



CreditRiskMonitor's assessment of Ultra Petroleum's ("Ultra") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Ultra Petroleum Corp. (NASDAQ: UPL) at a **1**, the highest probability of bankruptcy in the next 12 months.

Business Name	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Ultra Petroleum Corp.	2	1	1	1	1	1	1	1	1	1	1	1	1

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® 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%
Worst	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	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, & 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”](#)

COMPANY REPORT DETAIL

Ultra Petroleum Corp.

116 Inverness Drive East
Suite 400

Phone: (303) 708-9740

ENGLEWOOD, CO 80112-5125 United States

Ticker: UPL

Emerged from Bankruptcy on 4/12/2017

Latest Financial Statements as of 12/31/2018

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 12/31/2018)

Incorporated: 11/14/1979

Federal Tax Id: 454916117

Credit Score History

Why are these scores different?

Auditor Information

Score/ Index	2018												2019		
	M	A	M	J	J	A	S	O	N	D	J	F	M		
FRISK® Score*	2	1	1	1	1	1	1	1	1	1	1	1	1		
DBT Index	9	9	9	9	9	10	10	10	10	9	9	10	10	DBT	
Z"-Score	-5.65	Z"	Z"	Z"		-6.85				-6.11			-5.12		

Last Audit: 12/31/2018

Auditors: Ernst & Young LLP

Opinion: Unqualified

*FRISK® Scores are month-end

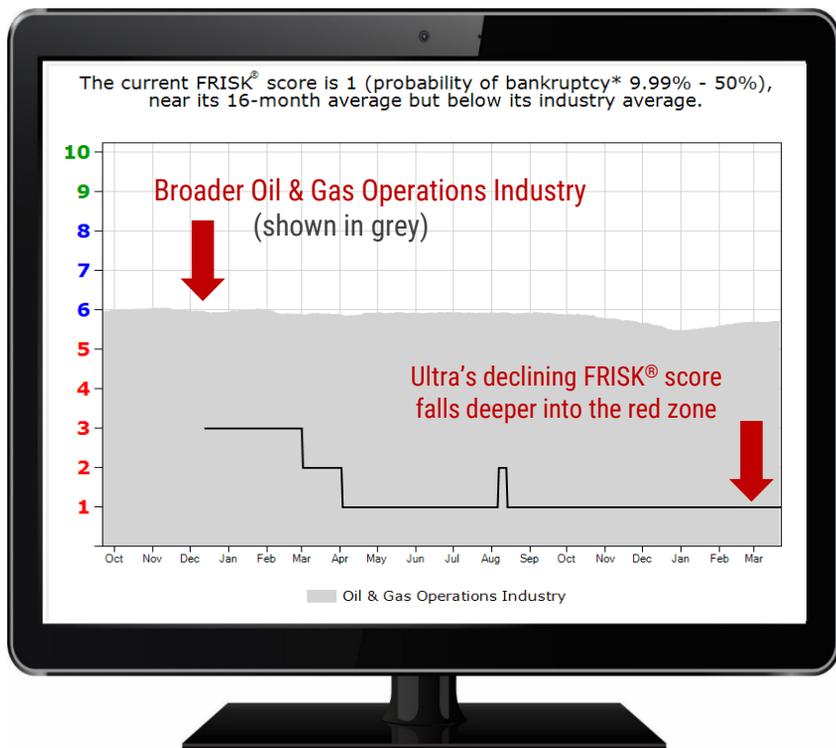
Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Wa
Moody's	WR	Withdrawn	WR	
Fitch	B-	Negative (deteriorating trend)	NR	

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, 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 raises 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

Classification: Crude petroleum and natural gas

Business Name	Country	FRISK score
1 California Resources Corp	United States	1
2 EP Energy LLC	United States	1
3 Halcon Resources Corp	United States	1
4 Jones Energy Inc	United States	1
5 Laredo Petroleum Inc	United States	1
6 Legacy Reserves Inc	United States	1
7 Sanchez Energy Corp	United States	1
8 Ultra Petroleum Corp	United States	1
Vanguard Natural Resources Inc	United States	1
Enigma Energy Inc	United States	1
Industries Inc	United States	5
Group LLC	United States	11

FRISK® Stress Index - SIC classification: Crude petroleum and natural gas located in the United States

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

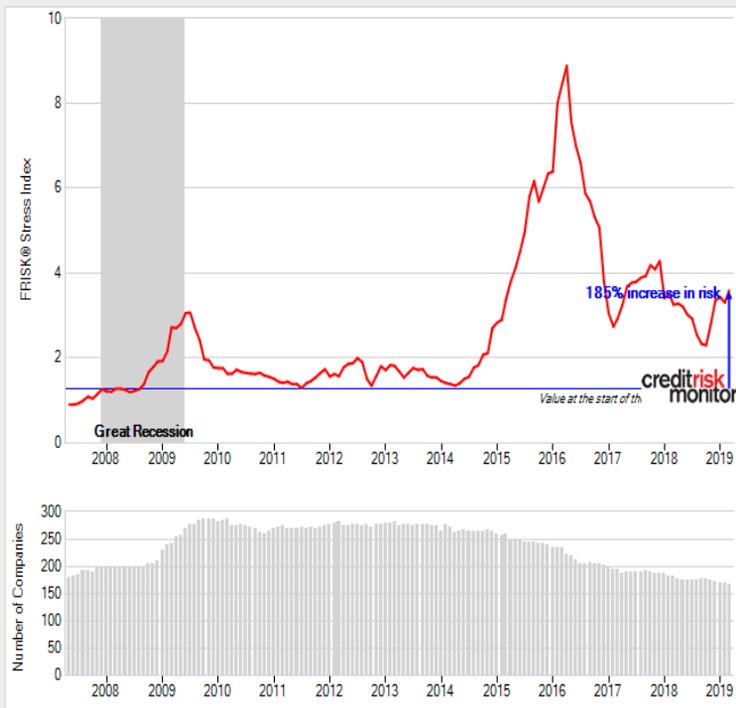
In Industry: SIC 1311: Crude petroleum and natural gas

Country: United States

UPDATE RESULTS

Scale: Auto

Total Companies in all months 465



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 185% since 2007. Ultra Petroleum Corp. is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Ultra Petroleum Corp. demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its industry peers.

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

Peer Analysis

Year/Quarter: 2018.4
Peer Group: SIC 1311: Crude petroleum and natural gas

REFRESH

[SIC: 1311] [Calendar Year/Quarter: 2018.4]

Businesses in Peer Group: 3432	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	354	418	-5.12	-18,947.51	1.75	1,023.56
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	93	205	273,210	0	215,287	111,200,000
Gross Margin % Of Sales	104	397	71.85	-20,125.54	47.01	102.68
Gross Margin % Of Sales -- TTM	130	404	66.46	-10,971.87	48.39	102.35
SG&A % Of Sales	57	401	3.21	0.20	11.31	50.00
SG&A % Of Sales -- TTM	41	414	2.80	0.13	12.00	50.00
Operating Margin % Of Sales	41	434	51.77	-19,615.43	12.00	50.00
Operating Margin % Of Sales TTM	50	440	41.17	-35,163.87	12.00	50.00
EBITDA Margin Of Sales	28	310	72.47	-18,208.47	12.00	50.00
EBITDA Margin Of Sales -- TTM	45	329	65.37	-33,999.53	12.00	50.00
Net Profit Margin % Of Sales	155	434	14.53	-25,154.31	12.00	50.00
Net Profit Margin % Of Sales - TTM	164	440	9.55	-35,316.68	12.00	50.00
Pre-tax Income % Of Sales	177	434	14.53	-25,154.31	12.00	50.00
Effective Tax Rate	98	424	0.00	-5,040.54	12.00	50.00
Depreciation % Of Prop/Plant/Equipment	315	420	14.04	0.00	9.00	50.00
Capital Expense % Of Prop/Plant/Equipment	273	372	28.81	0.01	14.71	50.00
Interest Coverage	212	298	1.87	-57,232.80	5.55	383.50
Interest Coverage -- TTM	231	324	1.99	-29,509.89	4.17	1,423.00
Liquidity ratios:						
Cash Ratio	337	440	0.06	0.00	0.42	220.35
Quick Ratio	285	409	0.60	0.00	0.84	221.66
Current Ratio	340	440	0.80	0.00	1.25	221.66
Efficiency ratios:						
Accounts Receivable Turnover	158	438	9.30	0.00	7.90	50.00
Days Sales Outstanding	180	437	39.24	0.00	47.00	50.00
% of Inventory Financed by Vendors	96	201	196.85	0.27	1.00	50.00
% of Inventory Financed by Vendors -- TTM	120	233	171.52	2.90	1.00	50.00
Inventory Turnover	86	288	15.79	0.00	1.00	50.00
Inventory Turnover TTM	87	296	16.80	0.00	1.00	50.00
Days Sales in Inventory	86	271	23.11	0.15	1.00	50.00
Inventory to Working Capital	234	262	-0.36	-67.62	1.00	50.00
Accounts Payable Turnover	78	346	9.21	0.00	1.00	50.00
Accounts Payable Turnover -- TTM	105	351	6.72	0.00	1.00	50.00
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	350	N/A	0.00	0.51	376.75
Debt to Tangible Equity Ratio	N/A	338	N/A	0.00	0.54	288.47
Total Debt to Assets Ratio	370	381	1.28	0.00	0.25	250.17
Short-Term Debt % of Total Debt	37	285	0.33	0.00	13.83	100.00
Short-Term Debt % of Working Capital	274	289	-13.93	-3,043.62	3.13	3,231.41
Liabilities to Net Worth Ratio	N/A	397	N/A	0.00	1.01	338.55
Total Liabilities to Equity Ratio	N/A	410	N/A	0.00	0.95	1,300.84
TTM EBITDA Over Total Debt	216	315	0.26	-23.84	0.41	41.95
Net Debt Over TTM EBITDA	216	249	3.77	-10.16	1.56	46.42

Ranking within Peer Group by: Cash Ratio
[SIC: 1311] [Calendar Year/Quarter: 2018.4]

Company Name	Country
1. Odebrecht Limited	Australia
2. Elixos River Coors Ltd	Australia
3. Manganese Limited	Australia
4. Froyen AS	Norway
5. Froyen AS	Canada
6. Froyen AS	Australia
7. Froyen AS	Australia
8. Froyen AS	Australia
9. Froyen AS	Australia
10. Froyen AS	Australia
11. Froyen AS	Australia
12. Froyen AS	Australia
13. Froyen AS	Australia
14. Froyen AS	Australia
15. Froyen AS	Australia
16. Froyen AS	Australia
17. Froyen AS	Australia
18. Froyen AS	Australia
19. Froyen AS	Australia
20. Froyen AS	Australia

Ranking within Peer Group by: Debt to Assets
[SIC: 1311] [Calendar Year/Quarter: 2018.4]

Company Name	Country
1. ConocoPhillips	United States
2. ConocoPhillips	United States
3. ConocoPhillips	Singapore
4. ConocoPhillips	Canada
5. ConocoPhillips	Canada
6. ConocoPhillips	Norway
7. ConocoPhillips	United States
8. ConocoPhillips	United States
9. ConocoPhillips	Poland
10. ConocoPhillips	Canada
11. ConocoPhillips	Canada
12. ConocoPhillips	Canada
13. ConocoPhillips	United Kingdom
14. ConocoPhillips	Australia
15. ConocoPhillips	Canada

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

QUARTERLY PERFORMANCE RATIOS

Q4 2018
net income
decreased 58%
vs. the same
period last year

Recurring
negative free
cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2018	3 mos 9/30/2018	6 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017
Net Sales \$	\$273,210	\$203,776	\$415,513	n/a	\$240,626
% change	34.07%	n/a	n/a	n/a	10.57%
Gross Margin \$	\$196,297	\$128,804	\$268,033	n/a	\$163,724
% change	52.40%	n/a	n/a	n/a	13.25%
% of sales	71.85%	63.21%	64.51%	n/a	68.04%
change as % of incremental sales	97.20%	n/a	n/a	n/a	83.28%
SG&A \$	\$8,772	\$1,482	\$14,751	n/a	\$5,240
% change	491.90%	n/a	n/a	n/a	-36.46%
% of sales	3.21%	0.73%	3.55%	n/a	2.18%
change as % of incremental sales	10.50%	n/a	n/a	n/a	-13.08%
Operating margin \$	\$141,438	\$74,974	\$151,000	n/a	\$106,815
% change	88.65%	n/a	n/a	n/a	180.99%
% of sales	51.77%	36.79%	36.34%	n/a	44.39%
change as % of incremental sales	95.72%	n/a	n/a	n/a	1,038.06%
EBITDA \$	\$197,993	\$128,421	\$257,018	n/a	\$159,673
% change	54.17%	n/a	n/a	n/a	281.31%
% of sales	72.47%	63.02%	61.86%	n/a	66.36%
change as % of incremental sales	100.20%	n/a	n/a	n/a	1,077.36%
EBIT \$	\$145,692	\$78,749	\$154,736	n/a	\$109,244
% change	85.01%	n/a	n/a	n/a	184.58%
% of sales	53.33%	38.64%	37.24%	n/a	45.40%
change as % of incremental sales	96.41%	n/a	n/a	n/a	1,036.75%
Pre-tax income \$	\$39,705	\$18,563	\$27,381	n/a	\$89,119
% change	113.89%	n/a	n/a	n/a	126.63%
% of sales	14.53%	9.11%	6.59%	n/a	37.04%
change as % of incremental sales	30.45%	n/a	n/a	n/a	1,842.71%
Net income (loss) \$	\$39,705	\$18,563	\$26,939	n/a	\$95,529
% change	113.89%	n/a	n/a	n/a	129.15%
% of sales	14.53%	9.11%	6.48%	n/a	39.70%
change as % of incremental sales	30.45%	n/a	n/a	n/a	1,840.64%
Tax expense \$	\$0	\$0	\$442	n/a	(\$6,410)
Effective tax rate	0.00%	0.00%	1.61%	n/a	-7.19%
Depreciation expense \$	\$52,301	\$49,672	\$102,282	n/a	\$50,429
% of sales	19.14%	24.38%	24.62%	n/a	20.96%
% of capital expenses	58.96%	54.48%	40.37%	n/a	29.36%
% of PP&E, net (annualized)	14.04%	13.39%	14.00%	n/a	15.18%
Capital expenditures \$	\$88,699	\$91,175	\$253,355	\$135,696	\$171,777
% change	-2.72%	n/a	n/a	-21.00%	5.29%
% of PP&E, net (annualized)	23.81%	24.58%	34.67%	39.32%	51.69%
% of working capital (annualized)	-338.29%	-250.21%	-390.82%	-526.63%	-576.44%
Interest coverage ratio	1.87	2.13	2.02	n/a	4.39
% change	-12.45%	n/a	n/a	n/a	1,146.78%
Free cash flow \$	(\$92,485)	\$17,727	(\$47,574)	\$16,300	(\$255,293)
% change	-621.72%	n/a	n/a	106.38%	-69.27%
Source:	10-K 3/8/2019	10-Q 11/9/2018	10-Q 11/9/2018	10-Q 11/9/2018	10-K 2/28/2018

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth in each of the last 5 fiscal quarters

Total debt to assets ratio affords creditors no degree of protection from loss

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Total debt \$	\$2,215,481	\$2,123,204	\$2,178,846	\$2,118,515	\$2,116,211
% change	4.35%	-2.55%	2.85%	0.11%	-0.83%
Stockholders' equity \$	(\$1,048,622)	(\$1,094,114)	(\$1,114,826)	(\$1,096,735)	(\$1,154,636)
% change	4.16%	1.86%	-1.65%	5.01%	8.20%
Tangible net worth \$	(\$1,048,622)	(\$1,094,114)	(\$1,114,826)	(\$1,096,735)	(\$1,154,636)
% change	4.16%	1.86%	-1.65%	5.01%	8.20%
Total assets \$	\$1,733,288	\$1,625,825	\$1,641,860	\$1,605,390	\$1,512,982
% change	6.61%	-0.98%	2.27%	6.11%	-18.75%
Total debt to assets ratio	1.28	1.31	1.33	1.32	1.40
% change	-2.12%	-1.60%	0.57%	-5.66%	22.05%
Tangible assets \$	\$1,733,288	\$1,625,825	\$1,641,860	\$1,605,390	\$1,512,982
% change	6.61%	-0.98%	2.27%	6.11%	-18.75%
Short-term debt \$	\$7,313	\$4,875	\$2,438	n/a	n/a
% change	50.01%	99.96%	n/a	n/a	n/a
Short-term debt % of total debt	0.33%	0.23%	0.11%	n/a	n/a
% change	43.77%	105.18%	n/a	n/a	n/a
Short-term debt % of working capital	-13.93%	-3.10%	-1.82%	n/a	n/a
% change	-349.56%	-70.66%	n/a	n/a	n/a
Total liabilities \$	\$2,781,910	\$2,719,939	\$2,756,686	\$2,702,125	\$2,667,618
% change	2.28%	-1.33%	2.02%	1.29%	-14.50%
Total debt to EBITDA ratio (annualized)	2.80	4.13	4.24	n/a	3.31
% change	-32.32%	-2.49%	n/a	n/a	n/a
Source:	10-K 3/8/2019	10-Q 11/9/2018	10-Q 8/9/2018	10-Q 5/10/2018	10-K 2/28/2018

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

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Negative working capital in each of the last 5 fiscal quarters

Cash & current ratios ranked in the lower quartile of peer group for 3 successive quarters

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Current assets \$	\$214,730	\$147,186	\$134,162	\$164,268	\$167,425
% change	45.89%	9.71%	-18.33%	-1.89%	-68.40%
% of short-term debt	2,936.28%	3,019.20%	5,502.95%	n/a	n/a
Current liabilities \$	\$267,211	\$304,462	\$268,398	\$289,338	\$248,490
% change	-12.24%	13.44%	-7.24%	16.44%	-63.84%
Working capital \$	(\$52,481)	(\$157,276)	(\$134,236)	(\$125,070)	(\$81,065)
% change	66.63%	-17.16%	-7.33%	-54.28%	48.48%
% of sales (annualized)	-4.80%	-19.30%	-16.15%	n/a	-8.42%
Cash \$	\$17,014	\$13,141	\$5,685	\$17,782	\$16,631
% change	29.47%	131.15%	-68.03%	6.92%	206.90%
% of short-term debt	232.65%	269.56%	233.18%	n/a	n/a
Cash ratio	0.06	0.04	0.02	0.06	0.07
% change	47.45%	103.77%	-65.53%	-8.07%	746.84%
Quick assets \$	\$161,404	\$103,753	\$90,673	\$108,023	\$119,734
% change	55.57%	14.43%	-16.06%	-9.78%	24.19%
% of short-term debt	2,207.08%	2,128.27%	3,719.16%	n/a	n/a
Quick ratio	0.60	0.34	0.34	0.37	0.48
% change	77.23%	0.89%	-9.51%	-22.52%	243.41%
Current ratio	0.80	0.48	0.50	0.57	0.67
% change	66.24%	-3.30%	-11.94%	-15.75%	-12.61%
Source:	10-K 3/8/2019	10-Q 11/9/2018	10-Q 8/9/2018	10-Q 5/10/2018	10-K 2/28/2018

Ultra's rate of return signals ineffective use of assets to generate earnings

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2018	3 mos 9/30/2018	6 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017
Return on total assets	2.36%	1.14%	1.66%	0.00%	5.66%
% change	108.06%	n/a	n/a	-100.00%	131.30%
Return on tangible assets	2.36%	1.14%	1.66%	0.00%	5.66%
% change	108.06%	n/a	n/a	-100.00%	131.30%
Source:	10-K 3/8/2019	10-Q 11/9/2018	10-Q 11/9/2018	10-Q 11/9/2018	10-K 2/28/2018

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 56,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

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