Section 1: 10-Q (10-Q 1ST QUARTER 2017)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(X) Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2017
Commission File Number 1-8754

SILVERBOW RESOURCES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-3940661**
(State of Incorporation)	*(I.R.S. Employer Identification No.)*

575 North Dairy Ashford, Suite 1200
Houston, Texas 77079
(281) 874-2700
(Address and telephone number of principal executive offices)
Securities registered pursuant to Section 12(b) of the Act:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☑ Non-Accelerated Filer ☐ Smaller Reporting Company ☐
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d)of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ☑ No ☐

Indicate the number of shares outstanding of each of the Issuer's classes
of common stock, as of the latest practicable date.

Common Stock ($.01 Par Value) (Class of Stock)	11,478,709 Shares outstanding at May 1, 2017

Explanatory Note

On May 5, 2017, through an amendment to its Certificate of Incorporation and Bylaws, Swift Energy Company changed its name to SilverBow Resources, Inc. Additionally, SilverBow Resources has announced that it transferred its stock exchange listing from the OTC Best Market ("OTCQX") to the New York Stock Exchange ("NYSE") under the symbol "SBOW" and began trading on May 5, 2017. In the coming months, SilverBow Resources plans to rename several of its subsidiaries, including its primary operating subsidiary, Swift Energy Operating, LLC, to reflect the new parent company name. The name change does not affect the rights of the Company's security holders. There were no other changes to the Company's certificate of incorporation or bylaws in connection with the name change.

SILVERBOW RESOURCES

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2017

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Condensed Consolidated Balance Sheets
SilverBow Resources and Subsidiaries (in thousands, except share amounts)

	Successor	
	March 31, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 168	$ 303
Accounts receivable, net	19,889	17,490
Other current assets	3,282	3,686
Total Current Assets	23,339	21,479
Property and Equipment:		
Property and Equipment, full cost method, including $34,345 and $33,354 of unproved property costs not being amortized at the end of each period	549,717	517,074
Less – Accumulated depreciation, depletion, amortization & impairment	(179,551)	(169,879)
Property and Equipment, Net	370,166	347,195
Other Long-Term Assets	8,394	8,625
Total Assets	$ 401,899	$ 377,299
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 47,555	$ 56,257
Accrued capital costs	11,899	11,954
Accrued interest	1,367	1,721
Undistributed oil and gas revenues	11,073	9,192
Total Current Liabilities	71,894	79,124
Long-Term Debt	172,000	198,000
Asset Retirement Obligations	22,819	22,291
Other Long-Term Liabilities	804	1,829
Commitments and Contingencies (Note 10)		
Stockholders' Equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized, none outstanding	—	—
Common stock, $.01 par value, 40,000,000 shares authorized, 11,510,067 and 10,076,059 shares issued and 11,478,709 and 10,053,574 shares outstanding, respectively	115	101
Additional paid-in capital	273,787	232,917
Treasury stock, held at cost, 31,358 and 22,485 shares	(942)	(675)
Accumulated deficit	(138,578)	(156,288)
Total Stockholders' Equity	134,382	76,055
Total Liabilities and Stockholders' Equity	$ 401,899	$ 377,299

See accompanying Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Operations (Unaudited)
SilverBow Resources and Subsidiaries (in thousands, except per-share amounts)

	Successor	Predecessor
	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues:		
Oil and gas sales	$ 42,412	$ 34,367
Price-risk management and other, net	10,794	(95)
Total Revenues	53,206	34,272
Costs and Expenses:		
General and administrative, net	9,834	8,118
Depreciation, depletion, and amortization	9,715	17,245
Accretion of asset retirement obligations	564	1,291
Lease operating costs	5,773	12,307
Transportation and gas processing	4,385	5,055
Severance and other taxes	1,618	2,332
Interest expense, net (excludes contractual interest of $17,320 on senior notes subject to compromise for the three months ended March 31, 2016)	3,607	8,066
Write-down of oil and gas properties	—	77,732
Reorganization items, net	—	10,429
Total Costs and Expenses	35,496	142,575
Income (Loss) Before Income Taxes	17,710	(108,303)
Provision (Benefit) for Income Taxes	—	—
Net Income (Loss)	$ 17,710	$ (108,303)
Per Share Amounts-		
Basic: Net Income (Loss)	$ 1.58	$ (2.42)
Diluted: Net Income (Loss)	$ 1.57	$ (2.42)
Weighted Average Shares Outstanding - Basic	11,232	44,672
Weighted Average Shares Outstanding - Diluted	11,323	44,672

See accompanying Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
SilverBow Resources and Subsidiaries (in thousands, except share amounts)

	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings (Accumulated Deficit)	Total
Balance, December 31, 2015 (Predecessor)	$ 448	$ 776,358	$ (2,491)	$ (1,627,039)	$ (852,724)
Purchase of treasury shares (65,170 shares)	—	—	(5)	—	(5)
Issuance of restricted stock (229,690 shares)	2	(2)	—	—	—
Share-based compensation	—	1,118	—	—	1,118
Net Income	—	—	—	851,611	851,611
Balance, April 22, 2016 (Predecessor)	$ 450	$ 777,474	$ (2,496)	$ (775,428)	$ —
Cancellation of Predecessor equity	$ (450)	$ (777,474)	$ 2,496	$ 775,428	$ —
Balance, April 22, 2016 (Predecessor)	$ —	$ —	$ —	$ —	$ —
Issuance of Successor common stock & warrants	$ 100	$ 229,299	$ —	$ —	$ 229,399
Balance, April 22, 2016 (Successor)	$ 100	$ 229,299	$ —	$ —	$ 229,399
Purchase of treasury shares (22,485 shares)	—	—	(675)	—	(675)
Issuance of restricted stock (76,058 shares)	1	—	—	—	1
Share-based compensation	—	3,618	—	—	3,618
Net Loss	—	—	—	(156,288)	(156,288)
Balance, December 31, 2016 (Successor)	$ 101	$ 232,917	$ (675)	$ (156,288)	$ 76,055
Purchase of treasury shares (8,873 shares)	—	—	(267)	—	(267)
Issuance common stock (1,403,508 shares)	14	39,367	—	—	39,381
Issuance of restricted stock (30,500 shares)	—	—	—	—	—
Share-based compensation	—	1,503	—	—	1,503
Net Income	—	—	—	17,710	17,710
Balance, March 31, 2017 (Successor)	$ 115	$ 273,787	$ (942)	$ (138,578)	$ 134,382

See accompanying Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (Unaudited)
SilverBow Resources and Subsidiaries (in thousands)

	Successor	Predecessor
	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cash Flows from Operating Activities:		
Net income (loss)	$ 17,710	$ (108,303)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities-		
Depreciation, depletion, and amortization	9,715	17,245
Write-down of oil and gas properties	—	77,732
Accretion of asset retirement obligations	564	1,291
Share-based compensation expense	1,503	770
Loss (gain) on derivatives	(10,937)	—
Cash settlements on derivatives	(811)	—
Settlements of asset retirement obligations	(411)	(278)
Write-down of debt issuance cost	450	—
Reorganization items (non-cash)	—	5,422
Other	(315)	2,551
Change in operating assets and liabilities-		
(Increase) decrease in accounts receivable and other current assets	(1,942)	3,167
Increase (decrease) in accounts payable and accrued liabilities	(3,436)	5,185
Increase (decrease) in accrued interest	(354)	(15)
Net Cash Provided by (Used in) Operating Activities	11,736	4,767
Cash Flows from Investing Activities:		
Additions to property and equipment	(25,417)	(36,317)
Proceeds from the sale of property and equipment	432	4,876
Net Cash Provided by (Used in) Investing Activities	(24,985)	(31,441)
Cash Flows from Financing Activities:		
Proceeds from bank borrowings	43,000	15,000
Payments of bank borrowings	(69,000)	—
Net proceeds from issuances of common stock	39,381	—
Purchase of treasury shares	(267)	(4)
Net Cash Provided by (Used in) Financing Activities	13,114	14,996
Net increase (decrease) in Cash and Cash Equivalents	(135)	(11,678)
Cash and Cash Equivalents at Beginning of Period	303	29,460
Cash and Cash Equivalents at End of Period	$ 168	$ 17,782
Supplemental Disclosures of Cash Flow Information:		
Cash paid during period for interest, net of amounts capitalized	$ 2,959	$ 4,793
Cash paid for reorganization items	$ —	$ 5,007
Changes in capital accounts payable and capital accruals	$ 7,365	$ (8,349)

See accompanying Notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)
SilverBow Resources and Subsidiaries

(1) General Information

SilverBow Resources, Inc. (“SilverBow,” the “Company,” or “we”) is a growth oriented independent oil and gas company headquartered in Houston, Texas. The Company's strategy is focused on acquiring and developing assets in the Eagle Ford Shale located in South Texas. Being a committed and long term operator in South Texas, the Company possesses a significant understanding of the reservoirs in the region. We leverage this competitive understanding to assemble high quality drilling inventory while continuously enhancing our operations to maximize returns on capital invested.

The condensed consolidated financial statements included herein are unaudited and have been prepared by the Company and reflect necessary adjustments, all of which were of a recurring nature unless otherwise disclosed herein, and are in the opinion of our management necessary for a fair presentation. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission. We believe that the disclosures presented are adequate to allow the information presented not to be misleading. The condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 as filed with the Securities and Exchange Commission on February 27, 2017 though, as described below, such prior financial statements may not be comparable to our interim financial statements due to the adoption of fresh start accounting.

(2) Summary of Significant Accounting Policies

Fresh Start Accounting. Upon emergence from bankruptcy on April 22, 2016, the Company adopted Fresh Start Accounting. As a result of the application of fresh start accounting, as well as the effects of the implementation of the joint plan of reorganization (the “Plan”), the Consolidated Financial Statements on or after April 22, 2016, are not comparable with the Consolidated Financial Statements prior to that date. References to “Successor” or “Successor Company” relate to the financial position and results of operations of the reorganized Company subsequent to April 22, 2016. References to “Predecessor” or “Predecessor Company” refer to the financial position and results of operations of the Company prior to April 22, 2016. See Note 12 for further details.

Basis of Presentation. The consolidated financial statements included herein have been prepared by SilverBow Resources, and reflect necessary adjustments, all of which were of a recurring nature unless otherwise disclosed herein, and are in the opinion of our management necessary for a fair presentation.

Principles of Consolidation. The accompanying condensed consolidated financial statements include the accounts of SilverBow and its wholly owned subsidiaries, which are engaged in the exploration, development, acquisition, and operation of oil and gas properties, with a focus on oil and natural gas reserves in the Eagle Ford trend in Texas. Our undivided interests in oil and gas properties are accounted for using the proportionate consolidation method, whereby our proportionate share of each entity’s assets, liabilities, revenues, and expenses are included in the appropriate classifications in the accompanying condensed consolidated financial statements. Intercompany balances and transactions have been eliminated in preparing the accompanying condensed consolidated financial statements.

Subsequent Events. We have evaluated subsequent events requiring potential accrual or disclosure in our condensed consolidated financial statements.

Effective April 19, 2017, the Company entered into a First Amended and Restated Senior Secured Revolving Credit Agreement increasing the maximum credit amount under our Credit Facility to $600 million with an initial borrowing base of $330 million. The Credit Facility matures April 19, 2022 with semi-annual redeterminations in May and November of each calendar year, commencing November 2017. See Note 5 for further details.

On May 5, 2017, the name of the parent company formerly known as Swift Energy Company was changed to SilverBow Resources, Inc. and its stock exchange listing was transferred from the OTC Best Market ("OTCQX") to the New York Stock Exchange ("NYSE") under the symbol "SBOW." In the coming months, the Company plans to rename several of its subsidiaries, including its primary operating subsidiary, Swift Energy Operating, LLC, to reflect the new parent company name.

There were no other material subsequent events requiring additional disclosure in these condensed consolidated financial statements.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the reported amounts of certain revenues and expenses during each reporting period. We believe our estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates. Significant estimates and assumptions underlying these financial statements include:

- the estimates of reorganization value, enterprise value and fair value of assets and liabilities upon emergence from bankruptcy and application of fresh start accounting,
- the estimated quantities of proved oil and natural gas reserves used to compute depletion of oil and natural gas properties, the related present value of estimated future net cash flows there-from, and the ceiling test impairment calculation,
- estimates related to the collectability of accounts receivable and the credit worthiness of our customers,
- estimates of the counterparty bank risk related to letters of credit that our customers may have issued on our behalf,
- estimates of future costs to develop and produce reserves,
- accruals related to oil and gas sales, capital expenditures and lease operating expenses,
- estimates in the calculation of share-based compensation expense,
- estimates of our ownership in properties prior to final division of interest determination,
- the estimated future cost and timing of asset retirement obligations,
- estimates made in our income tax calculations,
- estimates in the calculation of the fair value of commodity derivative assets and liabilities,
- estimates in the assessment of current litigation claims against the Company, and
- estimates in amounts due with respect to open state regulatory audits.

While we are not aware of any material revisions to any of our estimates, there will likely be future revisions to our estimates resulting from matters such as new accounting pronouncements, changes in ownership interests, payouts, joint venture audits, re-allocations by purchasers or pipelines, or other corrections and adjustments common in the oil and gas industry, many of which require retroactive application. These types of adjustments cannot be currently estimated and are expected to be recorded in the period during which the adjustments are known.

We are subject to legal proceedings, claims, liabilities and environmental matters that arise in the ordinary course of business. We accrue for losses when such losses are considered probable and the amounts can be reasonably estimated.

Property and Equipment. We follow the “full-cost” method of accounting for oil and natural gas property and equipment costs. Under this method of accounting, all productive and nonproductive costs incurred in the exploration, development, and acquisition of oil and natural gas reserves are capitalized. Such costs may be incurred both prior to and after the acquisition of a property and include lease acquisitions, geological and geophysical services, drilling, completion, and equipment. Internal costs incurred that are directly identified with exploration, development, and acquisition activities undertaken by us for our own account, and which are not related to production, general corporate overhead, or similar activities, are also capitalized. For the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), such internal costs capitalized totaled $0.9 million and $2.5 million, respectively. Interest costs are also capitalized to unproved oil and natural gas properties (refer to Note 5 of these condensed consolidated financial statements for further discussion on capitalized interest costs).

The “Property and Equipment” balances on the accompanying condensed consolidated balance sheets are summarized for presentation purposes. The following is a detailed breakout of our “Property and Equipment” balances (in thousands):

	March 31, 2017	December 31, 2016
Property and Equipment		
Proved oil and gas properties	$ 512,290	$ 480,499
Unproved oil and gas properties	34,345	33,354
Furniture, fixtures, and other equipment	3,082	3,221
Less – Accumulated depreciation, depletion, amortization & impairment	(179,551)	(169,879)
Property and Equipment, Net	$ 370,166	$ 347,195

No gains or losses are recognized upon the sale or disposition of oil and natural gas properties, except in transactions involving a significant amount of reserves or where the proceeds from the sale of oil and natural gas properties would significantly alter the relationship between capitalized costs and proved reserves of oil and natural gas attributable to a cost center. Internal costs associated with selling properties are expensed as incurred.

We compute the provision for depreciation, depletion, and amortization (“DD&A”) of oil and natural gas properties using the unit-of-production method. Under this method, we compute the provision by multiplying the total unamortized costs of oil and gas properties-including future development costs, gas processing facilities, and both capitalized asset retirement obligations and undiscounted abandonment costs of wells to be drilled, net of salvage values, but excluding costs of unproved properties-by an overall rate determined by dividing the physical units of oil and natural gas produced (which excludes natural gas consumed in operations) during the period by the total estimated units of proved oil and natural gas reserves (which excludes natural gas consumed in operations) at the beginning of the period. Future development costs are estimated on a property-by-property basis based on current economic conditions and are amortized to expense as our capitalized oil and gas property costs are amortized. The period over which we will amortize these properties is dependent on our production from these properties in future years. Furniture, fixtures, and other equipment are recorded at cost and are depreciated by the straight-line method at rates based on the estimated useful lives of the property, which range between two and 20 years. Repairs and maintenance are charged to expense as incurred.

Geological and geophysical (“G&G”) costs incurred on developed properties are recorded in “Proved properties” and therefore subject to amortization. G&G costs incurred that are directly associated with specific unproved properties are capitalized in “Unproved properties” and evaluated as part of the total capitalized costs associated with a prospect. The cost of unproved properties not being amortized is assessed quarterly, on a property-by-property basis, to determine whether such properties have been impaired. In determining whether such costs should be impaired, we evaluate current drilling results, lease expiration dates, current oil and gas industry conditions, economic conditions, capital availability, and available geological and geophysical information. Any impairment assessed is added to the cost of proved properties being amortized.

Full-Cost Ceiling Test. At the end of each quarterly reporting period, the unamortized cost of oil and natural gas properties (including natural gas processing facilities, capitalized asset retirement obligations, net of related salvage values and deferred income taxes) is limited to the sum of the estimated future net revenues from proved properties (excluding cash outflows from recognized asset retirement obligations, including future development and abandonment costs of wells to be drilled, using the preceding 12-months’ average price based on closing prices on the first day of each month, adjusted for price differentials, discounted at 10%, and the lower of cost or fair value of unproved properties) adjusted for related income tax effects (“Ceiling Test”).

The calculations of the Ceiling Test and provision for DD&A are based on estimates of proved reserves. There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting the future rates of production, timing, and plan of development. The accuracy of any reserves estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, testing, and production subsequent to the date of the estimate may justify revision of such estimates. Accordingly, reserves estimates are often different from the quantities of oil and natural gas that are ultimately recovered.

Principally due to the effects of pricing, and also due to the timing of projects and changes in our reserves product mix, for the three months ended March 31, 2016 (predecessor), we reported a non-cash impairment write-down, on a before-tax basis, of $77.7 million on our oil and natural gas properties. There was no write-down for the three months ended March 31, 2017 (successor).

If future capital expenditures outpace future discounted net cash flows in our reserve calculations, if we have significant declines in our oil and natural gas reserves volumes (which also reduces our estimate of discounted future net cash flows from proved oil and natural gas reserves) or if oil or natural gas prices decline, it is likely that non-cash write-downs of our oil and natural gas properties will occur in the future. We cannot control and cannot predict what future prices for oil and natural gas will be, thus we cannot estimate the amount or timing of any potential future non-cash write-down of our oil and natural gas properties due to decreases in oil or natural gas prices.

Revenue Recognition. Oil and gas revenues are recognized when production is sold to a purchaser at a fixed or determinable price, when delivery has occurred and title has transferred, and if collectability of the revenue is probable. The Company uses the entitlement method of accounting for gas imbalances in which we recognize our ownership interest in such production as revenue. If our sales exceed our ownership share of production, the natural gas balancing payables are reported in “Accounts payable and accrued liabilities” on the accompanying condensed consolidated balance sheets. Natural gas balancing receivables are reported in “Other current assets” on the accompanying condensed consolidated balance sheets when our ownership share of production exceeds sales. As of March 31, 2017 and December 31, 2016, we did not have any material natural gas imbalances.

Accounts Receivable. We assess the collectability of accounts receivable, and based on our judgment, we accrue a reserve when we believe a receivable may not be collected. At March 31, 2017 and December 31, 2016, we had an allowance for doubtful accounts of less than $0.1 million, respectively. The allowance for doubtful accounts has been deducted from the total “Accounts receivable” balance on the accompanying condensed consolidated balance sheets.

At March 31, 2017, our “Accounts receivable” balance included $12.8 million for oil and gas sales, $4.6 million due from joint interest owners, $1.8 million for severance tax credit receivables and $0.7 million for other receivables. At December 31, 2016, our “Accounts receivable” balance included $12.6 million for oil and gas sales, $2.7 million due from joint interest owners, $1.6 million for severance tax credit receivables and $0.6 million for other receivables.

Supervision Fees. Consistent with industry practice, we charge a supervision fee to the wells we operate, including our wells, in which we own up to a 100% working interest. Supervision fees are recorded as a reduction to “General and administrative, net”, on the accompanying condensed consolidated statements of operations. Our supervision fees are allocated to each well based on general and administrative costs incurred for well maintenance and support. The amount of supervision fees charged for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor) did not exceed our actual costs incurred. The total amount of supervision fees charged to the wells we operated were $1.2 million and $2.0 million for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively.

Other Current Assets. Included in "Other current assets" on the accompanying condensed consolidated balance sheets are prepaid expenses totaling $1.8 million and $2.0 million at March 31, 2017 and December 31, 2016, respectively. These prepaid amounts cover well insurance, drilling contracts and various other prepaid expenses. Additionally inventories, which consist primarily of tubulars and other equipment and supplies, totaled $0.4 million at March 31, 2017 and December 31, 2016, respectively.

Income Taxes. Deferred taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities, given the provisions of the enacted tax laws.

Tax positions are evaluated for recognition using a more-likely-than-not threshold, and those tax positions requiring recognition are measured as the largest amount of tax benefit that is greater than fifty percent likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Our policy is to record interest and penalties relating to uncertain tax positions in income tax expense. At March 31, 2017, we did not have any accrued liability for uncertain tax positions and do not anticipate recognition of any significant liabilities for uncertain tax positions during the next 12 months.

Our U.S. Federal and state income tax returns for years prior to 2015 are subject to examination to the extent of our net operating loss (NOL) carryforwards. There are no material unresolved items related to periods previously audited by these taxing authorities.

The Company has evaluated the full impact of the reorganization on our carryover tax attributes and believes it will not incur an immediate cash income tax liability as a result of emergence from bankruptcy. The Company will be able to fully absorb cancellation of debt income with NOL carryforwards. The amount of remaining NOL carryforward available will be limited under IRC Sec. 382 due to the change in control. The Company’s amortizable tax basis exceeded the book carrying value of its assets at April 22, 2016, at December 31, 2016 and March 31, 2017, leaving the Company in a net deferred tax asset position. Management

has determined that it is not more likely than not that the Company will realize future cash benefits from this additional tax basis and remaining carryover items and accordingly has taken a full valuation allowance to offset its tax assets.

The Company expects to incur a net taxable loss in the current taxable period thus no current income taxes are anticipated to be paid and no benefit will be recorded due to the full valuation allowance of their tax assets.

Accounts Payable and Accrued Liabilities. The "Accounts payable and accrued liabilities" balances on the accompanying condensed consolidated balance sheets are summarized below (in thousands):

	March 31, 2017	December 31, 2016
Trade accounts payable	$ 16,469	$ 10,563
Accrued operating expenses	2,604	2,990
Accrued compensation costs	2,105	4,730
Asset retirement obligation – current portion	9,039	9,965
Accrued non-income based taxes	3,787	3,937
Accrued price risk management liabilities	6,796	17,632
Accrued corporate and legal fees	3,410	3,075
Other payables	3,345	3,365
Total accounts payable and accrued liabilities	$ 47,555	$ 56,257

Cash and Cash Equivalents. We consider all highly liquid instruments with an initial maturity of three months or less to be cash equivalents. These amounts do not include cash balances that are contractually restricted.

Treasury Stock. Our treasury stock repurchases are reported at cost and are included in "Treasury stock held, at cost" on the accompanying condensed consolidated balance sheets. For the three months ended March 31, 2017 (successor), 8,873 treasury shares were purchased to satisfy withholding tax obligations arising upon the vesting of restricted shares.

New Accounting Pronouncements. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, providing a comprehensive revenue recognition standard for contracts with customers that supersedes current revenue recognition guidance. The guidance requires entities to recognize revenue using the following five-step model: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue as the entity satisfies each performance obligation. Adoption of this standard could result, at the option of the Company, in retrospective application, either in the form of recasting all prior periods presented or a cumulative adjustment to equity in the period of adoption. The guidance is effective for annual and interim reporting periods beginning after December 15, 2017.

The Company's revenues are substantially all attributable to oil and natural gas sales. Based on our initial review of our contracts, the Company believes the timing and presentation of revenues under ASU 2014-09 will be consistent with our current revenue recognition policy as described above with one probable exception. The Company currently uses the entitlement method of accounting when sales for our account are not in proportion to our ownership interest in production. To comply with ASU 2014-09, the Company expects to recognize revenue on the production sold for our account irrespective of ownership share of such production. Currently we do not have any significant imbalance situations; therefore, this is not expected to immediately impact our financial statements except for incremental disclosures. The Company will continue to monitor specific developments for our industry as it relates to ASU 2014-09.

In February 2016, the FASB issued ASU 2016-02, which requires lessees to record most leases on the balance sheet. Under the new guidance, lease classification as either a finance lease or an operating lease will determine how lease-related revenue and expense are recognized. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

At December 31, 2016, the Company had lease commitments of approximately $8.8 million that it believes would be subject to capitalization under ASU 2016-02. This includes $1.9 million for our new corporate office sub-lease which has a term of 4.4 years and commitments for equipment and vehicle leases which total $6.5 million. The company did not enter into any significant additional lease obligations during the first quarter of 2017. These equipment leases generally have original terms of 2 to 3 years. In some instances further analysis is needed to determine if renewal options would result in capitalized amounts in excess of the obligations during the primary lease term. Based on our preliminary assessment, we believe these leases would most

likely be deemed to be operating leases under the new standard. The corporate office lease is the only existing lease that extends beyond December 31, 2018. Management plans to adopt ASU 2016-02 in the quarter ending March 31, 2019. Management continuously evaluates the economics of leasing vs. purchase for operating equipment. The lease obligations that will be in place upon adoption of ASU 2016-02 may be significantly different than the current obligations. Accordingly, at this time we cannot estimate the amount that will be capitalized when this standard is adopted.

In August 2016, the FASB issued ASU 2016-15, which provides greater clarity to preparers on the treatment of eight specific items within an entity's statement of cash flows with the goal of reducing existing diversity on these items. The guidance is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the ASU in an interim period, adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. We are currently reviewing these new requirements to determine the impact of this guidance on our financial statements.

In January 2017, the FASB issued ASU 2017-01, to assist entities in evaluating whether transactions should be accounted for as an acquisition or disposal of an asset or business. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of transferred assets and activities are not a business. The guidance is effective for companies beginning January 1, 2018 with early adoption permitted prospectively. We are currently reviewing these new requirements to determine the impact of this guidance on our financial statements.

(3) Share-Based Compensation

Emergence from Voluntary Reorganization

Upon the Company's emergence from bankruptcy on April 22, 2016, as discussed in Note 11, the Company's common stock was canceled and new common stock was issued. The Company's previous share-based compensation awards were either vested or canceled upon the Company's emergence from bankruptcy.

Share-Based Compensation Plans

Upon the Company's emergence from bankruptcy on April 22, 2016, as discussed in Note 11, the Company's previous share-based compensation plans were canceled and the new Company 2016 Equity Incentive Plan was approved in accordance with the joint plan of reorganization. Under the previous share-based compensation plan the outstanding restricted stock awards and restricted stock unit awards for most employees vested on an accelerated basis while awards issued to certain officers of the Company and the Board of Directors were canceled.

For awards granted after emergence from bankruptcy, the Company does not estimate the forfeiture rate during the initial calculation of compensation cost but rather has elected to account for forfeitures in compensation cost when they occur. For the predecessor periods, the Company had estimated the forfeiture rate for share-based compensation during the initial calculation of compensation cost.

The Company computes a deferred tax benefit for restricted stock awards, unit awards and stock options expected to generate future tax deductions by applying its effective tax rate to the expense recorded. For restricted stock units, the Company's actual tax deduction is based on the value of the units at the time of vesting.

Share-based compensation for the predecessor and successor periods are not comparable. The expense for awards issued to both employees and non-employees, which was recorded in "General and administrative, net" in the accompanying condensed consolidated statements of operations was $1.5 million and $0.7 million for the three months ended March 31, 2017 (successor) and 2016 (predecessor), respectively. Capitalized share-based compensation was less than $0.1 million and $0.2 million for the three months ended March 31, 2017 (successor) and 2016 (predecessor), respectively.

We view stock option awards and restricted stock unit awards with graded vesting as single awards with an expected life equal to the average expected life of component awards, and we amortize the awards on a straight-line basis over the life of the awards.

Stock Option Awards

The compensation cost related to stock option awards is based on the grant date fair value and is typically expensed over the vesting period (generally one to five years). We use the Black-Scholes-Merton option pricing model to estimate the fair value of stock option awards with the following weighted average assumptions for stock option awards issued during the three months ended March 31, 2017 (successor):

	Stock Option Valuation Assumptions
Expected dividend	—
Expected volatility	70.2%
Risk-free interest rate	1.98%
Expected life of stock option awards (in years)	5.7 years
Grant-date fair value	$ 17.58

To estimate expected volatility of our 2017 stock option grants we used the historical volatility of stock prices based on a group of our peer companies.

At March 31, 2017, we had $6.7 million unrecognized compensation cost related to stock option awards. The following tables represents stock option award activity for the three months ended March 31, 2017 (successor):

	Shares	Wtd. Avg. Exer. Price
Options outstanding, beginning of period (successor)	105,811	$ 23.25
Options granted	370,062	$ 28.62
Options canceled	—	$ —
Options exercised	—	$ —
Options outstanding, end of period (successor)	475,873	$ 27.43
Options exercisable, end of period (successor)	60,847	$ 23.25

Our outstanding stock option awards at March 31, 2017 had $0.6 million aggregate intrinsic value. At March 31, 2017 the weighted average remaining contract life of stock option awards outstanding was 7.6 years and exercisable was 1.4 years. The total intrinsic value of stock option awards exercisable for the three months ended March 31, 2017 was $0.3 million.

Restricted Stock Units

The 2016 equity incentive compensation plan allows for the issuance of restricted stock unit awards that generally may not be sold or otherwise transferred until certain restrictions have lapsed. The compensation cost related to these awards is based on the grant date fair value and is typically expensed over the requisite service period (generally one to five years).

As of March 31, 2017, we had unrecognized compensation expense of $10.3 million related to our restricted stock units which is expected to be recognized over a weighted-average period of 3.1 years.

The following table represents restricted stock unit award activity for the three months ended March 31, 2017 (successor):

	Shares	Grant Date Price
Restricted stock units outstanding, beginning of period (successor)	178,847	$ 23.25
Restricted stock units granted	287,257	$ 29.07
Restricted stock units canceled	—	$ —
Restricted stock units vested	(30,500)	$ 23.25
Restricted stock units outstanding, end of period (successor)	435,604	$ 27.09

(4) Earnings Per Share

Upon the Company's emergence from bankruptcy on April 22, 2016, as discussed in Note 11, the Company's then outstanding common stock was canceled and new common stock and warrants were issued.

Basic earnings per share ("Basic EPS") has been computed using the weighted average number of common shares outstanding during each period. Diluted earnings per share ("Diluted EPS") assumes, as of the beginning of the period, exercise of stock options and restricted stock grants using the treasury stock method. Diluted EPS also assumes conversion of performance-based restricted stock units to common shares based on the number of shares (if any) that would be issuable, according to predetermined performance and market goals, if the end of the reporting period was the end of the performance period. As we recognized a net loss for the three months ended March 31, 2016 (predecessor), the unvested share-based payments and stock options were not recognized in Diluted EPS calculations as they would be antidilutive.

The following is a reconciliation of the numerators and denominators used in the calculation of Basic and Diluted EPS for the periods indicated below (in thousands, except per share amounts):

	Successor Three Months Ended March 31, 2017			Predecessor Three Months Ended March 31, 2016		
	Net Income (Loss)	Shares	Per Share Amount	Net Income (Loss)	Shares	Per Share Amount
Basic EPS:						
Net Income (Loss) and Share Amounts	$ 17,710	11,232	$ 1.58	$ (108,303)	44,672	$ (2.42)
Dilutive Securities:						
Restricted Stock Awards		—			—	
Restricted Stock Unit Awards		76			—	
Stock Option Awards		15			—	
Diluted EPS:						
Net Income (Loss) and Assumed Share Conversions	$ 17,710	11,323	$ 1.57	$ (108,303)	44,672	$ (2.42)

Approximately 0.4 million and 1.3 million stock options to purchase shares were not included in the computation of Diluted EPS for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor) because these stock options were antidilutive.

Approximately 0.3 million restricted stock awards for the three months ended March 31, 2016 (predecessor), were not included in the computation of Diluted EPS because they were antidilutive.

Approximately 0.1 million restricted stock units for the three months ended March 31, 2017 (successor), were not included in the computation of Diluted EPS because they were antidilutive. Approximately 0.8 million shares for the three months ended March 31, 2016 (predecessor) related to performance-based restricted stock units that could be converted to common shares based on predetermined performance and market goals were not included in the computation of Diluted EPS because the performance and market conditions had not been met.

Approximately 4.3 million warrants to purchase common stock were not included in the computation of Diluted EPS for the three months ended March 31, 2017 (successor) because these warrants were antidilutive.

(5) Long-Term Debt

Bankruptcy Filing. As discussed in Note 11, the Chapter 11 filing of the Company and the Chapter 11 Subsidiaries constituted an event of default with respect to our then-existing debt obligations. As a result, the Company's pre-petition unsecured senior notes and secured debt under the Prior First Lien Credit Facility became immediately due and payable, but any efforts to enforce such payment obligations were automatically stayed as a result of the Chapter 11 filing. On April 22, 2016, upon the Company's emergence from bankruptcy, the senior notes and borrowing under the debtor-in-possession credit facility ("DIP Credit Agreement") (along with certain unsecured claims as discussed further in Note 11) were exchanged for 88.5% of the common stock of the reorganized entity. Additional information regarding the bankruptcy proceedings is included in Note 11 of these condensed consolidated financial statements.

Revolving Credit Facility. Amounts outstanding under our Credit Facility (defined below) were $172.0 million and $198.0 million as of March 31, 2017 and December 31, 2016, respectively. As discussed in Note 11 of these condensed consolidated financial statements, on April 22, 2016 (the "Effective Date"), the Prior First Lien Credit Facility was terminated and paid in full, and the Company entered into a Senior Secured Revolving Credit Agreement among the Company, as borrower, JPMorgan Chase Bank, National Association, as administrative agent, and certain lenders party thereto. On April 19, 2017, the Company amended and restated the Senior Secured Revolving Credit Agreement by entering into a First Amended and Restated Senior Secured Revolving Credit Agreement (the "Credit Agreement") among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders that are a party thereto, which provides for revolving loans of up to the borrowing base then in effect (the "Credit Facility"). The Credit Facility matures April 19, 2022. The maximum credit amount under the Credit Facility is currently $600 million with an initial borrowing base of $330 million. The borrowing base is scheduled to be redetermined in May and November of each calendar year, commencing November 2017, and is subject to additional adjustments from time to time, including for asset sales, elimination or reduction of hedge positions and incurrence of other debt. Additionally, each of the Company and the administrative agent may request an unscheduled redetermination of the borrowing base between scheduled redeterminations. The amount of the borrowing base is determined by the lenders in their discretion and consistent with their oil and gas lending criteria at the time of the relevant redetermination. The Company may also request the issuance of letters of credit under the Credit Agreement in an aggregate amount up to $25 million, which reduce the amount of available borrowings under the borrowing base in the amount of such issued and outstanding letters of credit.

Interest under the Credit Facility accrues at the Company's option either at an Alternative Base Rate plus the applicable margin ("ABR Loans") or the LIBOR Rate plus the applicable margin ("Eurodollar Loans"). The applicable margin ranges from 1.75% to 2.75% for ABR Loans and 2.75% to 3.75% for Eurodollar Loans. The Alternate Base Rate and LIBOR Rates are defined, and the applicable margins are set forth, in the Credit Agreement. Undrawn amounts under the Credit Facility are subject to a 0.50% commitment fee. To the extent that a payment default exists and is continuing, all amounts outstanding under the Credit Facility will bear interest at 2.00% per annum above the rate and margin otherwise applicable thereto.

The obligations under the Credit Agreement are secured, subject to certain exceptions, by a first priority lien on substantially all assets of the Company and certain of its subsidiaries, including a first priority lien on properties attributed with at least 85% of estimated proved reserves of the Company and its subsidiaries.

The Credit Agreement contains the following financial covenants:

- a ratio of total debt to EBITDA, as defined in the Credit Agreement, for the most recently completed four fiscal quarters, not to exceed 4.0 to 1.0 as of the last day of each fiscal quarter; and

- a current ratio, as defined in the Credit Agreement and which includes in the numerator available borrowings undrawn under the borrowing base, of not less than 1.0 to 1.0 as of the last day of each fiscal quarter.

Additionally, the Credit Agreement contains certain representations, warranties and covenants, including but not limited to, limitations on incurring debt and liens, limitations on making certain restricted payments, limitations on investments, limitations on asset sales and hedge unwinds, limitations on transactions with affiliates and limitation on modifying organizational documents and material contracts. The Credit Agreement contains customary events of default. If an event of default occurs and is continuing, the lenders may declare all amounts outstanding under the Credit Facility to be immediately due and payable.

Net interest expense on the Credit Facility, including commitment fees, capitalized interest and amortization of debt issuance costs, totaled $3.6 million for the three months ended March 31, 2017 (successor). The amount of commitment fee amortization included in interest expense, net was less than $0.1 million for the three months ended March 31, 2017 (successor).

Additionally, we capitalized interest on our unproved properties in the amount $0.2 million for the three months ended March 31, 2017 (successor).

Debtor-In-Possession Financing. As part of the Chapter 11 filings, we entered into the DIP Credit Agreement. The proceeds of borrowings under the DIP Credit Agreement were primarily used to pay down the pre-petition Prior First Lien Credit Facility upon emergence from bankruptcy, and were also used to pay certain costs, fees and expenses related to the Chapter 11 cases, authorized pre-petition claims, and amounts due in connection with the DIP Credit Agreement, including on account of certain “adequate protection” obligations. Pursuant to the Plan, the DIP Credit Agreement, at the option of the lenders, converted into the post-emergence Company’s common stock, which was part of the 88.5% of the common stock distributed to the then current holders of the senior notes and certain unsecured creditors upon emergence from the bankruptcy proceedings. As a result, the $75.0 million borrowed under the DIP Credit Agreement was not required to be repaid and terminated upon the Company’s exit from bankruptcy.

We paid the lenders under the DIP Credit Agreement a 3.0% commitment fee, at the time funds were made available under the facility, totaling $0.9 million. The commitment fee was included in interest expense during the three months ended March 31, 2016 (predecessor). Total interest expense on the DIP Credit Agreement was $1.9 million during the three months ended March 31, 2016 (predecessor).

Prior First Lien Credit Facility Bank Borrowings. During the bankruptcy proceedings we paid interest on our Prior First Lien Credit Facility in the normal course. Interest expense on the Prior First Lien Credit Facility, including commitment fees and amortization of debt issuance costs, totaled $6.1 million for the three months ended March 31, 2016 (predecessor). The amount of commitment fees included in interest expense, net was immaterial for the three months ended March 31, 2016 (predecessor). We did not capitalize interest on our unproved properties for the three months ended March 31, 2016 (predecessor).

Prior Senior Notes Due. On April 22, 2016, the obligations of the Company and the Chapter 11 Subsidiaries with respect to these notes were canceled pursuant to the plan of reorganization and the holders thereof were issued common stock of the post-emergence entity in exchange therefor. There was no interest expense on the senior notes, for the three months ended March 31, 2016 (predecessor) due to our bankruptcy proceedings. Contractual interest on the senior notes for the three months ended March 31, 2016 (predecessor) totaled $17.3 million.

Debt Issuance Costs. Our policy is to capitalize legal fees, accounting fees, underwriting fees, printing costs, and other direct expenses associated with our senior notes, amortizing those costs on an effective interest basis over the term of the senior notes, while issuance costs related to a line of credit arrangement are capitalized and then amortized ratably over the term of the line of credit arrangement, regardless of whether there are any outstanding borrowings.

(6) Acquisitions and Dispositions

There were no material acquisitions or dispositions during the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor).

(7) Price-Risk Management Activities

Derivatives are recorded on the balance sheet at fair value with changes in fair value recognized in earnings. The changes in the fair value of our derivatives are recognized in "Price-risk management and other, net" on the accompanying condensed consolidated statements of operations. We have a price-risk management policy to use derivative instruments to protect against declines in oil and natural gas prices, mainly through the purchase of commodity price swaps and collars as well as basis swaps.

During the three months ended March 31, 2017 (successor), the Company recorded gains of $10.9 million on its commodity derivatives. The Company made net cash payments of $0.8 million for settled derivative contracts during the three months ended March 31, 2017 (successor). During the three months ended March 31, 2016 (predecessor), there were no gains or losses as all outstanding hedge agreements had settled.

At March 31, 2017, we had $0.1 million in receivables for settled derivatives which were recognized on the accompanying condensed consolidated balance sheet in “Accounts receivable” and were subsequently collected in April 2017. At March 31, 2017, we also had $0.5 million in payables for settled derivatives which were recognized on the accompanying condensed consolidated balance sheet in "Accounts payable and accrued liabilities" and were subsequently paid in April 2017.

The fair values of our derivatives are computed using commonly accepted industry-standard models and are periodically verified against quotes from brokers. There was $0.9 million and $0.1 million in current and long-term unsettled derivative assets, respectively, as of March 31, 2017. There was $6.3 million and $0.3 million in current and long-term unsettled derivative liabilities, respectively, as of March 31, 2017.

The Company uses an International Swap and Derivatives Association master agreement for our derivative contracts. This is an industry standardized contract containing the general conditions of our derivative transactions including provisions relating to netting derivative settlement payments under certain circumstances (such as default). For reporting purposes, the Company has elected to not offset the asset and liability fair value amounts of its derivatives on the accompanying balance sheets. Under the right of set-off, there was $5.6 million in net fair value liability at March 31, 2017. For further discussion related to the fair value of the Company's derivatives, refer to Note 8 of these condensed consolidated financial statements.

The following tables summarize the weighted average prices as well as future production volumes for our unsettled derivative contracts in place as of March 31, 2017:

Oil Derivative Swaps (NYMEX WTI Settlements)	**Total Volumes (Bbls)**	**Weighted Average Price**
2018 Contracts		
1Q18	17,000	$ 50.25
2Q18	16,100	$ 50.15
3Q18	15,100	$ 50.20
4Q18	14,200	$ 50.10
2017 Contracts		
2Q17	97,401	$ 48.13
3Q17	90,000	$ 48.16
4Q17	84,798	$ 48.18

Natural Gas Derivative Contracts (NYMEX Henry Hub Settlements)	**Total Volumes (MMBtu)**	**Weighted Average Swap Price**	**Weighted Average Collar Floor Price**	**Weighted Average Collar Call Price**
Swap Contracts				
1Q19	875,000	$ 3.10		
1Q18	6,084,000	$ 3.45		
2Q18	2,776,000	$ 2.83		
3Q18	2,574,000	$ 2.85		
4Q18	2,388,000	$ 2.93		
2Q17	4,153,170	$ 2.98		
3Q17	6,014,999	$ 3.01		
4Q17	4,460,001	$ 2.97		
Collar Contracts				
2Q17	1,600,000		$ 3.050	$ 3.545
3Q17	2,865,000		$ 3.050	$ 3.585
4Q17	3,102,000		$ 3.100	$ 3.715

Natural Gas Basis Derivative Swap (East Texas Houston Ship Channel vs NYMEX Settlements)	Total Volumes (MMBtu)	Weighted Average Price
2018 Contracts		
1Q18	4,950,000	$ (0.12)
2Q18	910,000	$ (0.11)
3Q18	920,000	$ (0.11)
4Q18	920,000	$ (0.11)
2017 Contracts		
2Q17	5,753,170	$ (0.04)
3Q17	7,969,999	$ (0.02)
4Q17	7,562,001	$ (0.04)

(8) Fair Value Measurements

Fair Value on a Recurring Basis. Our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, bank borrowings, and senior notes. The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate fair value due to the highly liquid or short-term nature of these instruments.

The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value (in millions):

Level 1 – Uses quoted prices in active markets for identical, unrestricted assets or liabilities. Instruments in this category have comparable fair values for identical instruments in active markets.

Level 2 – Uses quoted prices for similar assets or liabilities in active markets or observable inputs for assets or liabilities in non-active markets. Instruments in this category are periodically verified against quotes from brokers and include our commodity derivatives that we value using commonly accepted industry-standard models which contain inputs such as contract prices, risk-free rates, volatility measurements and other observable market data that are obtained from independent third-party sources.

Level 3 – Uses unobservable inputs for assets or liabilities that are in non-active markets.

The following table presents our assets and liabilities that are measured on a recurring basis at fair value as of March 31, 2017, and are categorized using the fair value hierarchy. For additional discussion related to the fair value of the Company's derivatives, refer to Note 7 of these condensed consolidated financial statements.

	Fair Value Measurements at			
(in millions)	Total	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2017				
Assets				
Natural Gas Derivatives	$ 0.3	$ —	$ 0.3	$ —
Natural Gas Basis Derivatives	$ 0.7	$ —	$ 0.7	$ —
Liabilities				
Natural Gas Derivatives	$ 5.4	$ —	$ 5.4	$ —
Natural Gas Basis Derivatives	$ 0.2	$ —	$ 0.2	$ —
Oil Derivatives	$ 1.0	$ —	$ 1.0	$ —
December 31, 2016				
Assets				
Natural Gas Basis Derivatives	$ 0.4	$ —	$ 0.4	$ —
Liabilities				
Natural Gas Derivatives	$ 13.7	$ —	$ 13.7	$ —
Natural Gas Basis Derivatives	$ 0.1	$ —	$ 0.1	$ —
Oil Derivatives	$ 3.0	$ —	$ 3.0	$ —

Our current and long-term unsettled derivative assets and liabilities in the table above are measured at gross fair value and are shown on the accompanying condensed consolidated balance sheets in “Other current assets”, "Other long-term assets", "Accounts payable and accrued liabilities" and "Other long-term liabilities", respectively.

(9) Asset Retirement Obligations

Liabilities for legal obligations associated with the retirement obligations of tangible long-lived assets are initially recorded at fair value in the period in which they are incurred. When a liability is initially recorded, the carrying amount of the related asset is increased. The liability is discounted from the expected date of abandonment. Over time, accretion of the liability is recognized each period, and the capitalized cost is amortized on a unit-of-production basis as part of depreciation, depletion, and amortization expense for our oil and gas properties. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss upon settlement which is included in the “Property and Equipment” balance on our accompanying condensed consolidated balance sheets. This guidance requires us to record a liability for the fair value of our dismantlement and abandonment costs, excluding salvage values.

Upon the Company's emergence from bankruptcy on April 22, 2016, as discussed in Note 11, the Company applied fresh start accounting. This included adjusting the Asset Retirement Obligations based on the estimated fair values at April 22, 2016. The following provides a roll-forward of our asset retirement obligations for the three months ended March 31, 2017 (in thousands):

	2017
Asset Retirement Obligations recorded as of January 1	$ 32,256
Accretion	564
Liabilities incurred for new wells and facilities construction	68
Reductions due to plugged wells and facilities	(1,456)
Revisions in estimates	426
Asset Retirement Obligations as of March 31	$ 31,858

At March 31, 2017 and December 31, 2016, approximately $9.0 million and $10.0 million of our asset retirement obligations were classified as a current liability in “Accounts payable and accrued liabilities” on the accompanying condensed consolidated balance sheets.

(10) Commitments and Contingencies

In the ordinary course of business, we are party to various legal actions, which arise primarily from our activities as operator of oil and natural gas wells. In management's opinion, the outcome of any such currently pending legal actions will not have a material adverse effect on our financial position or results of operations.

(11) Emergence from Voluntary Reorganization under Chapter 11 Proceedings

On December 31, 2015, Swift Energy Company and eight of its U.S. subsidiaries (the "Chapter 11 Subsidiaries") filed voluntary petitions seeking relief under Chapter 11 of Title 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the District of Delaware under the caption *In re Swift Energy Company, et al* (Case No. 15-12670). The Company and the Chapter 11 Subsidiaries received bankruptcy court confirmation of their joint plan of reorganization on March 31, 2016, and subsequently emerged from bankruptcy on April 22, 2016 (the "Effective Date").

Effect of the Bankruptcy Proceedings. During the bankruptcy proceedings, the Company conducted normal business activities and was authorized to pay and has paid (subject to caps applicable to payments of certain pre-petition obligations) pre-petition employee wages and benefits, pre-petition amounts owed to certain lienholders and critical vendors, pre-petition amounts owed to pipeline owners that transport the Company's production, and funds belonging to third parties, including royalty holders and partners.

In addition, subject to certain specific exceptions under the Bankruptcy Code, the Chapter 11 filings automatically stayed most judicial or administrative actions against the Company and efforts by creditors to collect on or otherwise exercise rights or remedies with respect to pre-petition claims. As a result, we did not record interest expense on the Company’s senior notes for the three months ended March 31, 2016 (predecessor). For that period, contractual interest on the senior notes totaled $17.3 million.

Plan of Reorganization. Pursuant to the Plan, the significant transactions that occurred upon emergence from bankruptcy were as follows:

- the approximately $906 million of indebtedness outstanding on account of the Company’s senior notes, $75.0 million in borrowings under the Company's debtor-in-possession credit facility (“DIP Credit Agreement”) and certain other unsecured claims were exchanged for 88.5% of the post-emergence Company’s common stock;
- the lenders under the DIP Credit Agreement received an additional backstop fee consisting of 7.5% of the post-emergence Company’s common stock;
- the Company’s pre-petition common stock was canceled and the current shareholders received 4% of the post-emergence Company’s common stock and warrants to purchase up to 30% of the reorganized Company's equity. See Note 12 of these condensed consolidated financial statements for more information;
- claims of other creditors were paid in full in cash, reinstated or otherwise treated in a manner acceptable to the creditors;
- the Company entered into a registration rights agreement to provide customary registration rights to certain holders of the Company’s post-emergence common stock who, together with their affiliates received upon emergence 5% or more of the outstanding common stock of the Company;
- the Company sold (effective April 15, 2016) a portion of its interest in its Central Louisiana fields known as Burr Ferry and South Bearhead Creek to Texegy LLC, for net proceeds of approximately $46.9 million including deposits received prior to the closing date; and

- the Company's previous credit facility (the "Prior First Lien Credit Facility") was terminated and a new senior secured credit facility (the "Credit Facility") with an initial $320 million borrowing base was established. For more information refer to Note 5 of these condensed consolidated financial statements.

In accordance with the Plan, the post-emergence Company's new board of directors was initially to be made up of seven directors consisting of the Chief Executive Officer, two directors appointed by Strategic Value Partners LLC ("SVP"), a former holder of the Company's senior notes, two directors appointed by other former holders of the Company's senior notes, one additional independent director and one independent new non-executive chairman of the Board. In addition, pursuant to the Plan, SVP and the other former holders of the Company's senior notes were given certain continuing director nomination rights subject to minimum share ownership conditions.

DIP Credit Agreement. In connection with the pre-petition negotiations of the restructuring support agreement, certain holders of the Company's senior notes agreed to provide the Company and the Chapter 11 Subsidiaries a debtor-in-possession credit facility. The DIP Credit Agreement provided for a multi-draw term loan of up to $75.0 million, which became available to the Company upon the satisfaction of certain milestones and contingencies. Upon emergence from bankruptcy, the Company had drawn down the entire $75.0 million available. Pursuant to the Plan, the borrowings under the DIP Credit Agreement, at the option of the lenders to the DIP Credit Agreement, converted into the post-emergence Company's common stock, which was part of the 88.5% of the common stock distributed to the holders of the Company's senior notes and certain unsecured creditors. As such, the $75.0 million borrowed under the DIP Credit Agreement was not required to be repaid in cash and was terminated upon the Company's exit from bankruptcy. For more information refer to Note 5 of these condensed consolidated financial statements.

(12) Fresh Start Accounting

Upon the Company's emergence from Chapter 11 bankruptcy, the Company adopted fresh start accounting, pursuant to FASB Accounting Standards Codification ("ASC") 852, *"Reorganizations"*, and applied the provisions thereof to its financial statements. The Company qualified for fresh start accounting because (i) the holders of existing voting shares of the pre-emergence debtor-in-possession, referred to herein to as the "Predecessor" or "Predecessor Company," received less than 50% of the voting shares of the post-emergence successor entity, which we refer to herein as the "Successor" or "Successor Company" and (ii) the reorganization value of the Company's assets immediately prior to confirmation was less than the post-petition liabilities and allowed claims. The Company applied fresh start accounting as of April 22, 2016, when it emerged from bankruptcy protection. Adopting fresh start accounting results in a new reporting entity for financial reporting purposes with no beginning retained earnings or deficit. The cancellation of all existing shares outstanding on the Effective Date and issuance of new shares of the Successor Company caused a related change of control of the Company under ASC 852. Upon the application of fresh start accounting, the Company allocated the reorganization value to its individual assets based on their estimated fair values. Reorganization value represents the fair value of the Successor Company's assets before considering liabilities.

Reorganization Value. Reorganization value represents the fair value of the Successor Company's total assets and is intended to approximate the amount a willing buyer would pay for the assets immediately after restructuring. Under fresh start accounting, we allocated the reorganization value to our individual assets based on their estimated fair values.

Our reorganization value was derived from an estimate of enterprise value. Enterprise value represents the estimated fair value of an entity's long term debt and shareholders' equity. In support of the Plan, the enterprise value of the Successor Company was estimated and approved by the bankruptcy court to be in the range of $460 million to $800 million. Based on the estimates and assumptions used in determining the enterprise value, as further discussed below, the Company estimated the enterprise value to be approximately $474 million. This valuation analysis was prepared using reserve information, development schedules, other financial information and financial projections and applying standard valuation techniques, including risked net asset value analysis and public comparable company analyses.

Valuation of Oil and Gas Properties. The Company determined the fair value of its oil and gas properties based on the discounted cash flows expected to be generated from these assets. The computations were based on market conditions and reserves in place as of the bankruptcy emergence date.

The Company's Reserves Engineers developed full cycle production models for all of the Company's developed wells and identified undeveloped drilling locations within the Company's leased acreage. The undeveloped locations were categorized based on varying levels of risk using industry standards. The proved locations were limited to wells expected to be drilled in the Company's five year plan. The locations were then segregated into geographic areas. Future cash flows before application of risk factors were estimated by using the New York Mercantile Exchange five year forward prices for West Texas Intermediate oil and Henry Hub natural gas with inflation adjustments applied to periods beyond five years. These prices were adjusted for typical differentials realized by the Company for location and product quality adjustments. Transportation cost estimates were based on

agreements in place at the emergence date. Development and operating costs were based on the Company's recent cost trends adjusted for inflation.

Risk factors were determined separately for each geographic area. Based on the geological characteristics of each area appropriate risk factors for each of the reserve categories were applied. The Company considered production, geological and mechanical risk to determine the probability factor for each reserve category in each area.

The risk adjusted after tax cash flows were discounted at 12%. This discount factor was derived from a weighted average cost of capital computation which utilized a blended expected cost of debt and expected returns on equity for similar industry participants. The after tax cash flow computations included utilization of the Company's unamortized tax basis in the properties as of the emergence date. Plugging and abandonment costs were included in the cash flow projections for undeveloped reserves but were excluded for developed reserves since the fair value of this liability was determined separately and included in the emergence date liabilities reported on the balance sheet.

From this analysis the Company concluded the fair value of its proved reserves was $509.4 million, and the value of its probable reserves was $45.5 million as of the effective date. The fair value of the possible reserves was determined to be de minimus and no value was therefore recognized. The value of probable reserves was classified as unevaluated costs. The Company also reviewed its undeveloped leasehold acreage and concluded that the fair value of its probable reserves appropriately captured the fair value of its undeveloped leasehold acreage. These amounts are reflected in the Fresh Start Adjustments item number 12 below.

The following table reconciles the enterprise value to the estimated fair value of the Successor Company's common stock as of the Effective Date (in thousands):

		April 22, 2016
Enterprise Value	$	473,660
Plus: Cash and cash equivalents		8,739
Less: Fair value of debt		(253,000)
Less: Fair value of warrants		(14,967)
Fair value of Successor common stock	$	214,432
Shares outstanding at April 22, 2016		10,000
Per share value	$	21.44

Upon issuance of the Credit Facility on April 22, 2016, the Company received net proceeds of approximately $253 million and incurred debt issuance costs of approximately $7.0 million.

In accordance with the Plan, the Company issued two series of warrants (each for up to 15% of the reorganized Company's equity) to the former holders of the Company's common stock, one to expire on the close of business on April 22, 2019 (the "2019 Warrants") and the other to expire on the close of business on April 22, 2020 (the "2020 Warrants" and, together with the 2019 Warrants, the "Warrants"). Following the Effective Date, there were 2019 Warrants outstanding to purchase up to an aggregate of 2,142,857 shares of Common Stock at an initial exercise price of $80.00 per share. Following the Effective Date, there were 2020 Warrants outstanding to purchase up to an aggregate of 2,142,857 shares of Common Stock at an initial exercise price of $86.18 per share. All unexercised Warrants shall expire, and the rights of the holders of such Warrants (the "Warrant Holders") to purchase Common Stock shall terminate at the close of business on the first to occur of (i) their respective expiration dates or (ii) the date of completion of (A) any Fundamental Equity Change (as defined in the Warrant Agreement) or (B) an Asset Sale (as defined in the Warrant Agreement). The fair value of the 2019 and 2020 Warrants was $3.26 and $3.73 per warrant, respectively. A Black- Scholes pricing model with the following assumptions was used in determining the fair value: strike price of $80 and $86.18; expected volatility of 70% and 65%; expected dividend rate of 0.0%; risk free interest rate of 1.01% and 1.19%; and expiration date of 3 and 4 years, respectively. The fair value of these warrants was estimated using Level 2 inputs (for additional discussion of the Level 2 inputs, refer to Note 8 of these condensed consolidated financial statements).

The following table reconciles the enterprise value to the estimated reorganization value as of the Effective Date (in thousands):

	April 22, 2016
Enterprise Value	$ 473,660
Plus: Cash and cash equivalents	8,739
Plus: Other working capital liabilities	73,318
Plus: Other long-term liabilities	58,992
Reorganization value of Successor assets	$ 614,709

Reorganization value and enterprise value were estimated using numerous projections and assumptions that are inherently subject to significant uncertainties and resolution of contingencies that are beyond our control. Accordingly, the estimates set forth herein are not necessarily indicative of actual outcomes, and there can be no assurance that the estimates, projections or assumptions will be realized.

Condensed Consolidated Balance Sheet. The adjustments set forth in the following condensed consolidated balance sheet reflect the effect of the consummation of the transactions contemplated by the Plan (reflected in the column “Reorganization Adjustments”) as well as fair value adjustments as a result of the adoption of fresh start accounting (reflected in the column “Fresh Start Adjustments”). The explanatory notes highlight methods used to determine fair values or other amounts of the assets and liabilities as well as significant assumptions.

The following table reflects the reorganization and application of ASC 852 on our condensed consolidated balance sheet as of April 22, 2016 (in thousands):

	Predecessor Company	Reorganization Adjustments		Fresh Start Adjustments		Successor Company
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 57,599	$ (48,860)	(1)	$ —		$ 8,739
Accounts receivable	34,278	(597)	(2)	—		33,681
Other current assets	3,503	—		—		3,503
Total current assets	95,380	(49,457)		—		45,923
Property and equipment	6,007,326	—		(5,448,759)	(12)	558,567
Less - accumulated depreciation, depletion and amortization	(5,676,252)	—		5,676,252	(12)	—
Property and equipment, net	331,074	—		227,493		558,567
Other long-term assets	4,629	6,388	(3)	(798)	(13)	10,219
Total Assets	$ 431,083	$ (43,069)		$ 226,695		$ 614,709

	Predecessor Company	Reorganization Adjustments		Fresh Start Adjustments		Successor Company
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities:						
Accounts payable and accrued liabilities	$ 64,324	$ (4,666)	(4)	$ (885)	(14)	$ 58,773
Accrued capital costs	5,410	—		—		5,410
Accrued interest	768	(104)	(5)	—		664
Undistributed oil and gas revenues	8,471	—		—		8,471
Current portion of debt	364,500	(364,500)	(6)	—		—
Total current liabilities	443,473	(369,270)		(885)		73,318
Long-term debt	—	253,000	(7)	—		253,000
Asset retirement obligation	51,800	—		6,101	(14)	57,901
Other long-term liabilities	2,124	—		(1,033)	(15)	1,091
Liabilities subject to compromise	911,381	(911,381)	(8)	—		—
Total Liabilities	1,408,778	(1,027,651)		4,183		385,310
Stockholders' Equity:						
Preferred stock		—		—		—
Common stock (Predecessor)	450	(450)	(9)	—		—
Common stock (Successor)	—	100	(10)	—		100
Additional paid-in capital (Predecessor)	777,475	(777,475)	(9)	—		—
Additional paid-in capital (Successor)	—	229,299	(10)	—		229,299
Treasury stock held at cost	(2,496)	2,496	(9)	—		—
Retained earnings (accumulated deficit)	(1,753,124)	1,530,612	(11)	222,512	(16)	—
Total Stockholders' Equity (Deficit)	(977,695)	984,582		222,512		229,399
Total Liabilities and Stockholders' Equity	$ 431,083	$ (43,069)		$ 226,695		$ 614,709

Reorganization Adjustments

1. Reflects the net cash payments recorded as of the Effective Date from implementation of the Plan (in thousands):

Sources:		
Net proceeds from Credit Facility	$	253,000
Total Sources	$	253,000
Uses:		
Repayment of Prior First Lien Credit Facility	$	289,500
Debt issuance costs		6,482
Predecessor accounts payable paid upon emergence		5,878
Total Uses	$	301,860
Net Uses	$	(48,860)

2. Reflects the impairment of a short-term leasehold improvement build-out receivable for $0.6 million that will no longer be reimbursed by the building lessor as the Company's office lease contract was rejected as part of the bankruptcy.

3. Reflects the capitalization of debt issuance costs on the Credit Facility for $7.0 million, of which $6.5 million was paid on emergence and $0.5 million included in accounts payable and accrued liabilities and paid in the subsequent month, as well as the impairment of a long-term leasehold improvement build-out receivable for $0.6 million relating to an office lease contract that was rejected in connection with the bankruptcy.

4. Reflects the settlement of predecessor accounts payable of $5.2 million partially offset by capitalized debt issuance costs of $0.5 million.

5. Reflects the settlement of accrued interest on the Company's DIP Credit Agreement which was equitized upon emergence.

6. On the Effective Date, the Company repaid in full all borrowings outstanding of $289.5 million under the Prior First Lien Credit Facility. In addition the Company equitized the outstanding DIP Credit Agreement borrowings of $75 million via the issuance of equity valued at $142.3 million.

7. Reflects the $253 million in new borrowings under the Credit Facility.

8. Liabilities subject to compromise were settled as follows in accordance with the Plan (in thousands):

7.125% senior notes due 2017	$	250,000
8.875% senior notes due 2020		225,000
7.875% senior notes due 2022		400,000
Accrued interest		30,043
Accounts payable and accrued liabilities		1,713
Other long-term liabilities		4,625
Liabilities subject to compromise of the Predecessor Company (LSTC)		911,381
Fair value of equity issued to former holders of the senior notes of the Predecessor		(47,443)
Gain on settlement of Liabilities subject to compromise	$	863,938

9. Reflects the cancellation of the Predecessor Company equity to retained earnings.

10. Reflects the issuance of 10.0 million shares of common stock at a per share price of $21.44 and 4.3 million warrants to purchase up to 30% of the reorganized Company's equity valued at $15.0 million with an average per unit value of $3.49. Former holders of the senior notes and certain unsecured creditors were issued 8.85 million shares of common stock while the Backstop

Lenders (as defined in the DIP Credit Agreement) were issued 0.75 million shares of common stock. Former shareholders received the warrants and 0.4 million shares of common stock.

11. Reflects the cumulative impact of the reorganization adjustments discussed above (in thousands):

Gain on settlement of Liabilities subject to compromise	$	863,938
Fair value of equity issued in excess of DIP principal		(67,329)
Fair value of equity and warrants issued to Predecessor stockholders		(23,544)
Fair value of equity issued to DIP lenders for backstop fee		(16,082)
Other reorganization adjustments		(1,800)
Cancellation of Predecessor Company equity		775,429
Net impact to accumulated deficit	$	1,530,612

Fresh Start Adjustments

12. The following table summarizes the fair value adjustment on our oil and gas properties and accumulated depletion, depreciation and amortization (in thousands):

	Predecessor Company	Fresh Start Adjustments	Successor Company
Oil and Gas Properties			
Proved properties	$ 5,951,016	$ (5,441,655)	$ 509,361
Unproved properties	12,057	33,448	45,505
Total Oil and Gas Properties	5,963,073	(5,408,207)	554,866
Less - Accumulated depletion and impairments	(5,638,741)	5,638,741	—
Net Oil and Gas Properties	324,332	230,534	554,866
Furniture, Fixtures, and other equipment	44,252	(40,551)	3,701
Less - Accumulated depreciation	(37,510)	37,510	—
Net Furniture, Fixtures and other equipment	$ 6,742	$ (3,041)	$ 3,701
Net Oil and Gas Properties, Furniture and fixtures and accumulated depreciation	$ 331,074	$ 227,493	$ 558,567

13. Reflects the adjustment of other non-current assets to fair value.

14. Reflects the current and long-term portion of the Company's asset retirement obligation computed in accordance with ASC 410-20, applying the appropriate discount rate to future costs as of the emergence date, which the Company has determined to be a reasonable fair value estimate.

15. Reflects the adjustment of other non-current liabilities to fair value.

16. Reflects the cumulative impact of fresh start adjustments as discussed above.

Reorganization Items

Reorganization items represent liabilities settled, net of amounts incurred subsequent to the Chapter 11 filing as a direct result of the Plan and are classified as "(Gain) Loss on Reorganization items, net" in the Condensed Consolidated Statements of Operations. The following table summarizes reorganization items (in thousands):

	Predecessor
	Period from January 1, 2016 through April 22, 2016
Gain on settlement of liabilities subject to compromise	$ (863,938)
Fair value of equity issued in excess of DIP principal	67,329
Fresh start adjustments	(222,512)
Reorganization legal and professional fees and expenses	25,573
Fair value of equity issued to DIP lenders for backstop fee	16,082
Other reorganization items	21,324
(Gain) Loss on Reorganization items, net	$ (956,142)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis in conjunction with our financial information and our consolidated financial statements and accompanying notes included in this report and our annual report on Form 10-K for the year ended December 31, 2016. The following information contains forward-looking statements; see "Forward-Looking Statements" on page 42 of this report.

As discussed in Notes 11 and 12 to our condensed consolidated financial statements included in Item 1 of this report, the Company applied fresh start accounting upon emergence from bankruptcy on the Effective Date which resulted in the Company becoming a new entity for financial reporting purposes. The effects of the Plan (defined below) and the application of fresh-start accounting were reflected in our condensed consolidated financial statements as of April 22, 2016 and the related adjustments thereto were recorded in our condensed consolidated statements of operations as reorganization items for the period April 1, 2016 to April 22, 2016 (predecessor). References to the Successor relate to the Company on and subsequent to the Effective Date. References to Predecessor refer to the Company prior to the Effective Date (defined below).

Company Overview

SilverBow Resources ("SilverBow," the "Company," or "we") is a growth oriented independent oil and gas company headquartered in Houston, Texas. The company's strategy is focused on acquiring and developing assets in the Eagle Ford Shale located in South Texas. Being a committed and long term operator in South Texas, the Company possesses a significant understanding of the reservoirs in the region. We leverage this competitive understanding to assemble high quality drilling inventory while continuously enhancing our operations to maximize returns on capital invested. We hold a large acreage position in Texas prospective for the Eagle Ford Shale. Natural gas production accounted for 83% of our volumetric production and 73% of our sales revenue, while oil accounted for 7% of our production and 17% of our sales revenue for the first quarter of 2017.

Emergence from Voluntary Reorganization under Chapter 11 Proceedings

On December 31, 2015, we and eight of our U.S. subsidiaries (the "Chapter 11 Subsidiaries") filed voluntary petitions seeking relief under Chapter 11 of Title 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the District of Delaware under the caption *In re Swift Energy Company, et al* (Case No. 15-12670). The Company and the Chapter 11 Subsidiaries received bankruptcy court confirmation of their joint plan of reorganization (the "Plan") on March 31, 2016, and subsequently emerged from bankruptcy on April 22, 2016 (the "Effective Date").

Effect of the Bankruptcy Proceedings. During the bankruptcy proceedings, the Company conducted normal business activities and was authorized to pay and has paid (subject to caps applicable to payments of certain pre-petition obligations) pre-petition employee wages and benefits, pre-petition amounts owed to certain lienholders and critical vendors, pre-petition amounts owed to pipeline owners that transport the Company's production, and funds belonging to third parties, including royalty holders and partners.

In addition, subject to certain specific exceptions under the Bankruptcy Code, the Chapter 11 filings automatically stayed most judicial or administrative actions against the Company and efforts by creditors to collect on or otherwise exercise rights or remedies with respect to pre-petition claims. As a result, we did not record interest expense on the Company's senior notes for the three months ended March 31, 2016 (predecessor). For that period, contractual interest on the senior notes totaled $17.3 million.

Plan of Reorganization. Pursuant to the Plan, the significant transactions that occurred upon emergence from bankruptcy were as follows:

- the approximately $906 million of indebtedness outstanding on account of the Company's senior notes, the $75 million drawn under the Company's DIP Credit Agreement (described below and more fully described below) and certain other unsecured claims were exchanged for 88.5% of the post-emergence Company's common stock;
- the lenders under the DIP Credit Agreement (as defined and more fully described below) received a backstop fee consisting of 7.5% of the post-emergence Company's common stock which was not included in the 88.5% distributed to creditors;
- the Company's pre-petition common stock was canceled and the current shareholders received 4% of the post-emergence Company's common stock and warrants to purchase up to 30% of the reorganized Company's equity;
- the warrants (each for up to 15% of the reorganized Company's equity), are exercisable at prices that represent a substantial increase from the value at emergence, as follows:

Issue Date	Expiration Date	Shares	Strike Price
April 22, 2016	April 22, 2019	2,142,857	$80.00
April 22, 2016	April 22, 2020	2,142,857	$86.18

- claims of other creditors were paid in full in cash, reinstated or otherwise treated in a manner acceptable to the creditors;
- the Company entered into a registration rights agreement to provide customary registration rights to certain holders of the Company's post-emergence common stock who, together with their affiliates received upon emergence 5% or more of the outstanding common stock of the Company;
- the Company sold (effective April 15, 2016) a portion of its interest in its Central Louisiana fields known as Burr Ferry and South Bearhead Creek to Texegy LLC, for net proceeds of approximately $46.9 million including deposits received prior to the closing date; and
- the Company's previous credit facility (the "Prior First Lien Credit Facility") was terminated and a new senior secured credit facility (the "Credit Facility") with an initial $320 million borrowing base was established. For more information please refer to Note 5 of the condensed consolidated financial statements included in Item 1 of this report.

In accordance with the Plan, the post-emergence Company's new board of directors was initially to be made up of seven directors consisting of the Chief Executive Officer, two directors appointed by Strategic Value Partners LLC ("SVP"), a former holder of the Company's senior notes, two directors appointed by other former holders of the Company's senior notes, one independent director and one independent non-executive chairman of the Board. In addition, pursuant to the Plan, SVP and the other former holders of the Company's senior notes were given certain continuing director nomination rights subject to minimum share ownership conditions.

DIP Credit Agreement. During the bankruptcy, the DIP Credit Agreement provided for a multi-draw term loan of up to $75.0 million, which became available to the Company upon the satisfaction of certain milestones and contingencies. Upon emergence from bankruptcy, the Company had drawn down the entire $75.0 million available. Pursuant to the Plan, the borrowings under the DIP Credit Agreement, at the option of the lenders to the DIP Credit Agreement, converted into the post-emergence Company's common stock, which was part of the 88.5% of the common stock distributed to the holders of the Company's senior notes and certain unsecured creditors. As such, the $75.0 million borrowed under the DIP Credit Agreement was not required to be repaid in cash and terminated upon the Company's exit from bankruptcy. For more information please refer to Note 5 of the condensed consolidated financial statements included in Item 1 of this report.

Fresh Start Accounting. Upon the Company's emergence from Chapter 11 bankruptcy, the Company adopted fresh-start accounting in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 852, "Reorganizations" which resulted in the Company becoming a new entity for financial reporting purposes. Upon adoption of fresh start accounting, our assets and liabilities were recorded at their fair values as of the Effective Date. The Effective Date fair values of our assets and liabilities differed materially from the recorded values of our assets and liabilities as reflected in our historical condensed consolidated balance sheet. The effects of the Plan and the application of fresh-start accounting were reflected in our condensed consolidated financial statements as of April 22, 2016 and the related adjustments thereto were recorded in our condensed consolidated statements of operations as reorganization items for the period April 1, 2016 to April 22, 2016 (predecessor).

As a result, our condensed consolidated balance sheets and condensed consolidated statement of operations subsequent to the Effective Date will not be comparable to our condensed consolidated balance sheets and statements of operations prior to the Effective Date. Our condensed consolidated financial statements and related footnotes are presented with a black line division which delineates the lack of comparability between amounts presented on or after April 22, 2016 and dates prior. Our financial results for future periods following the application of fresh-start accounting will be different from historical trends and the differences may be material.

Financial Statement Classification of Liabilities Subject to Compromise. Our financial statements included amounts classified as liabilities subject to compromise, a majority of which were equitized upon emergence from bankruptcy on April 22, 2016. See Note 12 of these condensed consolidated financial statements included in Item 1 of this report for more information.

Significant Developments During The First Quarter of 2017

- *Management Changes:* On February 28, 2017, the Company announced the appointment of Sean Woolverton as Chief Executive Officer of the Company, effective March 1, 2017. On March 1, 2017, the Company's former Interim Chief Executive Officer, Robert J. Banks, ceased to serve as Interim Chief Executive Officer and resumed his prior offices and duties as the Company's Chief Operating Officer. On March 17, 2017, the Company announced the appointment of G. Gleeson Van Riet as Chief Financial Officer of the Company, effective March 20, 2017. On March 20, 2017, the Company's former Chief Financial Officer, Alton D. Heckaman, ceased to serve as Chief Financial Officer and Principal Accounting Officer but remained with the Company through the first quarter of 2017 and thereafter to provide ongoing consulting support to ensure a smooth transition. Also on March 17, 2017 the Company announced the appointment of Christopher M. Abundis as Senior Vice President of the Company effective March 20, 2017, continuing in his role as General Counsel and Secretary. Effective March 22, 2017 the Board of Directors appointed Gary G. Buchta as Controller, fulfilling the role of Principal Accounting Officer.

- *Weak crude oil and natural gas prices continue to affect our business:* Oil and gas prices declined during 2015 and continue to remain relatively low by historical measures. While we are negatively impacted by weak commodity prices, the resulting industry downturn has created a much more competitive environment among oil field service companies, providing an opportunity for us to bring our cost structure in line with lower revenues. The recent rebound of oil and gas prices from their 2016 lows has allowed the Company to enter into price and basis differential hedges for calendar year 2017 through the first quarter of 2019 production, which could mitigate any future commodity price weakness.

- *Operational Activity:* At our Fasken field in the Eagle Ford play, five wells were drilled during the period and nine wells were brought online. The wells were placed into the system at curtailed rates due to facility capacity. The field is currently producing about 190 MMcf per day of natural gas which is the designed capacity of the facilities. During the period, we drilled two wells in the wet gas window of the Eagle Ford on our Bracken lease at AWP. These wells will be completed in the second quarter of 2017.

- *2017 cost reduction initiatives:* We are continuing the cost reduction efforts initiated in 2016, and have taken additional actions during the first three months of 2017 to reduce operating and overhead costs. These initiatives include field staff reductions, intermittent production of marginal properties, disposition of uneconomic and higher cost properties, full utilization of existing facilities and elimination of redundant equipment. At the corporate level, we have also undergone additional staff reductions, reduced the square footage of leased office space and are taking additional steps to further reduce overhead costs.

- *Stock Listing:* Trading in the Company's former common stock on the NYSE was suspended on December 18, 2015, and the common stock was subsequently delisted from the NYSE. The common stock of the Company traded on the OTC Pink marketplace under the symbol "SFYWQ" until the former common stock was canceled on April 22, 2016, pursuant to the plan of reorganization confirmed by the bankruptcy court. On October 3, 2016, the Company announced the common stock of the Company issued pursuant to the plan of reorganization was approved for quoting on the OTCQX Market. The Company traded under the ticker "SWTF". Effective January 25, 2017, the Company entered into an agreement with certain purchasers of our common stock in a recent private placement offering to list on a national securities exchange by July 25, 2017. On May 2, 2017 the Company announced it would be transferring its stock exchange listing from the OTC Best Market to the New York Stock Exchange where the common stock began trading under the new ticker symbol "SBOW" on the morning of May 5, 2017.

- *Name Change:* On May 5, 2017, the Company announced the parent company's name formerly known as Swift Energy Company was changed to SilverBow Resources, Inc. In the coming months, the Company plans to rename several of its subsidiaries, including its primary operating subsidiary, Swift Energy Operating, LLC, to reflect the new parent company name.

- *2017 Private Placement of Common Stock*. Effective January 25, 2017, the Company entered into an agreement to sell approximately 1.4 million shares of its Common Stock in a private placement at a price of $28.50 per share, which resulted in approximately $40.0 million in gross proceeds. The shares were sold to select institutional accredited investors and proceeds were primarily used to repay credit facility borrowings. The securities offered in the private placement have not been registered under the Securities Act of 1933 or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements of the Securities Act and applicable state laws.

Summary of 2017 Financial Results

- *First quarter 2017 revenue and net income:* The Company's oil and gas revenues were $42.4 million during the first three months of 2017, compared to $34.4 million in the first three months of 2016. Revenues were higher primarily due to overall higher commodity prices as well as higher natural gas production, partially offset by lower oil and NGL production. The Company's net income of $17.7 million for the first three months of 2017 was primarily due to higher commodity prices along with lower operating expenses while the net loss of $108.3 million for the first three months of 2016 is primarily due to decreased commodity prices and production along with a $77.7 million non-cash write-down of our oil and gas properties.

- *2017 capital expenditures and plans:* The Company's capital expenditures on a cash flow basis were $25.4 million in the first three months of 2017, compared to $36.3 million in the first three months of 2016. Expenditures during the current period, were primarily driven by development activity at our Fasken and AWP fields in the Eagle Ford play. Five wells were drilled at Fasken during the period and nine wells were brought online. At AWP, we drilled two wells in the wet gas window of the Eagle Ford on the Bracken lease. These wells will be completed and tested in the second quarter of 2017. These expenditures were funded by borrowings under our Credit Facility along with operating cash flows.

- *Working capital and debt to capitalization ratio:* The Company had a working capital deficit of $48.6 million at March 31, 2017, and a deficit of $57.6 million at December 31, 2016. Working capital, which is calculated as current assets less current liabilities, can be used to measure both a company's operational efficiency and short-term financial health. The working capital computation does not include available liquidity through our credit facility.

- *Cash Flows:* For the first quarter of 2017, the Company generated cash from operating activities of $11.7 million, of which $5.7 million was attributable to changes in working capital. Cash used for property additions was $25.4 million. This does not include $7.4 million attributable to a net increase of capital related payables and accrued costs. The Company’s net pay-down on its line of credit was $26.0 million for this period.

  For the three months ended March 31, 2016, the Company generated $4.8 million from operating activities but paid out $36.3 million for capital expenditures, including a net pay-down of $8.3 million in payables and accrued capital for 2015 activity. The Company drew a net $15.0 million on its Credit Facility during the period.

Summary of Operational Achievements During The First Quarter of 2017

- *Reductions in per well costs:* The Company's drilling and completion well costs in Fasken, excluding location, tubing, and facilities, decreased 25% to $4.3 million compared to $5.7 million per well for the prior drilling campaign in the same area. A significant amount of the Company's recent well cost reductions are attributable to process and design improvements, resulting in a new technical limit set in Fasken as the 57H was drilled in a record 5.7 days spud to total depth. Drilling and completions costs in AWP, excluding location, tubing, and facilities, decreased 16% to average $6.4 million for the last two wells compared to an average of $7.6 million associated with the last drilling campaign in the same area.

Liquidity and Capital Resources

Historically, our primary sources of liquidity have been cash flows from operations, borrowings under our Prior First Lien Credit Agreement and issuances of senior notes. Our primary use of cash flow has been to fund capital expenditures used to develop our oil and gas properties. Upon emergence from bankruptcy, our primary sources of liquidity are cash flows from operations and borrowings under the Credit Facility. Other potential sources of liquidity in the next twelve months include proceeds from sales of debt or equity securities. As of March 31, 2017, the Company's liquidity consisted of approximately $0.2 million of cash-on-hand and $63.7 million in available borrowings (calculated as $78 million of borrowing availability less $4.3 million in letters of credit and a $10 million minimum liquidly requirement) on the $250 million borrowing base under our Credit Facility. As of April 30, 2017, the Company had borrowings of $189.0 million under the Credit Facility.

Revolving Credit Facility and Prior First Lien Credit Agreement. Upon our emergence from bankruptcy, the Prior First Lien Credit Agreement was terminated and paid in full, and the Company entered into a Senior Secured Revolving Credit Agreement among the Company, as borrower, JPMorgan Chase Bank, National Association, as administrative agent, and certain lenders party thereto. On April 19, 2017, the Company amended and restated the Senior Secured Revolving Credit Agreement by entering into a First Amended and Restated Senior Secured Revolving Credit Agreement (the "Credit Agreement") among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders that are a party thereto, which provides for revolving loans of up to the borrowing base then in effect (the "Credit Facility"). The Credit Facility matures April 19, 2022. The maximum credit amount under the Credit Facility is currently $600 million with an initial borrowing base of $330 million. The borrowing base is scheduled to be redetermined in May and November of each calendar year, commencing November 2017, and is subject to additional adjustments from time to time, including for asset sales, elimination or reduction of hedge positions and incurrence of other debt. Additionally, each of the Company and the administrative agent may request an unscheduled redetermination of the borrowing base between scheduled redeterminations. The amount of the borrowing base is determined by the lenders in their discretion and consistent with their oil and gas lending criteria at the time of the relevant redetermination. The Company may also request the issuance of letters of credit under the Credit Agreement in an aggregate amount up to $25 million, which reduce the amount of available borrowings under the borrowing base in the amount of such issued and outstanding letters of credit.

Interest under the Credit Facility accrues at the Company's option either at an Alternative Base Rate plus the applicable margin ("ABR Loans") or the LIBOR Rate plus the applicable margin ("Eurodollar Loans"). The applicable margin ranges from 1.75% to 2.75% for ABR Loans and 2.75% to 3.75% for Eurodollar Loans. The Alternate Base Rate and LIBOR Rate are defined, and the applicable margins are set forth, in the Credit Agreement. Undrawn amounts under the Credit Facility are subject to a 0.50% commitment fee. To the extent that a payment default exists and is continuing, all amounts outstanding under the Credit Facility will bear interest at 2.00% per annum above the rate and margin otherwise applicable thereto.

The obligations under the Credit Agreement are secured, subject to certain exceptions, by a first priority lien on substantially all assets of the Company and certain of its subsidiaries, including a first priority lien on properties attributed with at least 85% of estimated proved reserves of the Company and its subsidiaries.

The Credit Agreement contains the following financial covenants:

- a ratio of total debt to EBITDA, as defined in the Credit Agreement, for the most recently completed four fiscal quarters, not to exceed 4.0 to 1.0 as of the last day of each fiscal quarter; and

- a current ratio, as defined in the Credit Agreement and which includes in the numerator available borrowings undrawn under the borrowing base, of not less than 1.0 to 1.0 as of the last day of each fiscal quarter.

Additionally, the Credit Agreement contains certain representations, warranties and covenants, including but not limited to, limitations on incurring debt and liens, limitations on making certain restricted payments, limitations on investments, limitations on asset sales and hedge unwinds, limitations on transactions with affiliates and limitation on modifying organizational documents

and material contracts. The Credit Agreement contains customary events of default. If an event of default occurs and is continuing, the lenders may declare all amounts outstanding under the Credit Facility to be immediately due and payable.

We are in compliance with the covenants as of March 31, 2017 and expect to be in compliance with the covenants under the Credit Agreement during the next twelve months. Maintaining or increasing our conforming borrowing base under our Credit Facility is dependent upon many factors, including commodities pricing, our hedge positions and our ability to raise capital to drill wells to replace produced reserves.

2017 Capital Spending. On May 2, 2017, the Company announced a revised full year capital budget targeting a range of $190 million to $200 million compared to the original capital budget of $85.0 million and $95.0 million. The revised budget expands drilling in the Eagle Ford where the Company now intends to complete 26 wells compared to the prior capital budget of 12 wells. Based on this level of activity, the Company is providing full year 2017 average production guidance of 145 million to 155 million cubic feet of natural gas equivalent per day.

Contractual Commitments and Obligations

In the ordinary course of business, we are party to various legal actions, which arise primarily from our activities as operator of oil and natural gas wells. We do not believe that any of these claims and actions, separately or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations, or cash flows, although we cannot guarantee that a material adverse effect will not occur.

We had no material changes in our contractual commitments during the three months ended March 31, 2017 (successor) from our Annual Report on Form 10-K for the year ended December 31, 2016.

Off-Balance Sheet Arrangements

As of March 31, 2017, we had no off-balance sheet arrangements requiring disclosure pursuant to article 303(a) of Regulation S-K. We had no material changes in our contractual commitments and obligations from amounts referenced under “Contractual Commitments and Obligations” in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2016.

Results of Operations

Revenues — Three Months Ended March 31, 2017 (successor) and Three Months Ended March 31, 2016 (predecessor)

The tables included below set forth financial information for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor) which are distinct reporting periods as a result of our emergence from bankruptcy on April 22, 2016.

Natural gas production was 83% and 68% of our production volumes for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. Natural gas sales were 73% and 53% of oil and gas sales for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively.

Crude oil production was 7% and 19% of our production volumes for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. Crude oil sales were 17% and 37% of oil and gas sales for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. The remaining production and sales in each period came from NGLs.

The following tables provide additional information regarding our oil and gas sales, by area, excluding any effects of our hedging activities, for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor):

Fields	Oil and Gas Sales (In Millions)	Net Oil and Gas Production Volumes (MMcfe)	Oil and Gas Sales (In Millions)	Net Oil and Gas Production Volumes (MMcfe)
	Three Months Ended March 31, 2017 (Successor)	Three Months Ended March 31, 2017 (Successor)	Three Months Ended March 31, 2016 (Predecessor)	Three Months Ended March 31, 2016 (Predecessor)
Artesia Wells	$ 4.2	1,016	$ 2.8	1,260
AWP	13.6	3,146	11.3	4,488
Fasken	24.4	8,012	11.9	5,934
Other [1]	0.2	32	8.4	1,932
Total	$ 42.4	12,206	$ 34.4	13,614

(1) 2016 information composed primarily of fields sold during the year including our former Lake Washington, South Bearhead Creek and Burr Ferry Fields.

The sales volumes decrease from 2016 to 2017 was primarily due to decreased production due to natural declines, reduced drilling and completion activity and strategic dispositions of our non-core fields during the year.

In the first quarter of 2017, our $8.0 million, or 23% increase in oil, NGL, and natural gas sales from the prior year period resulted from:

- Price variances that had an approximate $15.8 million favorable impact on sales due to overall higher commodity pricing; and
- Volume variances that had an $7.8 million unfavorable impact on sales due to lower oil and NGL volumes, partially offset by higher natural gas volumes.

The following table provides additional information regarding our oil and gas sales, by commodity type, as well as the effects of our hedging activities for derivative contracts held to settlement, for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor) (in thousands, except per-dollar amounts):

	Three Months Ended March 31, 2017 (Successor)	Three Months Ended March 31, 2016 (Predecessor)
Production volumes:		
Oil (MBbl) [1]	146	427
Natural gas (MMcf)	10,104	9,197
Natural gas liquids (MBbl) [1]	204	310
Total (MMcfe)	12,206	13,614
Oil, Natural gas and Natural gas liquids sales:		
Oil	$ 7,201	$ 12,830
Natural gas	31,063	18,185
Natural gas liquids	4,148	3,352
Total	$ 42,412	$ 34,367
Average realized price:		
Oil	$ 49.26	$ 30.07
Natural gas	3.07	1.98
Natural gas liquids	20.33	10.83
Total	$ 3.47	$ 2.52
Price impact of cash-settled derivatives:		
Oil	$ (2.82)	$ —
Natural gas	(0.03)	—
Natural gas liquids	—	—
Total	$ (0.05)	$ —
Average realized price after cash settled derivatives:		
Oil	$ 46.44	$ 30.07
Natural gas	3.05	1.98
Natural gas liquids	20.33	10.83
Total	$ 3.42	$ 2.52

(1) Oil and natural gas liquids are converted at the rate of one barrel of oil equivalent to six Mcfe

For the three months ended March 31, 2017 (successor), the Company recorded $10.9 million of net gains from our derivative activities. For the three months ended March 31, 2016 (predecessor) there were no net gains or losses from our derivative activities as all hedges under the predecessor Company had settled as of December 31, 2015. Hedging activity is recorded in “Price-risk management and other, net” on the accompanying condensed consolidated statements of operations.

Costs and Expenses — Three Months Ended March 31, 2017 (successor) and Three Months Ended March 31, 2016 (predecessor)

The following table provides additional information regarding our expenses for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor):

Costs and Expenses	Three Months Ended March 31, 2017 (Successor)	Three Months Ended March 31, 2016 (Predecessor)
General and administrative, net	$ 9,834	$ 8,118
Depreciation, depletion, and amortization	9,715	17,245
Accretion of asset retirement obligation	564	1,291
Lease operating cost	5,773	12,307
Transportation and gas processing	4,385	5,055
Severance and other taxes	1,618	2,332
Interest expense, net	3,607	8,066
Write-down of oil and gas properties	—	77,732
Reorganization items, net	—	10,429
Total Costs and Expenses	$ 35,496	$ 142,575

General and Administrative Expenses, Net. These expenses on a per Mcfe basis were $0.81 and $0.60 for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. The increase was primarily due to severance payouts as part of the reduction in force in the first quarter of 2017 as well as a higher corporate benefit accrual. Included in general and administrative expenses is $1.5 million and $0.8 million in share based compensation for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively.

Depreciation, Depletion and Amortization ("DD&A"). These expenses on a per Mcfe basis were $0.80 and $1.27 for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. The depletion rates for the first quarter of 2017 versus the first quarter of 2016 are not comparable due to the restatement of assets at their fair value upon emergence from bankruptcy in 2016.

Lease operating cost. These expenses on a per Mcfe basis were $0.47 and $0.90 for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. The decrease per Mcfe was primarily due to a concentrated effort to reduce overall operating costs as well as divestitures of non-core areas.

Transportation and gas processing. These expenses all related to gas and NGL sales. These expenses were $0.43 and $0.55 per Mcf of gas sales for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. The reduction was primarily attributable to improved negotiated rates for certain South Texas fields.

Severance and Other Taxes. These expenses on a per Mcfe basis were $0.13 and $0.17 for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. Severance and other taxes, as a percentage of oil and gas sales, were approximately 3.8% and 6.8% for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively. The reduction was primarily attributable to lower Louisiana oil sales as a percentage of total revenue. Louisiana oil production is taxed at higher rates than our other production.

Interest. Our gross interest cost was $3.8 million and $8.1 million for the three months ended March 31, 2017 (successor) and the three months ended March 31, 2016 (predecessor), respectively, of which $0.2 million was capitalized in the first quarter of 2017, while there was no capitalized interest in 2016. The decrease in gross interest was primarily due to the discontinuance of interest on our senior notes. Upon emergence from bankruptcy, our only interest bearing debt is our Credit Facility.

Write-down of oil and gas properties. Due to changes in pricing, timing of projects and changes in our reserves product mix we incurred a write-down of $77.7 million in the first quarter of 2016. There was no such write-down in the first quarter of 2017.

Income Taxes. There was no expense for income taxes in the first quarter of 2017 as the Company has sufficient deferred tax carryover assets to offset the income during this period. The unrelated deferred tax assets are fully offset by valuation allowances. There was no benefit for income taxes in the first quarter of 2016 as the tax expense was offset by changes to valuation allowances.

Non-GAAP Financial Measures

Adjusted EBITDA

We present adjusted EBITDA attributable to common stockholders ("Adjusted EBITDA") in addition to our reported net income (loss) in accordance with U.S. GAAP. Adjusted EBITDA is a non-GAAP financial measure that is used as a supplemental financial measure by our management and by external users of our financial statements, such as investors, commercial banks and others, to assess our operating performance as compared to that of other companies in our industry, without regard to financing methods, capital structure or historical costs basis. It is also used to assess our ability to incur and service debt and fund capital expenditures. We define Adjusted EBITDA as net income (loss):

Plus/(Less):

- Depreciation, depletion, amortization, and accretion;
- Accretion of asset retirement obligation;
- Interest expense;
- Impairment of oil and natural gas properties
- Reorganization items;
- Net losses (gains) on commodity derivative contracts;
- Amounts collected (paid) for commodity derivative contracts held to settlement;
- Share-based compensation expense.

Our Adjusted EBITDA should not be considered an alternative to net income (loss), operating income (loss), cash flows provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner.

The following table presents a reconciliation of our net income (loss) to Adjusted EBITDA (in thousands):

	Successor	Predecessor
	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net Income (Loss)	$ 17,710	$ (108,303)
Plus:		
Depreciation, depletion and amortization	9,715	17,245
Accretion of asset retirement obligations	564	1,291
Interest expense	3,607	8,066
Impairment of oil and gas properties	—	77,732
Reorganization items	—	10,429
Derivative (gain)/loss	(10,936)	—
Derivative cash settlements collected/(paid) [1]	(668)	—
Share-based compensation expense	1,503	770
Adjusted EBITDA	$ 21,495	$ 7,230

(1) This includes accruals for settled contracts covering commodity deliveries during the period where the actual cash settlements occur outside of the period.

Critical Accounting Policies and New Accounting Pronouncements

Fresh-start Accounting. Upon emergence from bankruptcy, we adopted fresh-start accounting, which resulted in the Company becoming a new entity for financial reporting purposes. Upon adoption of fresh-start accounting, our assets and liabilities were recorded at their fair values as of the Effective Date. The Effective Date fair values of our assets and liabilities differed materially from the recorded values of our assets and liabilities as reflected in our historical consolidated balance sheets. The effects of the Reorganization Plan and the application of fresh-start accounting were implemented as of April 22, 2016 and the related adjustments thereto were recorded in our condensed consolidated statement of operations as reorganization items for the period of January 1, 2016 through April 22, 2016.

Property and Equipment. We follow the "full-cost" method of accounting for oil and natural gas property and equipment costs. Under this method of accounting, all productive and nonproductive costs incurred in the exploration, development, and acquisition of oil and natural gas reserves are capitalized including internal costs incurred that are directly related to these activities and which are not related to production, general corporate overhead, or similar activities. Future development costs are estimated on a property-by-property basis based on current economic conditions and are amortized to expense as our capitalized oil and natural gas property costs are amortized. We compute the provision for depreciation, depletion, and amortization ("DD&A") of oil and natural gas properties using the unit-of-production method.

The costs of unproved properties not being amortized are assessed quarterly, on a property-by-property basis, to determine whether such properties have been impaired. In determining whether such costs should be impaired, we evaluate current drilling results, lease expiration dates, current oil and gas industry conditions, international economic conditions, capital availability, and available geological and geophysical information. As these factors may change from period to period, our evaluation of these factors will change. Any impairment assessed is added to the cost of proved properties being amortized.

The calculation of the provision for DD&A requires us to use estimates related to quantities of proved oil and natural gas reserves and estimates of the impairment of unproved properties. The estimation process for both reserves and the impairment of unproved properties is subjective, and results may change over time based on current information and industry conditions. We believe our estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates.

Full-Cost Ceiling Test. At the end of each quarterly reporting period, the unamortized cost of oil and natural gas properties (including natural gas processing facilities, capitalized asset retirement obligations and deferred income taxes, and excluding the recognized asset retirement obligation liability) is limited to the sum of the estimated future net revenues from proved properties (excluding cash outflows from recognized asset retirement obligations, including future development and abandonment costs of wells to be drilled, using the preceding 12-months' average price based on closing prices on the first day of each month, adjusted for price differentials, discounted at 10%, and the lower of cost or fair value of unproved properties) adjusted for related income tax effects ("Ceiling Test").

We believe our estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates.

If future capital expenditures outpace future discounted net cash flows in our reserve calculations, if we have significant declines in our oil and natural gas reserves volumes (which also reduces our estimate of discounted future net cash flows from proved oil and natural gas reserves) or if oil or natural gas prices decline, it is possible that non-cash write-downs of our oil and natural gas properties will occur in the future. We cannot control and cannot predict what future prices for oil and natural gas will be, thus we cannot estimate the amount or timing of any potential future non-cash write-down of our oil and natural gas properties due to decreases in oil or natural gas prices.

New Accounting Pronouncements. In May 2014, the FASB issued ASU 2014-09, providing a comprehensive revenue recognition standard for contracts with customers that supersede current revenue recognition guidance. The guidance is effective for annual and interim reporting periods beginning after December 15, 2017.

The Company's revenues are virtually all attributable to oil and gas sales. Based on our initial review of our contracts, the Company believes the timing and presentation of revenues under ASU 2014-09 will be consistent with our current revenue recognition policy as described above with one probable exception. The Company currently uses the entitlement method of accounting when sales for our account are not in proportion to ownership interest in production. To comply with ASU 2014-09, the Company expects to recognize revenue on the production sold for our account irrespective of ownership share of such production. Currently we do not have any significant imbalance situations; therefore, this is not expected to immediately impact our financial statements. The Company will continue to monitor specific developments for our industry as it relates to ASU 2014-09.

In February 2016, the FASB issued ASU 2016-02, which requires lessees to record most leases on the balance sheet. Under the new guidance, lease classification as either a finance lease or an operating lease will determine how lease-related revenue and expense are recognized. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

At December 31, 2016 the Company had lease commitments of approximately $8.8 million that it believes would be subject to capitalization under ASU 2016-02. This includes $1.9 million for our corporate office sub-lease which has a term of 4.4 years and commitments for equipment and vehicle leases which total $6.5 million. The company did not incur any significant additional lease obligations during the first quarter of 2017. These equipment leases generally have original terms of 2 - 3 years. In some instances further analysis is needed to determine if renewal options would result in capitalized amounts in excess of the obligations during the primary lease term. Based on our preliminary assessment, we believe these leases would most likely be deemed to be operating leases under the new standard. The corporate office sub-lease is the only existing lease that extends beyond December 31, 2018. Management plans to adopt ASU 2016-02 in the quarter ending March 31, 2019. Management continuously evaluates the economics of leasing vs. purchase for operating equipment. The lease obligations that will be in place upon adoption of ASU 2016-02 may be significantly different than the current obligations. Accordingly, at this time we cannot estimate the amount that will be capitalized when this standard is adopted.

In August 2016, the FASB issued ASU 2016-15, which provides greater clarity to preparers on the treatment of eight specific items within an entity’s statement of cash flows with the goal of reducing existing diversity on these items. The guidance is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. We are currently reviewing these new requirements. Implementation may result in presentation changes to our Statements of Cash Flows but we do not expect it to impact any of our other financial statements.

In January 2017, the FASB issued ASU 2017-01, to assist entities in evaluating whether transactions should be accounted for as an acquisition or disposal of an asset or business. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of transferred assets and activities are not a business. The guidance is effective for companies beginning January 1, 2018 with early adoption permitted prospectively. We are currently reviewing these new requirements to determine the impact of this guidance on our financial statements.

Forward-Looking Statements

This report includes forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this report, regarding our strategy, future operations, financial position, estimated production levels, reserve increases, capital expenditures, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this report, the words "could," "believe," "anticipate," "intend," "estimate," “budgeted”, "expect," "may," "continue," "predict," "potential," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements may include statements about our:

- future cash flows and their adequacy to maintain our ongoing operations;
- oil and natural gas pricing expectations;
- liquidity, including our ability to satisfy our short- or long-term liquidity needs;
- business strategy, including our business strategy post-emergence from bankruptcy;
- estimated oil and natural gas reserves or the present value thereof;
- our borrowing capacity, future covenant compliance, cash flows and liquidity;
- financial strategy, budget, projections and operating results;
- asset disposition efforts or the timing or outcome thereof;
- ongoing and prospective joint ventures, their structure and substance, and the likelihood of their finalization or the timing thereof;
- the amount, nature and timing of capital expenditures, including future development costs;
- timing, cost and amount of future production of oil and natural gas;
- availability of drilling and production equipment or availability of oil field labor;
- availability, cost and terms of capital;
- drilling of wells;
- availability and cost for transportation of oil and natural gas;
- costs of exploiting and developing our properties and conducting other operations;
- competition in the oil and natural gas industry;
- general economic conditions;
- opportunities to monetize assets;
- effectiveness of our risk management activities;
- environmental liabilities;
- counterparty credit risk;
- governmental regulation and taxation of the oil and natural gas industry;
- developments in world oil markets and in oil and natural gas-producing countries;
- uncertainty regarding our future operating results;
- plans, objectives, expectations and intentions contained in this report that are not historical;
- uncertainty of our ability to improve our operating structure, financial results and profitability following emergence from Chapter 11 and other risk and uncertainties related to our emergence from Chapter 11;
- new capital structure and the adoption of fresh start accounting, including the risk that assumptions and factors used in estimating enterprise value vary significantly from the current estimates in connection with the application of fresh start accounting; and
- other risks and uncertainties described in Part II, Item 1A. “Risk Factors,” in this quarterly report on Form 10-Q.

All forward-looking statements speak only as of the date they are made. You should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this report are reasonable, we can give no assurance that these plans, intentions or expectations

will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. We undertake no obligation to publicly release the results of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Risk. Our major market risk exposure is the commodity pricing applicable to our oil and natural gas production. Realized commodity prices received for such production are primarily driven by the prevailing worldwide price for crude oil and spot prices applicable to natural gas. This commodity pricing volatility has continued with unpredictable price swings in recent periods.

Our price-risk management policy permits the utilization of agreements and financial instruments (such as futures, forward contracts, swaps and options contracts) to mitigate price risk associated with fluctuations in oil and natural gas prices. As with our Prior First Lien Credit Agreement, we do not utilize these agreements and financial instruments for trading and only enter into derivative agreements with banks in our Credit Facility. For additional discussion related to our price-risk management policy, refer to Note 7 of our condensed consolidated financial statements included in Item 1 of this report.

Customer Credit Risk. We are exposed to the risk of financial non-performance by customers. Our ability to collect on sales to our customers is dependent on the liquidity of our customer base. Continued volatility in both credit and commodity markets may reduce the liquidity of our customer base. To manage customer credit risk, we monitor credit ratings of customers and from certain customers we also obtain letters of credit, parent company guarantees if applicable, and other collateral as considered necessary to reduce risk of loss. Due to availability of other purchasers, we do not believe the loss of any single oil or natural gas customer would have a material adverse effect on our results of operations.

Concentration of Sales Risk. A large portion of our oil and gas sales are to Kinder Morgan and affiliates and we expect to continue this relationship in the future. We believe that the business risk of this relationship is mitigated by the reputation and nature of their business and the availability of other purchasers.

Interest Rate Risk. At March 31, 2017, we had $172 million drawn under our Credit Facility which has a floating rate of interest and therefore is susceptible to interest rate fluctuations.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, consisting of controls and other procedures designed to give reasonable assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding such required disclosure. Our Chief Executive Officer and Chief Financial Officer have evaluated such disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during the three months ended March 31, 2017 (successor) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. - OTHER INFORMATION

Item 1. Legal Proceedings.

No material legal proceedings are pending other than ordinary, routine litigation incidental to the Company's business.

Item 1A. Risk Factors.

There have been no material changes in our risk factors disclosed in the 2016 Annual Report Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On January 20, 2017, we entered into a Share Purchase Agreement (the "Purchase Agreement") with each of the purchasers listed on Schedule A thereto (the "Purchasers") pursuant to which the Purchasers agreed to purchase 1,403,508 shares of the Company's common stock, par value $0.01 per share (the "Shares"), at a price of $28.50 per share (the "Private Placement"). The Private Placement resulted in approximately $40 million of gross proceeds and approximately $39 million of net proceeds (after deducting placement agent commissions and the Company's estimated expenses) to the Company. The Company intends to use the net proceeds from the Private Placement to repay Credit Facility borrowings and for general corporate purposes. The issuance of the Shares pursuant to the Purchase Agreement was made in reliance upon an exemption from the registration requirements of the Securities Act, pursuant to Section 4(a)(2) thereof and Rule 506 of Regulation D promulgated thereunder.

The following table summarizes repurchases of our common stock occurring during the first quarter of 2017:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
January 1 - 31, 2017 [(1)]	3,894	$ 33.40	—	$ —
February 1 - 28, 2017 [(1)]	—	$ —	—	—
March 1 - 31, 2017 [(1)]	4,979	$ 27.50	—	—
Total	8,873	$ 30.09	—	$ —

(1) These shares were withheld from employees to satisfy tax obligations arising upon the vesting of restricted shares.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

3.1*	First Amended and Restated Certificate of Incorporation of SilverBow Resources, Inc., effective May 5, 2017.
3.2*	First Amended and Restated Bylaws of SilverBow Resources, Inc., effective May 5, 2017.
4.1	Registration Rights Agreement, dated as of January 26, 2017, by and among SilverBow Resources, Inc. and the Purchasers named therein (incorporated by reference as Exhibit 10.1 to SilverBow Resources, Inc.'s Form 8-K filed February 1, 2017, File No 001-08754).
10.1	Share Purchase Agreement, dated as of January 20, 2017, by and among SilverBow Resources, Inc. and the Purchasers named therein (incorporated by reference as Exhibit 10.1 to SilverBow Resources, Inc.'s Form 8-K filed January 25, 2017, File No. 001-08754).
10.2+	Employment Agreement by and between SilverBow Resources, Inc. and Sean C. Woolverton, effective as of March 1, 2017 (incorporated by reference as Exhibit 10.1 to SilverBow Resources, Inc.'s Form 8-K filed February 28, 2017, File No. 001-08754).
10.3+	Employment Agreement by and between SilverBow Resources, Inc. and G. Gleeson Van Riet, effective as of March 20, 2017 (incorporated by reference as Exhibit 10.1 to SilverBow Resources, Inc.'s Form 8-K filed March 21, 2017, File No. 001-08754).
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31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.LAB*	XBRL Label Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document

*Filed herewith

+Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SILVERBOW RESOURCES, INC.
(Registrant)

Date: May 8, 2017

By: /s/ G. Gleeson Van Riet

G. Gleeson Van Riet
Executive Vice President and
Chief Financial Officer

Date: May 8, 2017

By: /s/ Gary G. Buchta

Gary G. Buchta
Controller

Exhibit Index

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Section 2: EX-3.1 (EXHIBIT 3.1)

Exhibit 3.1

FIRST AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

SILVERBOW RESOURCES, INC.

ARTICLE I

The name of the corporation is SilverBow Resources, Inc. (hereinafter, the "Corporation").

ARTICLE II

The address of its registered office in the State of Delaware is 1675 South State St, Suite B, Dover, Delaware 19901. The name of its registered agent at such address is Capitol Services, Inc.

ARTICLE III

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL") as it currently exists or may hereafter be amended.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is 50,000,000 shares, consisting of (a) 40,000,000 shares of common stock, par value $0.01 per share ("Common Stock"), and (b) 10,000,000 shares of preferred stock par value $0.01 per share ("Preferred Stock").

1. Common Stock. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of the Common Stock shall be required therefor.

The designations and the powers, preferences, rights, qualifications, limitations and restrictions of Common Stock are as follows:

(a) Subject to the then-applicable terms of the Director Nomination Agreement, among the Corporation and certain of its stockholders, dated as of April 22, 2016 (as may be amended from time to time, the "Nomination Agreement"), each share of Common Stock of the Corporation shall have identical powers, rights and privileges in every respect. Except as may otherwise be provided in this Certificate of Incorporation or by applicable law, the holders of shares of Common Stock shall be entitled to one vote for each such share, in person or by proxy, upon all questions presented to the stockholders, and the holders of shares of Common Stock shall have the right to vote for the election of directors and for all other purposes or if any holders of shares of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of shares of Preferred Stock, if any. Each holder of Common Stock shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (as in effect at the time in question) and applicable law on all matters put to a vote of the stockholders of the Corporation.

(b) Subject to the rights granted to any Preferred Stock, the holders of shares of Common Stock shall be entitled to receive ratably in proportion to the number of shares of Common Stock held by them such dividends and distributions (payable in cash, stock or otherwise), if any, as may be declared thereon by the board of directors of the Corporation (the "Board of Directors") at any time and from time to time out of any assets or funds of the Corporation legally available therefor.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of shares of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them remaining after payment of all liquidation preferences, if any, applicable to any outstanding Preferred Stock. A liquidation, dissolution or winding-up of the Corporation, as such terms are used in this paragraph (c), shall not be deemed to be occasioned by or to include any consolidation or merger of the Corporation with or into any other corporation or corporations or other entity or a sale, lease, exchange or conveyance of all or a part of the assets of the Corporation.

2. Preferred Stock. The Board of Directors shall issue Preferred Stock in one or more series from time to time at its option for such consideration and pursuant to such terms and conditions as it may decide. The Board of Directors shall determine the designations and the powers, preferences, rights, qualifications, limitations and restrictions of the Preferred Stock and may, at its option, divide such Preferred Stock into series and determine variations, if any, between any series so established.

3. Preemptive Rights. No holder of any stock of the Corporation shall be entitled as of right to purchase or subscribe for any part of any unissued or treasury stock of the Corporation, or of any additional stock to be issued by reason of any increase of the authorized capital stock of the Corporation, or to be issued from any unissued or additionally authorized stock, bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Corporation, but any such unissued or treasury stock, or any such additional authorized issue of new stock or securities convertible into stock, may be issued and disposed of by the Board of Directors to such persons, firms, corporations or associations, and upon such terms as the Board of Directors may, in its discretion, determine, without offering to the stockholders then of record on the same terms or any terms.

ARTICLE V

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

1. Provisions Relating to Board Composition. The number of directors constituting the Board of Directors shall initially be seven (7) as set forth in the Nomination Agreement. Pursuant to Section 141(d) of the DGCL, the directors shall be divided, with respect to the time for which they severally hold office, into three classes, which are hereby designated as Class I, Class II and Class III, respectively. The members of the initial Board of Directors shall be as set forth in and elected pursuant to the Joint Plan of Reorganization, which, as amended, was confirmed by the United States Bankruptcy Court for the district of Delaware on March 31, 2016, as set forth in the Nomination Agreement. The term of office of (i) each initial Class I director shall expire at the first annual meeting of stockholders following the effective date of the Nomination Agreement, (ii) each initial Class II director shall expire at the second annual meeting of stockholders following the effective date of the Nomination Agreement and (iii) each initial Class III director shall expire at the third annual meeting of stockholders following the effective date of the Nomination Agreement. At each annual meeting of stockholders, directors elected to succeed those directors whose terms of office then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified or until his or her earlier death, retirement, resignation, disqualification or removal. Directors shall be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in the election. No holder of Common Stock shall be entitled to cumulate his or her votes for the election of one or more directors or for any other purpose.

2. Vacancies. Subject to applicable law and the then-applicable terms of the Nomination Agreement, any vacancies on the Board of Directors for any reason and any newly created directorships resulting from any increase in the number of directors may be filled only by the Board of Directors acting by a majority of the remaining directors then in office, even if they constitute less than a quorum of the Board of Directors pursuant to the bylaws of the Corporation, or by a sole remaining director, and any directors so chosen shall hold office until the next election of the class for which such directors shall have been chosen or until their successors shall be elected and qualified, except that a director chosen to fill a newly created directorship position shall hold office until the next election of one or more directors by the stockholders. Unless otherwise provided herein, when one or more directors resign from the Board of Directors, effective at a future date, a majority of directors then in office shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective. Except as otherwise provided by applicable law, during a period between two successive annual meetings of stockholders, the Board of Directors may not fill more than two vacancies created by an increase in the number of directors.

3. Number. Subject to the then-applicable terms of the Nomination Agreement, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Board of Directors. Unless and except to the extent that the bylaws of the Corporation so provide, the election of directors need not be by written ballot. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent Director. So long as the Board of Directors is divided into three classes, any increase or decrease in the number of directors constituting the Board of Directors shall be apportioned among the classes so as to maintain at least one director in each class.

4. Removal of Directors. Subject to the then-applicable terms of the Nomination Agreement, any director may be removed at any time upon the affirmative vote of the holders of at least a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders in accordance with the DGCL, this Certificate of Incorporation and the bylaws of the Corporation.

5. Director Disqualification. A director who, at the time of taking office as a director, is an employee of the Corporation or any subsidiary of the Corporation (an "Employee Director") shall cease to be qualified to serve as a director, and shall tender his or her resignation as director (which a majority of the Board of Directors may choose to waive this provision and have such director remain on the Board of Directors), if such person ceases to be an employee of the Corporation or any one of its subsidiaries, with the disqualification of such director and the effectiveness of such resignation to take place upon the earliest of (a) such director's cessation of employment, (b) delivery by such Employee Director to the Corporation, or such subsidiary or subsidiaries, as the case may be, of a notice of resignation of employment or (c) delivery by the Corporation or one of its subsidiaries, as the case may be, to such Employee Director of a notice of termination of employment; provided, however, the foregoing provisions of this Section 5, including the disqualification and resignation provisions thereof, shall have no force and effect with respect to any Employee Director if the Board of Directors determines that they shall have no force and effect with respect to such Employee Director prior to the earliest of the occurrence of (a), (b) or (c) above.

ARTICLE VI

(a) The business and affairs of the Corporation shall be managed under the direction of the Board of Directors to the fullest extent permitted by Section 141(a) of the DGCL.

(b) Notwithstanding paragraph (a) of this Article VI and any other provision of this Certificate of Incorporation or the bylaws of the Corporation, at any time in which one or more Designated Directors (as defined in the Nomination Agreement) is serving on the Board of Directors, the Corporation shall not take any of the following actions if Consenting Noteholders (as defined in the Nomination Agreement) that are party to the Nomination Agreement and that hold in the aggregate at least 50% of the Corporation's issued and outstanding shares of Common Stock object to such action in writing pursuant to the procedures set forth in paragraph (c) of this Article VI.

(i) The sale or other disposition of assets of the Corporation or any of its subsidiaries, in any single transaction or series of related transactions, with a fair market value in the aggregate in excess of $75,000,000, other than (i) any such sales or dispositions to or among the Corporation and its subsidiaries and (ii) the sale or disposition of hydrocarbons, accounts receivable, surplus or obsolete equipment (excluding the disposition of oil and gas in place and other interests in real property and volumetric production payments) in the ordinary course of business.

(ii) Any sale, recapitalization, liquidation, dissolution, winding up, bankruptcy event, reorganization, consolidation, or merger of the Corporation or any of its subsidiaries.

(iii) Issuing or repurchasing any shares of Common Stock or other equity securities (or securities convertible into or exercisable for equity securities) of the Corporation in an amount that is in the aggregate in excess of $5,000,000, other than (i) pursuant to employee benefit and incentive plans, (ii) the repurchase of capital stock deemed to occur upon the exercise of stock options or other equity awards to the extent such capital stock represents a portion of the exercise price of those stock options or other equity awards and any repurchase of capital stock made in lieu of or to satisfy withholding or similar taxes in connection with any exercise or exchange of stock options, warrants, equity incentives, other equity awards or other rights to acquire capital stock and (iii) the issuance of shares of Common Stock upon exercise of warrants pursuant to the Warrant Agreement dated on or about the date hereof between the Corporation and American Stock Transfer & Trust Company, LLC.

(iv) Incurring any indebtedness for borrowed money (including through capital leases, the issuance of debt securities or the guarantee of indebtedness of another person or entity), in any single transaction or series of related transactions, that is in the aggregate in excess of $75,000,000, other than (i) any indebtedness incurred to refinance indebtedness issued for less than $75,000,000 (which such amount shall be calculated in the aggregate for any series of related transactions), (ii) intercompany indebtedness, (iii) hedging obligations in the ordinary course of business and not for speculative purposes and (iv) other indebtedness in respect of workers' compensation claims, insurance contracts, self-insurance obligations, bankers' acceptances, performance and surety bonds and other similar guarantees of obligations in the ordinary course of business.

(v) Entering into any proposed transaction or series of related transactions involving a Change of Control of the Corporation. For purposes of this provision, "Change of Control" shall mean any transaction resulting in any person or group (as such terms are defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934) acquiring "beneficial ownership" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934) of more than 50% of the total outstanding equity interests of the Corporation (measured by voting power rather than number of shares).

(vi) Entering into or consummating any material acquisition of businesses, companies or assets (whether through sales or leases) or joint ventures, in any single transaction or series of related transactions, in the aggregate in excess of $75,000,000.

(vii) Increasing or decreasing the size of the Board of Directors.

(viii) Amending this Certificate of Incorporation or the bylaws of the Corporation.

(ix) Entering into any arrangements or transactions with affiliates of the Corporation.

Notwithstanding anything to the contrary contained herein, the provisions of this paragraph (b) shall not (1) apply to the first resolutions adopted by the Board of Directors, including those by written consent if any; or (2) be deemed to eliminate or reduce any fiduciary duties a member of the Board of Directors may have to any stockholder or group of stockholders of the Corporation that may otherwise exist under the DGCL.

(c) To permit the Consenting Noteholders the right to review and possibly object to the items set forth in clauses (i) to (ix) of paragraph (b), the Consenting Noteholders and the Corporation shall take the following actions and follow the procedures set forth below:

(i) To permit the Corporation to provide notice of any resolution of the Board of Directors, the Consenting Noteholders shall provide the Secretary of the Corporation the names, contact information and share ownership of each of such Consenting Noteholders as of the date of the execution of this Certificate of Incorporation, which they shall update as necessary (including to account for any purchase or transfer of shares of Common Stock), it being understood that the Corporation will rely on any such information for purpose of complying with this Article VI and any action taken by the Corporation in furtherance of a resolution of the Board of Directors shall not be subject to challenge for failing to comply with paragraph (b) of this Article VI if the Corporation does not have correct or any such updated information regarding the Consenting Noteholders.

(ii) The Corporation shall provide notice to the Consenting Noteholders that are party to the Nomination Agreement prior to taking any of the above such actions, which such notice shall be given no later than two days after approval of such action by the Board of Directors and provide the Consenting Noteholders a minimum of two days to respond to such notice before such action is effected. The form of such notice shall initially be in general form, not contain any material non-public information (within the meaning of U.S. federal securities laws) and provide the Consenting Noteholders with the opportunity to opt-in and receive the necessary details of such action to make an informed decision in exercising their consent right contained in this Article VI (which after a Consenting Noteholders opts-in, may contain material non-public information).

(iii) To exercise the objection rights contemplated by this Article VI, Consenting Noteholders will be required to present to the Board of Directors reasonably satisfactory evidence of their share ownership.

Notwithstanding anything to the contrary contained herein: (i) it is understood that an action by the Board of Directors shall not be subject to additional notice periods and potential objections if notice of an action set forth in clauses (i) to (ix) of paragraph (b) of this Article VI has previously been given to the Consenting Noteholders, they did not object and the definitive terms of any such action or transaction have not changed in all material respects; and (ii) notwithstanding anything to the contrary contained herein, paragraph (b) and this paragraph (c) shall permanently terminate and no longer be of effect upon the Consenting Noteholders owning in the aggregate less than 50% of the Corporation's issued and outstanding shares of Common Stock.

ARTICLE VII

Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders, or any action that may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

ARTICLE VIII

Special meetings of stockholders of the Corporation may be called only by the Chief Executive Officer, the Chairman of the Board or the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies. Stockholders may not call or request special meetings of stockholders of the Corporation.

ARTICLE IX

In furtherance of, and not in limitation of, the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend, restate or repeal the bylaws of the Corporation. The bylaws of the Corporation shall not be altered, amended, restated or repealed by the stockholders of the Corporation except by the vote of holders of at least $66^{2}/_{3}\%$ in voting power of the outstanding shares of stock entitled to vote thereon, voting together as a single class.

ARTICLE X

Notwithstanding any other provision of this Certificate of Incorporation or the bylaws of the Corporation (and in addition to any other vote that may be required by applicable law, this Certificate of Incorporation or the bylaws of the Corporation), the approval of a majority of the directors then in office and the affirmative vote of the holders of at least $66^{2}/_{3}\%$ in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to amend, alter or repeal any provision of this Certificate of Incorporation.

Notwithstanding the foregoing, no amendment, alteration or repeal of Article XV shall adversely affect any right or protection existing under this Certificate of Incorporation immediately prior to such amendment, alteration or repeal, including any right or protection of a present or former director, officer or employee thereunder in respect of any act or omission occurring prior to the time of such amendment.

ARTICLE XI

No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such elimination or limitation of liability is not permitted under the DGCL as it now exists. In addition to the circumstances in which a director of the Corporation is not personally liable for monetary damages as set forth in the preceding sentence, a director of the Corporation shall not be liable to the fullest extent permitted by any amendment to the DGCL hereafter enacted that further eliminates or limits the liability of a director.

The rights and authority conferred in this Article XI shall not be exclusive of any other rights that any person may otherwise have or hereafter acquire.

Any amendment, repeal or modification of this Article XI shall be prospective only and shall not affect any limitation of liability of a director for acts occurring or omissions prior to the date of such amendment, repeal or modification.

ARTICLE XII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the Corporation's bylaws, or (d) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII.

ARTICLE XIII

The Corporation shall not be governed by or subject to the provisions of Section 203 of the DGCL as now in effect or hereafter amended, or any successor statute thereto.

ARTICLE XIV

The Corporation shall not issue nonvoting equity securities; provided, however the foregoing restriction shall (i) have no further force and effect beyond that required under Section 1123(a)(6) of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), (ii) only have such force and effect for so long as Section 1123 of the Bankruptcy Code is in effect and applicable to the Corporation, and (iii) in all events may be amended or eliminated in accordance with applicable law as from time to time may be in effect. The prohibition on the issuance of nonvoting

equity securities is included in this Certificate of Incorporation in compliance with Section 1123(a)(6) of the Bankruptcy Code.

ARTICLE XV

(6) Indemnification.

(c) The Corporation (and any successor to the Corporation by merger or otherwise) shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than a Proceeding by or in the right of the Corporation), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership (limited or general), joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person in connection with such action, suit or proceeding if the Covered Person acted in good faith and in a manner the Covered Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the Covered Person's conduct was unlawful. Notwithstanding the preceding sentence, except as otherwise provided in Clause (c) of this Article XV, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors. On no account shall any amendment to applicable law as it presently exists or may hereafter be amended be deemed to limit or prohibit the right to indemnification in this Article XV for past actions or omissions of any Covered Person insofar as such amendment limits or prohibits the indemnification rights that said law permitted the Corporation to provide prior to such amendment. Persons who are not directors or officers of the Corporation and are not serving at the request of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors.

(d) The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition; *provided, however*, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be finally determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified under this Article XV or otherwise.

(e) If a claim for indemnification under this Article XV (following the final disposition of such Proceeding) is not paid in full within sixty (60) days after the Corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article XV is not paid in full within thirty (30) days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(f) The rights conferred on any Covered Person by this Article XV shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the bylaws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

(g) This Article XV shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

(h) Any Covered Person entitled to indemnification and/or advancement of expenses, in each case pursuant to this Article XV, may have certain rights to indemnification, advancement and/or insurance provided by one or more persons with whom or which such Covered Person may be associated. The Corporation hereby acknowledges and agrees that (i) the Corporation shall be the indemnitor of first resort with respect to any Proceeding, expense, liability or matter that is the subject of this Article XV, (ii) the Corporation shall be primarily liable for all such obligations and any indemnification afforded to a Covered Person in respect of a Proceeding, expense, liability or matter that is the subject of this Article XV, whether created by law, organizational or constituent documents, contract or otherwise, (iii) any obligation of any persons with whom or which a Covered Person may be associated to indemnify such Covered Person and/or advance expenses or liabilities to such Covered Person in respect of any Proceeding shall be secondary to the obligations of the Corporation hereunder, (iv) the Corporation shall be required to indemnify each Covered Person and advance expenses to each Covered Person hereunder to the fullest extent provided herein without regard to any rights such Covered Person may have against any other person with whom or which such Covered Person may be associated or insurer of any such person, and (v) the Corporation irrevocably waives, relinquishes and releases any other person with whom or which a Covered Person may be associated from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Corporation hereunder.

(i) Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of this Certificate of Incorporation after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or Proceeding for which indemnification or advancement of expenses is sought.

6. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article XV.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the undersigned has executed this First Amended and Restated Certificate of Incorporation as of this 5th day of May, 2017.

SILVERBOW RESOURCES, INC.

By: /s/ Sean C. Woolverton
Name: Sean C. Woolverton
Title: Chief Executive Officer

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Section 3: EX-3.2 (EXHIBIT 3.2)

Exhibit 3.2

FIRST AMENDED AND RESTATED BYLAWS
OF
SILVERBOW RESOURCES, INC.

Incorporated under the Laws of the State of Delaware

Amended and Restated: May 5, 2017

ARTICLE I
OFFICES AND RECORDS

Section 1.1 Registered Office. The registered office of SilverBow Resources, Inc. (the "Corporation") in the State of Delaware shall be located at 1675 South State St, Suite B, Dover, Delaware 19901, and the name of the Corporation's registered agent at such address is Capitol Services, Inc. The registered office and registered agent of the Corporation may be changed from time to time by the board of directors of the Corporation (the "Board") in the manner provided by law.

Section 1.2 Other Office. The Corporation may have such other offices, either within or without the State of Delaware, as the Board may designate or as the business of the Corporation may from time to time require.

Section 1.3 Books and Records. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Article II
STOCKHOLDERS

Section 2.1 Annual Meeting. If required by applicable law, an annual meeting of the stockholders of the Corporation for the election of directors shall be held at such date, time and place, if any, either within or without the State of Delaware, as may be fixed by resolution of the Board. Any other proper business may be transacted at the annual meeting. The Board may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

Section 2.2 Special Meeting. Special meetings of stockholders of the Corporation may be called only by the Chief

Executive Officer, the Chairman of the Board or the Board pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies. The stockholders of the Corporation do not have the power to call a special meeting of stockholders of the Corporation. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting. The Board may postpone, reschedule or cancel any previously scheduled special meeting of the stockholders.

Section 2.3 Record Date.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at

such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day preceding the day on which notice is given, or, if notice is waived, at the close of business on the day preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting and to notice of the adjourned meeting as set forth in Section 2.7(B).

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 2.4 Stockholder List. The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at any meeting of stockholders (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order and showing the address of each such stockholder and the number of shares registered in the name of such stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting, either on a reasonably accessible electronic network (*provided* that the information required to gain access to the list is provided with the notice of the meeting) or during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of the stockholders.

Section 2.5 Place of Meeting. The Board, the Chairman of the Board or the Chief Executive Officer, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board, the Chairman of the Board or the Chief Executive Officer. If no designation is so made and the meeting is not designated to be held by means of remote communication, the place of meeting shall be the principal executive offices of the Corporation. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law") and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders held at a place or by means of remote communications, and, notwithstanding the foregoing, may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

Section 2.6 Notice of Meeting. Except as otherwise provided by law, notice, stating the place, if any, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting, in a manner pursuant to Section 7.6 hereof, to each stockholder of record entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall specify (A) the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting),

(B) the place, if any, date and time of such meeting, (C) the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, (D) in the case of a special meeting, the purpose or purposes for which such meeting is called and (E) such other information as may be required by law or as may be deemed appropriate by the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary of the Corporation. If the stockholder list referred to in Section 2.4 of these Bylaws is made accessible on an electronic network, the notice of meeting must indicate how the stockholder list can be accessed. If the meeting of stockholders is to be held solely by means of electronic communications, the notice of meeting must provide the information required to access such stockholder list during the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his or her address as it appears on the stock transfer books of the Corporation. The Corporation may provide stockholders with notice of a meeting by electronic transmission *provided* such stockholders have consented to receiving electronic notice in accordance with the Delaware General Corporation Law. Such notice by electronic transmission shall be deemed given at such time as provided by applicable law. Only such business shall be conducted at a special meeting of stockholders as shall have been stated in the notice of meeting. Meetings may be held without notice if notice is waived in accordance with Section 7.4 of these Bylaws.

Section 2.7 Quorum and Adjournment of Meetings.

(A) Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation (as the same may be amended and/or restated from time to time, the "Certificate of Incorporation"), the holders of a majority of the voting power of the outstanding shares of stock of the Corporation entitled to vote at the meeting (the "Voting Stock"), present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class or series, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The chairperson of the meeting or, if directed by the chairperson of the meeting, a majority of the shares so represented, may adjourn the meeting from time to time, whether or not there is such a quorum. Abstentions shall be treated as present for purposes of determining the presence or absence of a quorum. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(B) Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place or by remote communication, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 2.8 Proxies. At all meetings of stockholders, a stockholder or such stockholder's duly authorized attorney-in-fact may authorize another person or persons to vote for such stockholder by a proxy executed in writing (or in such other manner prescribed by the Delaware General Corporation Law). Any copy, facsimile transmission or other reliable reproduction of the writing or transmission created to authorize such other person or persons to vote by proxy may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, *provided* that such copy, facsimile transmission or other reproduction shall be a complete reproduction of the entire original writing or transmission. No proxy may be voted or acted upon after the expiration of three (3) years from the date of such proxy, unless such proxy provides for a longer period. Every proxy is revocable at the pleasure of the stockholder executing it unless the proxy states that it is irrevocable and such proxy actually is irrevocable under applicable law. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary of the Corporation.

Section 2.9 Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders at an annual meeting of stockholders may be made only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto), (b) subject to the then-applicable terms of the Director Nomination Agreement, among the Corporation and certain of its stockholders, dated as of April 22, 2016 (as may be amended from time to time, the "Nomination Agreement"), by or at the direction of the Board or any duly authorized committee thereof or (c) subject to the then-applicable terms of the Nomination Agreement, by any stockholder of the Corporation who (i) was a stockholder of record at the time of giving of notice provided for in these Bylaws and at the time of the annual meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in these Bylaws as to such business or nomination; clause 1(c) of this Section 2.9(A) shall be the exclusive means for a stockholder to make nominations or submit other business before an annual meeting of the stockholders (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")).

(2) For any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.9(A)(1)(c) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary and such other business must otherwise be a proper matter for stockholder action under the Delaware General Corporation Law. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day and not later than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting (which anniversary, in the case of the first annual meeting of stockholders following the date of the adoption of these Bylaws, shall be deemed to be May 5, 2017); *provided, however*, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than one hundred (100) days prior to the date of such annual meeting, the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. To be in proper form, a stockholder's notice (whether given pursuant to this Section 2.9(A)(2) or Section 2.9(B)) to the Secretary must:

(a) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of stock of the Corporation or otherwise (a "Derivative Instrument"), directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) a description of any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Corporation, (D) any short interest in any security of the Corporation (for purposes of these Bylaws a person shall be deemed to have a "short interest" in a security if such person directly or indirectly, through any contract, arrangement, understanding,

relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) to which such stockholder is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household, (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (iv) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting, and (v) a representation as to whether such stockholder or any such beneficial owner intends or is part of a group that intends to (x) deliver a proxy statement or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding stock required to approve or adopt the proposal or to elect each such nominee or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination. The information required under clauses (a)(i) and (ii) of the preceding sentence of this Section 2.9(A)(2)(a) shall be supplemented by such stockholder and any such beneficial owner not later than ten (10) days after the record date for notice of the meeting to disclose such information as of such record date;

(b) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment) and (iii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder;

(c) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(d) with respect to each nominee for election or reelection to the Board, include a completed and signed questionnaire, representation and agreement required by Section 2.9(A)(5) of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(3) Notwithstanding anything in the second sentence of Section 2.9(A)(2) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board at the annual meeting is increased after the time period for which nominations would otherwise be due under paragraph (A)(2) of this Section 2.9 and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by these Bylaws shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(4) The foregoing notice requirements of this Section 2.9(A) shall be deemed satisfied by a stockholder with respect to business other than a nomination if such stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with the applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(5) To be eligible to be a nominee for election or reelection as a director of the Corporation, a proposed nominee must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2.9(A)(2) of these Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the Corporation that has not been disclosed therein, and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(6) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to Section 2.9(A)(2) shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than seven (7) business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date) any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(B) Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to a notice of meeting (1) by or at the direction of the Board or any duly authorized committee thereof or (2) *provided* that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (a) is a stockholder of record at the time of giving of notice provided for in these Bylaws and at the time of the special meeting, (b) is entitled to

vote at the meeting, and (c) complies with the notice procedures set forth in Section 2.9 of these Bylaws. In the event a special meeting of stockholders is called for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by Section 2.9(A)(2) of these Bylaws with respect to any nomination (including the completed and signed questionnaire, representation and agreement required by Section 2.9(A)(5) of these Bylaws) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or, if the first public announcement of the date of such special meeting is less than one hundred (100) days prior to the date of such special meeting, the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with applicable law and the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with applicable law or these Bylaws, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by Dow Jones News Service, the Associated Press, or any other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws; *provided, however*, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 2.9(A)(1)(c) or 2.9(B) of these Bylaws and compliance with paragraphs (A)(1)(c) and (B) of this Section 2.9 shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in paragraph (A)(4), business other than nominations brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in these Bylaws shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of Common Stock to elect directors if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

(4) The Corporation may require any proposed stockholder nominee for director to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(5) Notwithstanding the foregoing provisions of this Section 2.9, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.9, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder

or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Section 2.10 Conduct of Business.

(A) Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by a chairperson designated by the Board. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

(B) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairperson of the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairperson of the meeting shall have the right and authority to convene and (for any or no reason) recess and/or adjourn the meeting, and prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (1) the establishment of an agenda or order of business for the meeting; (2) rules and procedures for maintaining order at the meeting and the safety of those present; (3) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (4) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (5) limitations on the time allotted to questions or comments by participants. The chairperson of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such chairperson should so determine, such chairperson shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.11 Procedure for Election of Directors; Required Vote. At any meeting at which directors are to be elected, so long as a quorum is present, the directors shall be elected by a plurality of the votes validly cast in such election. Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited. Except as otherwise provided by applicable law, the rules and regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation, or these Bylaws, in all matters other than the election of directors and certain non-binding advisory votes described below, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders. In non-binding advisory matters with more than two possible vote choices, the affirmative vote of a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the recommendation of the stockholders.

Section 2.12 Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it or any other corporation, if a majority of shares entitled to vote in the election of directors of such corporation is held, directly or indirectly by the Corporation, and such shares will not be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or such other corporation, to vote stock of the Corporation held in a fiduciary capacity.

Section 2.13 Inspectors of Elections; Opening and Closing the Polls. At any meeting at which a vote is taken by ballots, the Board by resolution may, and when required by law, shall, appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written

report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders and the appointment of an inspector is required by law, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

ARTICLE III
BOARD OF DIRECTORS

Section 3.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board. The directors shall act only as a Board, and the individual directors shall have no power as such.

Section 3.2 Number, Tenure and Qualifications. The number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the Board. The term of office of directors shall be as set forth in the Certificate of Incorporation. Directors need not be stockholders.

Section 3.3 Chairman of the Board. With the exception of the first meeting of the Board, the Chairman of the Board shall preside at all meetings of the stockholders and of the Board. In the absence of a designated Chairman of the Board, the Chief Executive Officer shall serve as Chairman of the Board until such time as a Chairman of the Board is appointed. The Chairman of the Board shall be elected from the Board of Directors by a majority vote of the Board of Directors. The Chairman of the Board shall perform all duties incidental to his or her position which may be required by law and all such other duties as are properly required of him or her by the Board.

Section 3.4 Regular Meetings. Subject to Section 3.6, regular meetings of the Board shall be held on such dates, and at such times and places, if any, or by remote communication, as are determined from time to time by resolution of the Board.

Section 3.5 Special Meetings. Special meetings of the Board shall be called only at the request of the Chairman of the Board, the Chief Executive Officer, or the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies. The person or persons authorized to call special meetings of the Board may fix the place, if any, and time of the meetings. Any business may be conducted at a special meeting of the Board.

Section 3.6 Notice. Notice of any meeting of directors shall be given to each director at his or her business or residence in writing by hand delivery, first-class or overnight mail or courier service, or facsimile transmission, electronic transmission or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by overnight mail or courier service, such notice shall be deemed adequately delivered when the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by facsimile or electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twenty-four (24) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twenty-four (24) hours prior to the time set for the meeting and shall be confirmed by facsimile or electronic transmission that is sent promptly thereafter. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting, except for amendments to these Bylaws, as provided under Section 8.1. A meeting may be held at any time without notice if notice is waived in accordance with Section 7.4 of these Bylaws.

Section 3.7 Action by Unanimous Written Consent of Board. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such

consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Section 3.8 Conference Telephone Meetings. Members of the Board, or any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 3.9 Quorum. Subject to Section 3.10, a number of directors equal to at least a majority of the Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice unless (A) the date, time and place, if any, of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 3.6 of these Bylaws shall be given to each director, or (B) the meeting is adjourned for more than twenty-four (24) hours, in which case the notice referred to in clause (A) shall be given to those directors not present at the announcement of the date, time and place of the adjourned meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 3.10 Vacancies. Subject to applicable law and the then-applicable terms of the Nomination Agreement, any newly created directorship that results from an increase in the number of directors or any vacancy on the Board that results from the death, retirement, resignation, disqualification or removal of any director or from any other cause may only be filled by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall hold office for the remaining term of his or her predecessor. No decrease in the number of authorized directors constituting the Board shall shorten the term of any incumbent director.

Section 3.11 Removal. The removal of directors shall be as set forth in the Certificate of Incorporation.

Section 3.12 Records. The Board shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

Section 3.13 Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have authority to fix the compensation of directors, including fees and reimbursement of expenses. The Corporation will cause each director serving on the Board to be reimbursed for all reasonable out-of-pocket costs and expenses incurred by him or her in connection with such service.

Section 3.14 Regulations. To the extent consistent with applicable law, the Certificate of Incorporation and these Bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the Corporation as the Board may deem appropriate.

ARTICLE IV
COMMITTEES

Section 4.1 Designation; Powers. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 4.2 Procedure; Meetings; Quorum. Any committee designated pursuant to Section 4.1 shall choose its own chairperson by a majority vote of the members then in attendance in the event that the chairperson has

not been selected by the Board, shall keep regular minutes of its proceedings and report the same to the Board when requested, and shall meet at such times and at such place or places as may be provided by the charter of such committee or by resolution of such committee or resolution of the Board. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution. The Board shall adopt a charter for each committee for which a charter is required by applicable laws, regulations or stock exchange rules, may adopt a charter for any other committee, and may adopt other rules and regulations for the governance of any committee not inconsistent with the provisions of these Bylaws or any such charter, and each committee may adopt its own rules and regulations of governance, to the extent not inconsistent with these Bylaws or any charter or other rules and regulations adopted by the Board.

Section 4.3 Substitution of Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of the absent or disqualified member.

ARTICLE V
OFFICERS

Section 5.1 Officers. The officers of the Corporation shall be a Chief Executive Officer, a Secretary and such other officers as the Board from time to time may deem proper. All officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article V. Such officers shall also have such powers and duties as from time to time may be conferred by the Board or by any committee thereof. The Board or any committee thereof may from time to time elect, or the Chief Executive Officer may, in accordance with Section 5.2 of these Bylaws, appoint, such other officers (including one or more Vice Presidents and Assistant Secretaries) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board or such committee thereof or the Chief Executive Officer, as the case may be.

Section 5.2 Election and Term of Office. The officers of the Corporation shall be elected or appointed from time to time by the Board. The Board from time to time may also delegate to the Chief Executive Officer the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any action by an appointing officer may be superseded by action by the Board. Each officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified or until his or her death or until he or she shall resign, but any officer may be removed from office at any time by the affirmative vote of a majority of the Board or, except in the case of an officer or agent elected or appointed by the Board or Chief Executive Officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his or her successor, his or her death, his or her resignation or his or her removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

Section 5.3 Chief Executive Officer. The Chief Executive Officer shall act in a general executive capacity in the administration and operation of the Corporation’s business and general supervision of its policies and affairs. The Chief Executive Officer shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board unless the Nominating and Strategy Committee appoints another director to act as interim Chairman of the Board. The Chief Executive Officer shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation.

Section 5.4 President. The President, if any, shall have such powers and shall perform such duties as shall be assigned to him or her by the Board.

Section 5.5 Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. Each Executive Vice President, Senior Vice President and Vice President, if any, shall have such powers and shall perform such duties as shall be assigned to him or her from time to time by the Board, the Chairman of the Board or the Chief Executive Officer.

Section 5.6 Secretary. The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders; he or she shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; he or she shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he or she shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he or she shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board, the Chairman of the Board or the Chief Executive Officer.

Section 5.7 Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board for the unexpired portion of the term at any meeting of the Board. Any vacancy in an office appointed by the Chairman of the Board or the Chief Executive Officer because of death, resignation, or removal may be filled by the Chairman of the Board or the Chief Executive Officer.

Section 5.8 Action with Respect to Securities of Other Entities. Unless otherwise directed by the Board, the Chief Executive Officer shall have power to waive notice, vote, consent and otherwise act on behalf of the Corporation, in person or may appoint any person or persons to act as proxy or attorney-in-fact for the Corporation (with or without power of substitution), at any meeting of security holders of or with respect to any action of security holders of any other entity in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other entity.

Section 5.9 Delegation. The Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE VI
STOCK CERTIFICATES AND TRANSFERS

Section 6.1 Stock Certificates and Transfers. The shares of the Corporation shall not be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock may be certificated shares. The issuance and transfer of shares of the stock of the Corporation shall be entered in and recorded on the books of the Corporation at the time of such issuance or transfer, as the case may be. In connection therewith, the date of any such issuance or transfer, the holder's name, the number of shares, the certificate(s), if any, representing such shares and in the case of cancellation of any such certificate, the date of cancellation, shall be entered in and recorded on the books of the Corporation. Shares of stock of the Corporation shall be transferable in the manner prescribed by law, the Certificate of Incorporation and these Bylaws. Subject to applicable law and the provisions of the Certificate of Incorporation, the shares of the stock of the Corporation shall be transferred on the books of the Corporation, which may be maintained by a third-party registrar or transfer agent, by the holder thereof in person or by his or her duly authorized attorney, (i) upon receipt of proper transfer instructions from the registered holder of uncertificated shares and upon compliance with appropriate procedures for transferring shares in uncertificated form or (ii) upon surrender for cancellation of any certificates for at least the same number of shares, with an assignment and power of transfer endorsed on any such certificates or attached to any such certificates,

duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require, at which time the Corporation shall record the transaction upon its books and issue a new certificate to the person entitled thereto (if the stock is then represented by certificates) and cancel any old certificate.

Subject to applicable law, each certificate representing shares of stock shall be signed, countersigned and registered in such manner as the Board may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 6.2 Lost, Stolen or Destroyed Certificates. No certificate for shares or uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board or any financial officer may in its or his or her discretion require.

Section 6.3 Ownership of Shares. The Corporation shall be entitled to treat the holder of record of any share or shares of stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 6.4 Regulations Regarding Certificates. The Board shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of stock of the Corporation. The Corporation may enter into additional agreements with stockholders to restrict the transfer of stock of the Corporation in any manner not prohibited by the Delaware General Corporation Law.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of each year.

Section 7.2 Dividends. Except as otherwise provided by law or the Certificate of Incorporation, the Board may from time to time declare, and the Corporation may pay, dividends on its outstanding shares of capital stock, which dividends may be paid in either cash, property or shares of capital stock of the Corporation. A member of the Board, or a member of any committee designated by the Board, shall be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, as to the value and amount of the assets, liabilities or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

Section 7.3 Seal. The Corporation may adopt a corporate seal.

Section 7.4 Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing or by electronic transmission, by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board or committee thereof need be specified in any waiver of notice of such meeting. Attendance of a person at a meeting

shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.5 Resignations. Any director or any officer, whether elected or appointed, may resign at any time only by giving written notice, including by electronic transmission, of such resignation to the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Secretary, or at such later time (including a later time determined upon the happening of an event or events) as is specified therein. No formal action shall be required of the Board or the stockholders to make any such resignation effective.

Section 7.6 Notices. Except as otherwise specifically provided herein (including Section 3.6 hereof) or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by commercial courier service, or by facsimile or other electronic transmission, *provided* that notice to stockholders by electronic transmission shall be given in the manner provided in Section 232 of the Delaware General Corporation Law. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively, notice to any stockholder shall be deemed given: (A) if by facsimile, when directed to a number at which the stockholder has consented to receive notice; (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (C) if by posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (1) such posting and (2) the giving of such separate notice; (D) if by any other form of electronic transmission, when directed to the stockholder; and (E) if by mail, when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 7.7 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board or a committee thereof.

Section 7.8 Time Periods. In applying any provision of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

Section 7.9 Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board, and, to the fullest extent permitted by law, each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees designated by the Board, or by any other person as to the matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 7.10 Nonvoting Equity Securities. The Corporation shall not issue nonvoting equity securities; provided, however the foregoing restriction shall (i) have no further force and effect beyond that required under Section 1123(a)(6) of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), (ii) only have such force and effect for so long as Section 1123 of the Bankruptcy Code is in effect and applicable to the Corporation, and (iii) in all events may be amended or eliminated in accordance with applicable law as from time to time may be in effect. The prohibition on the issuance of nonvoting equity securities is included in these Bylaws in compliance with Section 1123(a)(6) of the Bankruptcy Code.

ARTICLE VIII
AMENDMENTS

Section 8.1 Amendments. Subject to the provisions of the Certificate of Incorporation, these Bylaws may be amended, altered, restated or repealed (A) by resolution adopted by a majority of the directors present at any special or regular meeting of the Board at which a quorum is present if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting or (B) at any regular or special meeting of the stockholders upon the affirmative vote of at least $66^{2}/_{3}$% in voting power of the outstanding shares of the Corporation entitled to vote thereon if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

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Section 4: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Sean C. Woolverton, certify that:

I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2017, of SilverBow Resources, Inc. (the "registrant");

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
2. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
3. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting, to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2017 /s/ Sean C. Woolverton

Sean C. Woolverton
Chief Executive Officer

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Section 5: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, G. Gleeson Van Riet, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2017, of SilverBow Resources, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting, to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2017 /s/ G. Gleeson Van Riet

G. Gleeson Van Riet
Executive Vice President and
Chief Financial Officer

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Section 6: EX-32 (EXHIBIT 32)

Exhibit 32

Certification of the Chief Executive Officer and Chief Financial Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2017 of SilverBow Resources, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Sean C. Woolverton, the Chief Executive Officer of the Company, and G. Gleeson Van Riet, the Executive Vice President and Chief Financial Officer of the Company, each certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2017

/s/ Sean C. Woolverton

Sean C. Woolverton Chief Executive Officer

Date: May 8, 2017

/s/ G. Gleeson Van Riet

G. Gleeson Van Riet Executive Vice President and Chief Financial Officer

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