Summit Midstream Partners, LP Announces Transaction Support Agreement with Ad Hoc Group to SMP Holdings' Term Loan and Plan for Settlement of DPPO

September 29, 2020

HOUSTON, Sept. 29, 2020 /PRNewswire/ -- Summit Midstream Partners, LP (NYSE: SMLP) announced today that its wholly owned, indirect subsidiary, Summit Midstream Partners Holdings, LLC ("SMP Holdings"), has entered into a Transaction Support Agreement ("TSA") with an ad hoc group of SMP Holdings' lenders (the "Ad Hoc Group"), who collectively hold approximately 66% of the $155.2 million outstanding balance under the Term Loan Agreement, dated as of March 21, 2017, among SMP Holdings, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as Administrative Agent and Collateral Agent (the "Term Loan"). The Ad Hoc Group has agreed to a consensual Term Loan restructuring transaction (the "TL Restructuring"), as further described below, which is anticipated to close in the fourth quarter of 2020.

Pursuant to the TSA, the Ad Hoc Group has agreed to support and vote in favor of the TL Restructuring, which will be implemented through an out-of-court strict foreclosure process. SMLP will be engaging with additional Term Loan lenders over the coming weeks and expects to secure the full support from the Term Loan lenders to close the TL Restructuring. Upon closing the TL Restructuring, the lenders will waive their rights to any and all claims against SMP Holdings and its affiliates, including a release of the non-economic GP Interest in SMLP from its collateral package.

The TL Restructuring will occur concurrently with the execution of definitive documentation to fully settle the $180.75 million deferred purchase price obligation (the "DPPO") that SMLP owes to SMP Holdings. In connection with the DPPO settlement, SMLP will make a $26.5 million cash payment to fully satisfy the DPPO. Following this payment, the DPPO will be fully repaid and will cease to exist. SMP Holdings will utilize the $26.5 million of cash consideration together with the 34.6 million SMLP common units that are currently owned by SMP Holdings and pledged to the Term Loan lenders to fully satisfy the Term Loan obligations. Following this payment, the Term Loan will be fully repaid and will cease to exist.

As a result of the TL Restructuring, SMP Holdings' $155.2 million Term Loan balance will be retired at a discount of approximately 68% to face value based on the terms of the TSA and assuming SMLP's common unit closing price of $0.69 on September 28, 2020. Additionally, upon settlement of the DPPO, and in conjunction with SMLP's other liability management initiatives, approximately $454 million face value of obligations recourse to SMLP will have been retired or exchanged at a weighted average discount of approximately 64%. SMLP's year-to-date liability management activities, including open market bond repurchases, the previously-announced exchange offer for Series A Preferred Units of SMLP, the previously-announced public tender offers for the senior notes of Summit Midstream Holdings, LLC and Summit Midstream Finance Corp. and now the TL Restructuring, have been successful in reducing outstanding debt and other future obligations while facilitating common equity value accretion.

Heath Deneke, President, Chief Executive Officer and Chairman commented, "I'm pleased to announce that we have reached an agreement with the Ad Hoc Group of Term Loan lenders to exchange the proceeds from the DPPO payment for the full retirement of the Term Loan. This transaction represents another transformational development for our organization, which will further simplify SMLP's capital structure and significantly enhance our financial flexibility. Similar to our other recently announced liability management initiatives, we expect the full retirement of these liabilities to be accretive to our common unitholders. Collectively over the past four months, SMLP has reduced the face value of its fixed-income capital and obligations by $454 million, or approximately 35% of the $1.3 billion aggregate balance comprised of unsecured notes, Series A Preferred Equity and the DPPO as of closing of the GP Buy-In Transaction, while capturing approximately $291 million of value for our stakeholders through liability management initiatives."

About Summit Midstream Partners, LP

SMLP is a value-driven limited partnership focused on developing, owning and operating midstream energy infrastructure assets that are strategically located in unconventional resource basins, primarily shale formations, in the continental United States. SMLP provides natural gas, crude oil and produced water gathering services pursuant to primarily long-term and fee-based gathering and processing agreements with customers and counterparties in six unconventional resource basins: (i) the Appalachian Basin, which includes the Utica and Marcellus shale formations in Ohio and West Virginia; (ii) the Williston Basin, which includes the Bakken and Three Forks shale formations in North Dakota; (iii) the Denver-Julesburg Basin, which includes the Niobrara and Codell shale formations in Colorado and Wyoming; (iv) the Permian Basin, which includes the Bone Spring and Wolfcamp formations in New Mexico; (v) the Fort Worth Basin, which includes the Barnett Shale formation in Texas; and (vi) the Piceance Basin, which includes the Mesaverde formation as well as the Mancos and Niobrara shale formations in Colorado. SMLP has an equity investment in Double E Pipeline, LLC, which is developing natural gas transmission infrastructure that will provide transportation service from multiple receipt points in the Delaware Basin to various delivery points in and around the Waha Hub in Texas. SMLP also has an equity investment in Ohio Gathering, which operates extensive natural gas gathering and condensate stabilization infrastructure in the Utica Shale in Ohio. SMLP is headquartered in Houston, Texas.

Forward-Looking Statements

This press release includes certain statements concerning expectations for the future that are forward-looking within the meaning of the federal securities laws. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, such as the completion of the proposed TL Restructuring, the full settlement of the DPPO and the full settlement and termination of the Term Loan, and may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions, or future conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements also contain known and unknown risks and uncertainties (many of which are difficult to predict and beyond management's control) that may cause SMLP's actual results in future periods to differ materially from anticipated or projected results. An extensive list of specific material risks and uncertainties affecting SMLP is contained in its 2019 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2020, Quarterly Report on Form 10-Q for the three months ended March 31, 2020 filed with the Securities Exchange Commission on May 8, 2020, and Quarterly Report on Form 10-Q for the three months ended June 30, 2020 filed with the Securities Exchange Commission on August 10, 2020, each as amended and updated from time to time. Any forward-looking statements in this press release, are made as of the date of this press release and SMLP undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.

SMLP is actively engaging in various liability management transactions, including the TL Restructuring discussed above and the recently consummated cash tender offers for its outstanding senior notes. SMLP intends to continue to evaluate other liability management initiatives, as well as potential asset sales or other divestitures of assets. There is no assurance that any of these asset sales or other divestitures will be completed. Other liability management initiatives may involve amendments to SMLP's revolving credit facility and/or additional repurchases of senior notes through open market purchases, privately negotiated transactions, redemptions, additional tender offers, exchange offers or otherwise.

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