

# Saratoga Resources, Inc. has filed for bankruptcy protection!

Here's what you might have seen for your  
portfolio in FRISK® history report last month...

## Monthly Average **FRISK®** Scores

Business Name	2014 JUN	2014 JUL	2014 AUG	2014 SEP	2014 OCT	2014 NOV	2014 DEC	2015 JAN	2015 FEB	2015 MAR	2015 APR	2015 MAY	2015 JUN
<a href="#">Alberta Oilsands Inc.</a>	7	7	6	6	6	6	6	6	6	6	6	6	6
<a href="#">Antero Resources Corp</a>	7	7	7	7	9	9	7	7	7	7	7	7	7
<a href="#">BP plc</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">Cheniere Energy, Inc.</a>	4	4	5	5	4	4	4	4	4	4	4	4	4
<a href="#">Chesapeake Energy Corporation</a>	9	8	8	7	7	7	6	6	7	6	5	5	4
<a href="#">Chevron Corporation</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">China National Petroleum Corp</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">ConocoPhillips</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">CONSOL Energy Inc.</a>	9	9	9	9	9	9	9	9	9	8	8	8	7
<a href="#">Edison International</a>	9	9	9	9	9	9	9	9	9	9	9	9	9
<a href="#">Emerald Oil Inc</a>	6	6	6	6	4	3	2	2	3	2	2	2	2
<a href="#">Energia SA</a>	9	9	9	9	9	9	10	9	9	9	10	9	9
<a href="#">Exxon Mobil Corporation</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">Halliburton Company</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">Hess Corp.</a>	10	10	10	10	10	10	10	10	10	10	10	10	10
<a href="#">Key Energy Services, Inc.</a>	9	9	8	7	6	4	2	2	2	2	2	2	2
<a href="#">Mid-Con Energy Partners LP</a>	8	9	9	9	6	5	4	3	3	3	3	3	2
<a href="#">Miller Energy Resources Inc</a>	6	6	5	5	3	4	2	2	2	2	1	1	1
<a href="#">Saratoga Resources, Inc.</a>	3	4	3	2	2	2	1	1	2	1	1	1	1
<a href="#">Warren Resources, Inc.</a>	7	7	5	5	4	4	3	2	2	1	1	1	1

Bankrupt

FRISK® Probability of bankruptcy within 12 months			
		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%

The FRISK® Score is 95%  
accurate in predicting  
financial stress  
(bankruptcy risk) over a  
12-month horizon!

Here's what the Company's report detail shows...

## Saratoga Resources, Inc.

Suite 1810, 3 Riverway  
 HOUSTON, TX 77056 United States

Phone: (713) 458-1560 Ticker: [SROE](#)

---

Filed for Bankruptcy on 6/18/2015  
 Case #15-50749, filed in the U.S. Bankruptcy Court for the Western District of Louisiana (Lafayette)

---

Latest Financial Statements as of 3/31/2015

### Business Summary

Saratoga Resources, Inc. is an independent oil and natural gas company engaged in the production, development, acquisition and exploitation of crude oil and natural gas properties. As of December 31, 2013, the Company's properties consisted of 52,103 acres under lease, including 32,289 acres gross/net located in the transitional coastline in protected in-bay environments on parish and state leases in south Louisiana and 19,814 acres gross/net under federal leases in the shallow Gulf of Mexico shelf. The Company's state and parish leases span 11 fields which are characterized by over 30 years of development drilling and production history, including Grand Bay field which has over 70 years of production history and over 258 million barrels of crude oil equivalent (MMBoe) produced to date, yet remains virtually unexplored at depths greater than 15,000 feet.

(Source: ARS)

Employees: 32 (as of 12/31/2014)

Federal Tax Id: 760453392

### Credit Scores

<b>FRISK® Score</b>	1	6/19/2015
Probability of bankruptcy range: 9.99% - 50.00%		
<b>Z" Score</b>	-27.26 (Fiscal Danger)	3/31/2015
<b>CRMZ Score</b>	-29.82 (Fiscal Danger)	3/31/2015

### Auditor Information

Last Audit:	12/31/2014
Auditors:	Malone Bailey, LLP
Opinion:	<b>Unqualified with Explanation</b>

### DBT Index

3/2015	4/2015	5/2015
9	9	9

(Includes DBT Indexes from Subsidiaries)

### Net Sales(millions)

Period	Net Sales
3/14	11.74
6/14	14.99
9/14	16.62
12/14	11.01
3/15	6.40

### Working Capital (millions)

Period	Working Capital
3/14	14.6
3/15	4.6

### Days Sales Outstanding

Period	Days Sales Outstanding
3/14	54.24
6/14	47.89
9/14	42.99
12/14	45.16
3/15	48.09

### First Quarter Results

Sales for the 3 months ended 3/31 amount of \$11.74 million.

Gross profit margin decreased 41. (34.54% of revenues) for the same period.

Selling, general and administrative expenses decreased \$2.35 million for the same period.

Operating income for the period increased \$1.1 million for the same period last year.

Net loss for the period increased \$1.1 million for the same period last year.

Net cash from operating activities decreased \$9.52 million for the same period last year.

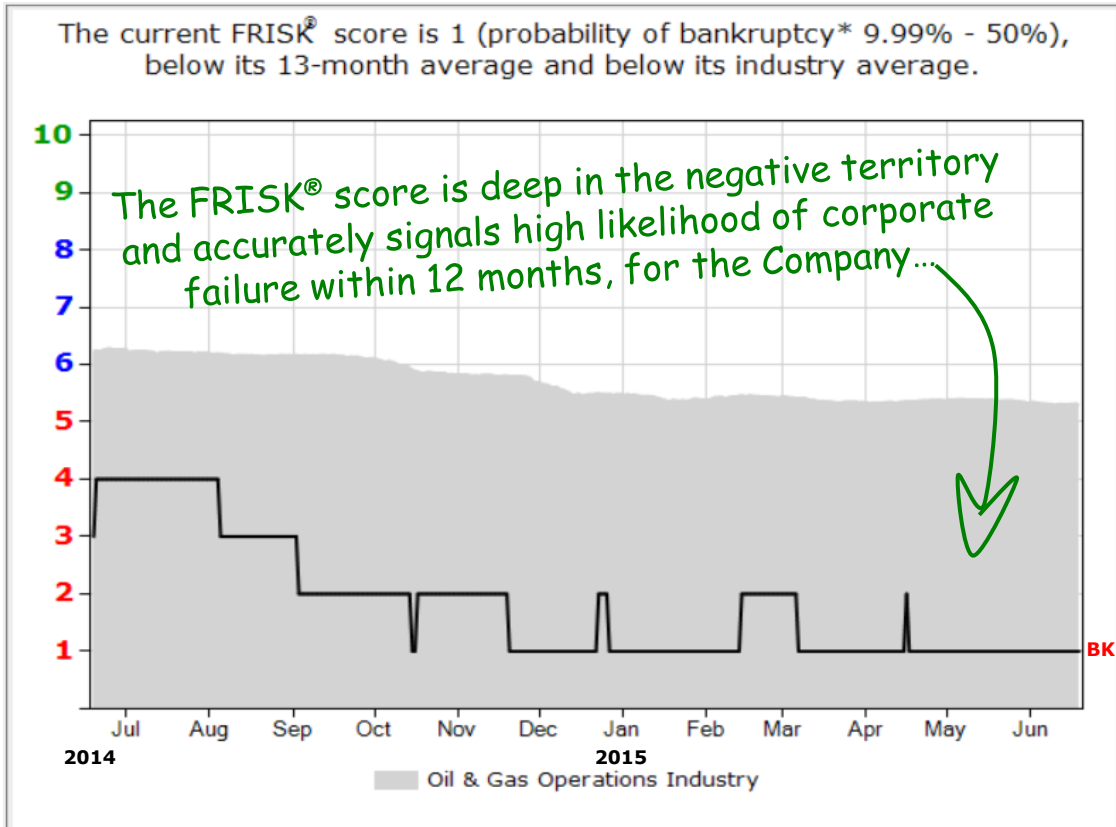
Working capital at 3/31/2015 of (\$190.02) million, and decreased 1,404.44% from \$14.61 million at the end of 2014.

Accounts payable decreased by \$3.87 million for the year-to-date period, compared to a \$791.00 increase in the prior year's comparable period.

Public companies tend to make consistent payments right up to the point of bankruptcy, making the DBT Index an ineffective indicator of bankruptcy risk...

Here, the Company was paying 0-10 days past due in the months leading up to the Chapter 11 filing... ...the FRISK® Score on the other hand, paints the real picture, with 95% accuracy!

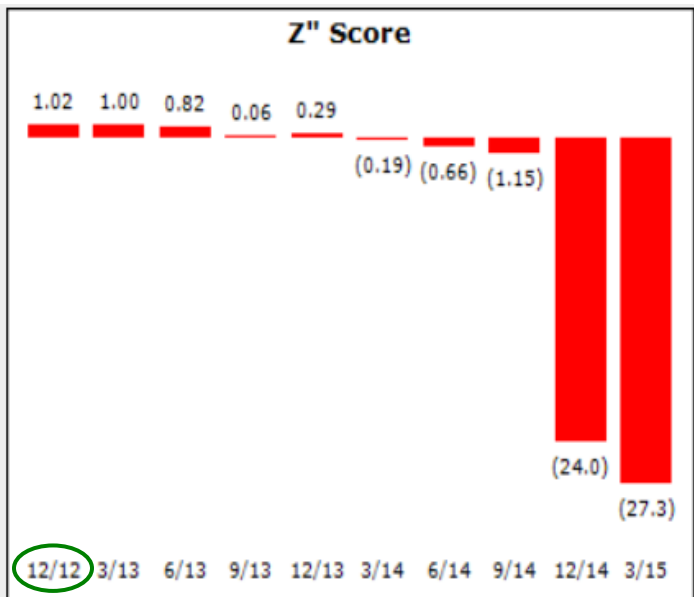
# Let's take a closer look at our proprietary FRISK® Score...



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%
	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%

**LEGEND:****Financially sound:** 2.60 or higher**Neutral:** 1.10 to 2.60**Fiscal danger:** less than 1.10

The Altman Z" has  
been in the red since  
2012...  
... much too early for  
your credit decisions!



One of the inputs of the FRISK® score is a company's stock market capitalization, adjusted for dividends, and its volatility over the course of a year...

...this is a feature not readily available in other scores!

...plus looking at our News Alerts you would have seen...

News Summary				
<input checked="" type="radio"/> CRMZ Selected <input type="radio"/> Moody's <input type="radio"/> Fitch <input type="radio"/> S&P <input type="radio"/> All				
Page 1 2 3 Next Page				
#	Date	Source	Headline	
1	6/19/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX FILES (8-K) Disclosing Bankruptcy or Receivership</a>	
2	6/18/2015	Business Wire	<a href="#">Saratoga Resources, Inc. Files Voluntary Petitions for Protection under Chapter 11; Operations to Continue During Reorganization</a>	
3	6/10/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 8-K has been Filed with the SEC</a>	
4	5/27/2015	CRMZ News Service	<a href="#">Saratoga Resources, Inc. -- updated financials available</a>	
5	5/20/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 10-Q has been Filed with the SEC</a>	
6	5/19/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 8-K has been Filed with the SEC</a>	
7	5/18/2015	Business Wire	<a href="#">Saratoga Resources Announces Appointment of Richard Nevins as Director; Extension of Forbearance Agreements With Senior Lenders</a>	
8	5/18/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.</a>	
9	4/17/2015	CRMZ News Service	<a href="#">Saratoga Resources, Inc. -- updated financials available</a>	
10	4/16/2015	Business Wire	<a href="#">Saratoga Resources, Inc. Reports 2014 Financial Results</a>	
11	4/15/2015	CRMZ News Service	<a href="#">Saratoga Resources, Inc. Receives Going Concern Opinion</a>	
12	4/15/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 10-K has been Filed with the SEC</a>	
13	4/1/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX Files Notification of Late Filing for its Form 10-K with the Securities and Exchange Commission.</a>	
14	3/20/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 8-K has been Filed with the SEC</a>	
15	3/19/2015	Business Wire	<a href="#">Saratoga Resources Announces Extension of Forbearance Agreements with Senior Lenders; Engagement of Conway MacKenzie</a>	
16	2/10/2015	CRMZ News Service	<a href="#">Companies To Watch: Saratoga Resources Inc., Logan's Roadhouse Inc.</a>	
17	2/3/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 8-K has been Filed with the SEC</a>	
18	2/2/2015	Business Wire	<a href="#">Saratoga Resources Announces Forbearance Agreements with Senior Lenders</a>	
19	1/14/2015	Business Wire	<a href="#">Saratoga Resources Addresses Status of Interest Payments on Outstanding Debt</a>	
20	1/9/2015	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 8-K has been Filed with the SEC</a>	
21	12/18/2014	Business Wire	<a href="#">Saratoga Resources Provides Update on Operations and Cost Cutting Measures</a>	
22	11/20/2014	CRMZ News Service	<a href="#">Saratoga Resources, Inc. -- updated financials available</a>	
23	11/17/2014	Business Wire	<a href="#">Saratoga Resources, Inc. Reports Third Quarter 2014 Financial Results</a>	
24	11/14/2014	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 10-Q has been Filed with the SEC</a>	
25	11/13/2014	Business Wire	<a href="#">Saratoga Resources Hosts Conference Call</a>	
26	8/19/2014	CRMZ News Service	<a href="#">Saratoga Resources, Inc. -- updated financials available</a>	
27	8/15/2014	Business Wire	<a href="#">Saratoga Resources, Inc. Reports Second Quarter 2014 Financial Results</a>	
28	8/14/2014	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 10-Q has been Filed with the SEC</a>	
29	8/13/2014	Business Wire	<a href="#">Saratoga Resources Hosts Conference Call</a>	
30	6/19/2014	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX FILES (8-K) Disclosing Submission of Matters to a Vote of Security Holders</a>	
31	6/17/2014	Business Wire	<a href="#">Saratoga Resources, Inc. Provides Operations Update</a>	
32	6/3/2014	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 8-K has been Filed with the SEC</a>	
33	6/3/2014	Business Wire	<a href="#">Saratoga Resources, Inc.'s Rocky 3 Well Exceeds Expectations -- Tests at Rate of over 1,500 Barrels of Oil Per Day</a>	
34	6/3/2014	CRMZ News Service	<a href="#">Saratoga Resources, Inc. -- updated financials available</a>	
35	5/16/2014	Business Wire	<a href="#">Saratoga Resources, Inc. Reports First Quarter 2014 Financial Results</a>	
36	5/5/2014	CRMZ News Service	<a href="#">SARATOGA RESOURCES INC /TX: a Form 10-Q has been Filed with the SEC</a>	

2015 Q1 10-Q filing - Net Loss of \$12.0MM

Forbearance agreements extended for the second time

Independent auditors issue a going concern opinion on the Company's Form 10-K for FY2014

FY2014 Annual Net Loss of \$143.9MM, including a non-cash, impairment charge of \$107.8MM

Company fails to make scheduled interest payments on its first and second lien notes, enters into forbearance agreements with lenders

Company takes measures to reduce costs in light of challenging market conditions, and expects deeper cuts if oil prices continue to fall

The Company extends the forbearance agreements with lenders, and appoints a financial advisor to assist in its debt restructuring efforts

The Dow Jones Daily Bankruptcy Review adds the Company to its Watch List

Company's Vice President - Finance and Business Development resigns

2014 Q3 10-Q filing - YTD Net Loss of \$25.2MM

2014 Q2 10-Q filing - YTD Net Loss of \$14.9MM

2014 Q1 10-Q filing - Net Loss of \$8.3MM

# ...need more depth? Look at the Quarterly Performance Ratios

Sharp decline in sales over the course of a year, coupled with recurring operating losses...

Performance Ratios - Sequential Quarters					
(Thousands of U.S. Dollars)					
Period Ended	3 mos 3/31/2015	3 mos 12/31/2014	3 mos 9/30/2014	3 mos 6/30/2014	3 mos 3/31/2014
<b>Net Sales \$</b>	<b>\$6,402</b>	<b>\$11,007</b>	<b>\$16,615</b>	<b>\$14,992</b>	<b>\$11,740</b>
% change	-41.84%	-33.75%	10.83%	27.70%	-11.10%
<b>Gross Margin \$</b>	<b>\$2,375</b>	<b>\$4,329</b>	<b>\$8,221</b>	<b>\$8,580</b>	<b>\$4,055</b>
% change	-45.14%	-47.34%	-4.18%	111.59%	-38.71%
% of sales	37.10%	39.33%	49.48%	57.23%	34.54%
change as % of incremental sales	n/m	n/m	-22.12%	139.15%	n/m
<b>SG&amp;A \$</b>	<b>\$1,887</b>	<b>\$2,093</b>	<b>\$2,401</b>	<b>\$2,702</b>	<b>\$2,353</b>
% change	-9.84%	-12.83%	-11.14%	14.83%	-3.92%
% of sales	29.48%	19.02%	14.45%	18.03%	20.04%
change as % of incremental sales	n/m	n/m	-18.55%	10.73%	n/m
<b>Operating margin \$</b>	<b>(\$3,456)</b>	<b>(\$112,515)</b>	<b>(\$4,153)</b>	<b>(\$589)</b>	<b>(\$2,210)</b>
% change	96.93%	-2,609.25%	-605.09%	73.35%	-300.00%
% of sales	-53.98%	-1,022.17%	-25.00%	-3.93%	-18.82%
change as % of incremental sales	n/m	n/m	-219.59%	49.85%	n/m
<b>EBITDA \$</b>	<b>(\$707)</b>	<b>(\$106,752)</b>	<b>\$687</b>	<b>\$3,919</b>	<b>\$532</b>
% change	99.34%	-15,638.86%	-82.47%	636.65%	-88.83%
% of sales	-11.05%	-969.81%	4.13%	26.14%	4.53%
change as % of incremental sales	n/m	n/m	-199.14%	104.15%	n/m
<b>Pre-tax income \$</b>	<b>(\$11,971)</b>	<b>(\$118,662)</b>	<b>(\$10,240)</b>	<b>(\$6,612)</b>	<b>(\$8,207)</b>
% change	89.91%	-1,058.81%	-54.87%	19.43%	-83.77%
% of sales	-186.99%	-1,078.02%	-61.63%	-44.11%	-69.91%
change as % of incremental sales	n/m	n/m	-223.54%	49.05%	n/m
<b>Net income (loss) \$</b>	<b>(\$11,996)</b>	<b>(\$118,696)</b>	<b>(\$10,273)</b>	<b>(\$6,652)</b>	<b>(\$8,289)</b>
% change	89.89%	-1,055.42%	-54.43%	19.75%	52.07%
% of sales	-187.38%	-1,078.32%	-61.83%	-44.37%	-70.60%
change as % of incremental sales	n/m	n/m	-223.11%	50.34%	n/m
<b>Tax expense \$</b>	<b>\$26</b>	<b>\$34</b>	<b>\$34</b>	<b>\$40</b>	<b>\$82</b>
Effective tax rate	-0.21%	-0.03%	-0.33%	-0.61%	-1.00%
<b>Depreciation expense \$</b>	<b>\$2,748</b>	<b>\$5,764</b>	<b>\$4,840</b>	<b>\$4,508</b>	<b>\$2,742</b>
% of sales	42.92%	52.37%	29.13%	30.07%	23.36%
% of capital expenses	253.77%	1,773.09%	68.71%	109.74%	119.17%
% of PP&E, net (annualized)	14.77%	17.60%	10.30%	9.63%	5.91%
<b>Capital expenditures \$</b>	<b>\$1,083</b>	<b>\$325</b>	<b>\$7,044</b>	<b>\$4,108</b>	<b>\$2,301</b>
% change	233.23%	-95.39%	71.47%	78.53%	-60.83%
% of PP&E, net (annualized)	5.82%	0.99%	15.00%	8.78%	4.96%
% of working capital (annualized)	-2.30%	-1.38%	2,246.66%	170.93%	52.60%
<b>Interest coverage ratio</b>	<b>(0.08)</b>	<b>(17.32)</b>	<b>0.11</b>	<b>0.65</b>	<b>0.09</b>
% change	99.52%	-15,439.42%	-82.60%	633.11%	-89.65%
<b>Free cash flow \$</b>	<b>(\$4,602)</b>	<b>\$5,078</b>	<b>(\$10,204)</b>	<b>(\$1,879)</b>	<b>(\$11,823)</b>
% change	-190.63%	149.76%	-443.05%	84.11%	-560.50%
Source:	10-Q 5/20/2015	10-K 4/15/2015	10-Q 11/14/2014	10-Q 8/14/2014	10-Q 5/15/2014

Free cash flow in red for all but 1 of last 5 fiscal quarters...



## ...need more depth? Look at the Quarterly Leverage Ratios

Due to recurring losses, stockholders' equity turns negative...

Period Ended	3/31/2015	12/31/2014	9/30/2014	6/30/2014	3/31/2014
<b>Total debt \$</b>	<b>\$179,991</b>	<b>\$179,131</b>	<b>\$179,467</b>	<b>\$179,917</b>	<b>\$178,340</b>
% change	0.48%	-0.19%	-0.25%	0.88%	-0.11%
<b>Stockholders' equity \$</b>	<b>(\$117,957)</b>	<b>(\$106,057)</b>	<b>\$12,530</b>	<b>\$22,618</b>	<b>\$29,081</b>
% change	-11.22%	-946.42%	-44.60%	-22.22%	-21.96%
<b>Total debt to equity ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>14.32</b>	<b>7.95</b>	<b>6.13</b>
% change	n/a	n/a	80.05%	29.71%	28.00%
<b>Tangible net worth \$</b>	<b>(\$117,957)</b>	<b>(\$106,057)</b>	<b>\$12,531</b>	<b>\$22,618</b>	<b>\$29,082</b>
% change	-11.22%	-946.36%	-44.60%	-22.23%	-21.96%
<b>Total debt to tangible net worth</b>	<b>n/a</b>	<b>n/a</b>	<b>14.32</b>	<b>7.95</b>	<b>6.13</b>
% change	n/a	n/a	80.05%	29.71%	28.00%
<b>Total assets \$</b>	<b>\$101,279</b>	<b>\$111,912</b>	<b>\$222,518</b>	<b>\$239,369</b>	<b>\$234,330</b>
% change	-9.50%	-49.71%	-7.04%	2.15%	-5.67%
<b>Total debt to assets ratio</b>	<b>1.78</b>	<b>1.60</b>	<b>0.81</b>	<b>0.75</b>	<b>0.76</b>
% change	11.03%	98.46%	7.30%	-1.25%	5.90%
<b>Net tangible assets \$</b>	<b>\$101,279</b>	<b>\$111,912</b>	<b>\$222,518</b>	<b>\$239,369</b>	<b>\$234,330</b>
% change	-9.50%	-49.71%	-7.04%	2.15%	-5.67%
<b>Short-term debt \$</b>	<b>\$179,991</b>	<b>\$179,131</b>	<b>\$825</b>	<b>\$1,429</b>	<b>\$0</b>
% change	0.48%	21,612.85%	-42.27%	n/m	-100.00%
<b>Short-term debt % of total debt</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.46%</b>	<b>0.79%</b>	<b>0.00%</b>
% change	0.00%	21,658.05%	-42.12%	n/m	-100.00%
<b>Short-term debt % of working capital</b>	<b>-94.42%</b>	<b>-96.45%</b>	<b>-39.20%</b>	<b>30.97%</b>	<b>0.00%</b>
% change	2.10%	-146.06%	-226.55%	n/m	-100.00%
<b>Total liabilities \$</b>	<b>\$219,236</b>	<b>\$217,969</b>	<b>\$209,988</b>	<b>\$216,751</b>	<b>\$205,249</b>
% change	0.58%	3.80%	-3.12%	5.60%	-2.80%
<b>Total liabilities to equity ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>16.76</b>	<b>9.58</b>	<b>7.06</b>
% change	n/a	n/a	74.87%	35.78%	24.55%
<b>Total liabilities to tangible net worth ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>16.76</b>	<b>9.58</b>	<b>7.06</b>
% change	n/a	n/a	74.87%	35.78%	24.55%
Source:	10-Q 5/20/2015	10-K 4/15/2015	10-Q 11/14/2014	10-Q 8/14/2014	10-Q 5/15/2014

Following the failure to make scheduled interest payments on its first lien and second lien notes, the Company had to reclassify all its outstanding long-term debt to short-term...

Such a jump in short-term debt often precedes a bankruptcy filing!

# ...need more depth? Look at the Quarterly Liquidity Ratios and Rates of Return

Negative working capital...

## Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2015	12/31/2014	9/30/2014	6/30/2014	3/31/2014
<b>Current assets \$</b>	<b>\$11,675</b>	<b>\$15,847</b>	<b>\$15,246</b>	<b>\$29,329</b>	<b>\$28,424</b>
% change	-26.33%	3.94%	-48.02%	3.18%	-29.84%
% of short-term debt	6.49%	8.85%	1,848.24%	2,052.85%	n/a
<b>Current liabilities \$</b>	<b>\$202,297</b>	<b>\$201,571</b>	<b>\$17,351</b>	<b>\$24,716</b>	<b>\$13,811</b>
% change	0.36%	1,061.73%	-29.80%	78.96%	-31.39%
<b>Working capital \$</b>	<b>(\$190,622)</b>	<b>(\$185,724)</b>	<b>(\$2,105)</b>	<b>\$4,613</b>	<b>\$14,613</b>
% change	-2.64%	-8,722.99%	-145.63%	-68.43%	-28.30%
% of sales (annualized)	-744.39%	-421.82%	-3.17%	7.69%	31.12%
<b>Cash \$</b>	<b>\$5,708</b>	<b>\$10,911</b>	<b>\$6,382</b>	<b>\$18,348</b>	<b>\$20,372</b>
% change	-47.69%	70.97%	-65.22%	-9.94%	-37.41%
% of short-term debt	3.17%	6.09%	773.69%	1,284.27%	n/a
<b>Cash ratio</b>	<b>0.03</b>	<b>0.05</b>	<b>0.37</b>	<b>0.74</b>	<b>1.48</b>
% change	-47.87%	-85.29%	-50.46%	-49.67%	-8.76%
<b>Quick assets \$</b>	<b>\$8,678</b>	<b>\$14,690</b>	<b>\$13,499</b>	<b>\$26,887</b>	<b>\$27,570</b>
% change	-40.93%	8.82%	-49.79%	-2.48%	-29.86%
% of short-term debt	4.82%	8.20%	1,636.46%	1,881.93%	n/a
<b>Quick ratio</b>	<b>0.04</b>	<b>0.07</b>	<b>0.78</b>	<b>1.09</b>	<b>2.00</b>
% change	-41.15%	-90.63%	-28.48%	-45.51%	2.24%
<b>Current ratio</b>	<b>0.06</b>	<b>0.08</b>	<b>0.88</b>	<b>1.19</b>	<b>2.06</b>
% change	-26.59%	-91.06%	-25.95%	-42.34%	2.27%
Source:	10-Q 5/20/2015	10-K 4/15/2015	10-Q 11/14/2014	10-Q 8/14/2014	10-Q 5/15/2014

Rapid deterioration of the current ratio...

## Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2015	3 mos 12/31/2014	3 mos 9/30/2014	3 mos 6/30/2014	3 mos 3/31/2014
<b>Return on equity</b>	<b>n/a</b>	<b>-947.24%</b>	<b>-45.42%</b>	<b>-22.88%</b>	<b>-22.24%</b>
% change	n/a	-1,985.42%	-98.57%	-2.84%	30.10%
<b>Return on net tangible equity</b>	<b>n/a</b>	<b>-947.24%</b>	<b>-45.42%</b>	<b>-22.88%</b>	<b>-22.24%</b>
% change	n/a	-1,985.42%	-98.57%	-2.84%	30.10%
<b>Return on total assets</b>	<b>-11.25%</b>	<b>-70.98%</b>	<b>-4.45%</b>	<b>-2.81%</b>	<b>-3.43%</b>
% change	84.15%	-1,495.68%	-58.38%	18.21%	51.15%
<b>Return on net tangible assets</b>	<b>-11.25%</b>	<b>-70.98%</b>	<b>-4.45%</b>	<b>-2.81%</b>	<b>-3.43%</b>
% change	84.15%	-1,495.68%	-58.38%	18.21%	51.15%
Source:	10-Q 5/20/2015	10-K 4/15/2015	10-Q 11/14/2014	10-Q 8/14/2014	10-Q 5/15/2014

Persistently negative rates of return...



...need more depth? Look at the Annual Statement of Cash Flows

Cash flow from operating activities drops into the red...

Statement of Cash Flows - Annual - Standardized					
(Thousands of U.S. Dollars)					
Period Ended	12 mos 12/31/2014	12 mos 12/31/2013	12 mos 12/31/2012	12 mos 12/31/2011	12 mos 12/31/2010
			Reclassified 12/31/2013		
<b>Cash Flows from Operating Activities:</b>					
Net income	(\$143,911)	(\$26,394)	(\$3,708)	\$20,846	(\$19,442)
Depreciation/depletion	17,853	19,448	27,809	15,591	16,002
Deferred taxes	0	8,500	(1,952)	(6,548)	0
Non-cash Items	111,553	6,669	6,338	354	7,094
Changes in working capital	9,454	(675)	(744)	3,602	(5,021)
<b>Total cash from operating activities</b>	<b>(5,051)</b>	<b>7,548</b>	<b>27,744</b>	<b>33,845</b>	<b>(1,366)</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(13,778)	(29,874)	(57,233)	(29,444)	(9,442)
Other investing cash flow items, total	(960)	(1,157)	944	(1,028)	(767)
<b>Total cash from investing activities</b>	<b>(14,737)</b>	<b>(31,031)</b>	<b>(56,289)</b>	<b>(30,472)</b>	<b>(10,209)</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	(293)	(2,037)	(1,281)	(5,776)	39
Issuance/retirement of stock, net	61	24	23,264	14,813	0
Issuance/retirement of debt, net	(1,616)	25,742	22,989	(946)	(5,629)
<b>Total cash from financing activities</b>	<b>(1,848)</b>	<b>23,728</b>	<b>44,973</b>	<b>8,091</b>	<b>(5,590)</b>
<b>Net change in cash</b>	<b>(21,636)</b>	<b>245</b>	<b>16,428</b>	<b>11,465</b>	<b>(17,165)</b>
<b>Net cash-beginning balance</b>	<b>32,547</b>	<b>32,302</b>	<b>15,875</b>	<b>4,410</b>	<b>21,575</b>
<b>Net cash-ending balance</b>	<b>\$10,911</b>	<b>\$32,547</b>	<b>\$32,302</b>	<b>\$15,875</b>	<b>\$4,410</b>
<b>Supplemental Disclosures:</b>					
Cash interest paid	\$19,765	\$19,815	\$8,011	\$8,210	\$10,537
Cash taxes paid, supplemental	\$157	\$131	\$201	\$130	\$902
Auditor/Opinion:	Malone Bailey, LLP <b>Unqualified with Explanation</b>	Malone Bailey, LLP <b>Unqualified</b>	Malone Bailey, LLP <b>Unqualified</b>	Malone Bailey, LLP <b>Unqualified</b>	Malone Bailey, LLP <b>Unqualified</b>
Source:	10-K 4/15/2015	10-K 3/31/2014	10-K 3/31/2014	10-K 3/27/2012	10-K 3/10/2011

In the MD&A issued in December 2014, management states that due to reduced production volumes, coupled with the sharp drop in oil prices, the Company's liquidity position has deteriorated substantially during FY2014; absent an improvement in commodity prices and/or an increase in production, the Company's cash levels as of December 31, 2014, are not expected to be adequate to support development activities or service debt obligations over the next 12 months. Furthermore, management discloses that should the Company be unable to pay scheduled interest payments, legal actions may be initiated by lenders, including foreclosure of liens and possible loss of assets...

...and in June 2015, Saratoga Resources, Inc. files for bankruptcy...



Site Map About Us Directory Lookup Portfolio News Account Help Sign Off Back

## Report

Overview
Company News
Risk Ratings
Important Information
Annual Financials
Year/Year Interim
Sequential Quarters
Liquidity (MD&A)
Liquidity (MD&A) History
SEC Filings
Peer Analysis
Payments
Public Filings
General Info
Access History
Update Portfolio
Print/Save Report
Currency Converter
Send This to a Colleague

## Saratoga Resources, Inc.

Suite 1810, 3 Riverway  
HOUSTON, TX 77056 United States

Ticker: [SARA](#)

Filed for Bankruptcy on 6/18/2015  
Case #15-50749, filed in the U.S. Bankruptcy Court for the Western District of Louisiana (Lafayette)

### Management Discussion and Analysis

As a result of reduced production volumes early in 2014, and resulting operating losses and declines in cash flows, together with sharply lower commodity prices, our liquidity position deteriorated substantially during 2014. We have implemented cost cutting measures and curtailed development of our proved undeveloped opportunities in favor of building our cash position to, among other things, support our scheduled payments of interest on outstanding debt. In January 2015, we entered into forbearance agreements with our lenders, paying only the interest on first lien indebtedness but not paying interest on second lien indebtedness. We are presently working with our lenders and with prospective financing sources to add liquidity and/or refinance our debt. Our cash on hand at December 31, 2014, together with operating cash flows, is expected to be adequate to support basic operations and maintenance but, absent increased commodity prices and/or production, is not expected to be adequate to support development activities or debt service obligations over the next twelve months. Further, should we be unable to have the recent arbitration award reversed and be required to pay such award, our existing cash reserves would be materially reduced. We are presently evaluating options for bringing in additional financing to support our liquidity needs and planned development program. We do not, however, presently have any commitments to provide financing and there is no assurance that any additional financing will be provided on acceptable terms or at all. Should we be unable to pay our scheduled interest payments or to reach acceptable accommodations with our lenders regarding such payments, we may be subject to legal actions instituted by our lenders which may include foreclosure of liens and possible loss of assets.



(845) 230-3000  
info@crmz.com