%	9.45%	8.93%	7.67%	11.36%
change as % of incremental sales	n/m	n/m	n/m	-44.33%	87.15%
Operating margin \$	(\$21,246)	\$24,622	\$59,492	\$84,585	\$69,876
% change	-186.29%	-58.61%	-29.67%	21.05%	-11.54%
% of sales	-10.89%	11.36%	22.14%	30.46%	26.95%
change as % of incremental sales	n/m	n/m	n/m	79.96%	-112.70%
EBITDA \$	\$42,142	\$92,429	\$121,990	\$144,852	\$140,442
% change	-54.41%	-24.23%	-15.78%	3.14%	-0.86%
% of sales	21.60%	42.65%	45.41%	52.16%	54.16%
change as % of incremental sales	n/m	n/m	n/m	23.97%	-15.12%
EBIT \$	(\$20,433)	\$24,948	\$49,024	\$76,908	\$78,119
% change	-181.90%	-49.11%	-36.26%	-1.55%	-5.21%
% of sales	-10.47%	11.51%	18.25%	27.69%	30.13%
change as % of incremental sales	n/m	n/m	n/m	-6.58%	-53.15%
Pre-tax income \$	(\$52,595)	(\$66,906)	\$119,409	\$5,598	(\$34,987)
% change	21.39%	-156.03%	2,033.07%	116.00%	-626.63%
% of sales	-26.96%	-30.87%	44.45%	2.02%	-13.49%
change as % of incremental sales	n/m	n/m	n/m	220.62%	-373.14%
Net income (loss) \$	(\$52,969)	(\$67,342)	\$119,409	\$5,598	(\$34,987)
% change	21.34%	-156.40%	2,033.07%	116.00%	-626.63%
% of sales	-27.15%	-31.07%	44.45%	2.02%	-13.49%
change as % of incremental sales	n/m	n/m	n/m	220.62%	-373.14%
Tax expense \$	\$374	\$436	\$0	\$0	\$0
Effective tax rate	-0.71%	-0.65%	0.00%	0.00%	0.00%
Depreciation expense \$	\$62,575	\$67,481	\$72,966	\$67,944	\$62,323
% of sales	32.08%	31.14%	27.16%	24.47%	24.03%
% of capital expenses	367.40%	103.58%	44.27%	46.43%	36.06%
% of PP&E, net (annualized)	9.65%	10.82%	12.47%	11.93%	11.45%
Capital expenditures \$	\$17,032	\$65,149	\$164,838	\$146,342	\$172,822
% change	-73.86%	-60.48%	12.64%	-15.32%	27.00%
% of PP&E, net (annualized)	2.63%	10.45%	28.18%	25.70%	31.76%
% of working capital (annualized)	-100.71%	-1,802.31%	-10,604.78%	5,461.54%	510.61%
Interest coverage ratio	0.95	1.01	2.70	2.03	1.24
% change	-6.02%	-62.72%	32.89%	63.59%	-23.54%
Free cash flow \$	\$27,693	\$1,009	(\$148,390)	(\$52,110)	(\$102,047)
% change	2,644.60%	100.68%	-184.76%	48.94%	-97.92%
Source:	10-Q 8/14/2019	10-Q 5/8/2019	10-K 3/1/2019	10-Q 11/1/2018	10-Q 8/7/2018

QUARTERLY LEVERAGE RATIOS

Total debt to assets ratio affords creditors little degree of protection from loss

Total debt to EBITDA ratio (annualized) signals that the ability to meet financial obligations is in jeopardy

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Total debt \$	\$2,387,487	\$2,618,711	\$2,395,712	\$2,392,248	\$2,388,745
% change	-8.83%	9.31%	0.14%	0.15%	-0.07%
Stockholders' equity \$	(\$82,562)	(\$14,926)	\$8,305	(\$80,031)	(\$67,744)
% change	-453.14%	-279.72%	110.38%	-18.14%	-102.70%
Total debt to equity ratio	n/a	n/a	288.47	n/a	n/a
Tangible net worth \$	(\$82,562)	(\$14,926)	\$8,305	(\$80,031)	(\$67,744)
% change	-453.14%	-279.72%	110.38%	-18.14%	-102.70%
Total debt to tangible net worth	n/a	n/a	288.47	n/a	n/a
Total assets \$	\$2,972,328	\$3,046,563	\$2,819,960	\$2,931,778	\$2,904,414
% change	-2.44%	8.04%	-3.81%	0.94%	0.02%
Total debt to assets ratio	0.80	0.86	0.85	0.82	0.82
% change	-6.56%	1.18%	4.12%	-0.79%	-0.09%
Tangible assets \$	\$2,972,328	\$3,046,563	\$2,819,960	\$2,931,778	\$2,904,414
% change	-2.44%	8.04%	-3.81%	0.94%	0.02%
Short-term debt \$	\$0	\$245	\$304	\$23,996	\$23,996
% change	-100.00%	-19.41%	-98.73%	0.00%	0.00%
Short-term debt % of total debt	0.00%	0.01%	0.01%	1.00%	1.00%
% change	-100.00%	-25.98%	-98.73%	-0.14%	0.07%
Short-term debt % of working capital	0.00%	-0.46%	1.23%	-64.65%	40.98%
% change	100.00%	-137.11%	101.91%	-257.75%	262.43%
Total liabilities \$	\$3,054,890	\$3,061,489	\$2,811,655	\$3,011,809	\$2,972,158
% change	-0.22%	8.89%	-6.65%	1.33%	1.19%
Total liabilities to equity ratio	n/a	n/a	338.55	n/a	n/a
Total liabilities to tangible net worth ratio	n/a	n/a	338.55	n/a	n/a
Total debt to EBITDA ratio (annualized)	14.16	7.08	4.91	4.13	4.25
% change	99.96%	44.27%	18.91%	-2.90%	0.80%
Source:	10-Q	10-Q	10-K	10-Q	10-Q
	8/14/2019	5/8/2019	3/1/2019	11/1/2018	8/7/2018

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital deficit

Declining cash, quick, & current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Current assets \$	\$336,466	\$338,558	\$372,981	\$512,937	\$561,999
% change	-0.62%	-9.23%	-27.29%	-8.73%	-18.13%
% of short-term debt	n/a	138,186.94%	122,691.12%	2,137.59%	2,342.05%
Current liabilities \$	\$418,166	\$392,158	\$348,299	\$550,054	\$503,446
% change	6.63%	12.59%	-36.68%	9.26%	6.15%
Working capital \$	(\$81,700)	(\$53,600)	\$24,682	(\$37,117)	\$58,553
% change	-52.43%	-317.16%	166.50%	-163.39%	-72.41%
% of sales (annualized)	-10.47%	-6.18%	2.30%	-3.34%	5.65%
Cash \$	\$203,469	\$200,698	\$197,613	\$368,672	\$437,689
% change	1.38%	1.56%	-46.40%	-15.77%	-20.43%
% of short-term debt	n/a	81,917.55%	65,004.28%	1,536.39%	1,824.01%
Cash ratio	0.49	0.51	0.57	0.67	0.87
% change	-4.92%	-9.80%	-15.34%	-22.91%	-25.04%
Quick assets \$	\$282,611	\$279,720	\$284,835	\$466,736	\$525,896
% change	1.03%	-1.80%	-38.97%	-11.25%	-17.32%
% of short-term debt	n/a	114,171.43%	93,695.72%	1,945.06%	2,191.60%
Quick ratio	0.68	0.71	0.82	0.85	1.04
% change	-5.26%	-12.78%	-3.62%	-18.77%	-22.11%
Current ratio	0.80	0.86	1.07	0.93	1.12
% change	-6.80%	-19.39%	14.84%	-16.47%	-22.88%
Source:	10-Q 8/14/2019	10-Q 5/8/2019	10-K 3/1/2019	10-Q 11/1/2018	10-Q 8/7/2018

Unable to generate meaningful returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018
Return on equity	n/a	-810.86%	n/a	n/a	n/a
Return on net tangible equity	n/a	-810.86%	n/a	n/a	n/a
Return on total assets	-1.76%	-2.30%	4.15%	0.19%	-1.20%
% change	23.33%	-155.29%	2,064.81%	115.92%	-572.27%
Return on tangible assets	-1.76%	-2.30%	4.15%	0.19%	-1.20%
% change	23.33%	-155.29%	2,064.81%	115.92%	-572.27%
Source:	10-Q 8/14/2019	10-Q 5/8/2019	10-K 3/1/2019	10-Q 11/1/2018	10-Q 8/7/2018

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

Christopher D. Heinson resigned as Sr. VP & COO of Sanchez Energy in order to assume the role of CEO with another energy company.		
7/13/2018	CRMZ News Service	SANCHEZ ENERGY CORP FILES (8-K) Disclosing Change in Directors or Principal Officers
Net income for Q2 2018 decreased to negative \$35 million compared with net income of \$53 million for the same period last year. Net income for the year-to-date period decreased to negative \$39.8 million compared with net income of \$68.7 million for the equivalent 6 months last year.		
8/9/2018	CRMZ News Service	Sanchez Energy Corp -- updated financials available
Sanchez Energy announced that Howard J. Thill, the Company's Executive VP & CFO, had resigned to pursue other opportunities.		
11/1/2018	CRMZ News Service	SANCHEZ ENERGY CORP FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Change in Directors or Principal Officers, Regulation FD Disclosure, Financial Statements and Exhibits
Sanchez Energy's ratings downgraded, reflecting its high debt levels and disappointing production results, which pressured its liquidity and prompted Moody's concern that the company's capital structure may be unsustainable.		
11/5/2018	CRMZ News Service	Sanchez Energy Corp -- updated Moody's rating available
Net income for the Q3 2018 period decreased to \$5.6 million compared with net income of \$35.8 million for the same period last year.		
11/14/2018	CRMZ News Service	Sanchez Energy Corp -- updated financials available
The company hired financial advisors to help it review strategic alternatives, which is often a sign of mounting financial distress and a bankruptcy red flag.		
12/4/2018	GlobeNewswire	Sanchez Energy Announces Engagement of Financial Advisor to Explore Strategic Alternatives
Sanchez Energy received notice from the NYSE that its Common Stock was subject to delisting proceedings. Delistings typically have a negative impact on a company's ability to access equity markets and obtain financing.		
2/20/2019	CRMZ News Service	Sanchez Energy Corp: a Form 8-K has been Filed with the SEC
Net loss for the Q1 2019 period increased to \$67.3 million compared with net loss of \$4.8 million for the same period last year.		
5/16/2019	CRMZ News Service	Sanchez Energy Corp -- updated financials available
Sanchez Energy deferred interest payment on its 6.125% Senior Notes due 2023.		
7/16/2019	CRMZ News Service	Houston's Sanchez Energy Takes Another Step Towards Bankruptcy
Sanchez Energy Corporation filed for bankruptcy		
8/11/2019	GlobeNewswire	Sanchez Energy Takes Action to Strengthen Balance Sheet and Support Long-Term Strategy

MANAGEMENT DISCUSSION AND ANALYSIS

One feature of the CreditRiskMonitor service is the ability to quickly access a Company's Management Discussion and Analysis (MD&A) history.

The MD&A represents the thoughts and opinions of management, and provides a forecast of future operations, and therefore these statements can't typically be falsified. 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."

Sarbanes-Oxley subjects CEOs and CFOs to jail and monetary penalties for certifying misleading or fraudulent reports

Report

Sanchez Energy Corp
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Phone: (713) 783-8000

Filed for Bankruptcy on 8/11/2019
Case #19-34508, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

Management Discussion and Analysis

For the period ended 3/31/2019

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Liquidity (MD&A)

The primary source of liquidity and capital resources to fund our development program and other obligations has been cash flow from operations, available cash on hand and proceeds from borrowings and securities issuances. Operating cash flows, however, are largely dependent on oil and natural gas prices and differentials, sales volumes and costs. Oil and natural gas prices declined significantly during the fourth quarter 2018 and have remained low in 2019 through the present date. **These lower commodity prices have negatively impacted revenues, earnings and cash flows, and sustained low oil and natural gas prices have had and will continue to have a material and adverse effect on our liquidity position and our ability to raise additional funds through financing transactions.**

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



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