ADOPTION OF SHAREHOLDER RIGHTS PLAN RELATED TO COVID-19

On March 20, 2020, the Company adopted a shareholder rights agreement with a 5% trigger threshold and a term of one year. As disclosed in a supplement to this year's proxy statement on March 30, 2020, the board determined that the rights agreement was appropriate in light of the extreme market dislocation that has resulted in the Company's stock being fundamentally undervalued. The conditions stemming from the impact of COVID-19 on the economy and the volatility of the oil market have resulted in significant declines in the Company's stock price. The rights agreement is intended to enable all shareholders to realize the full value of their investment and reduce the likelihood of those seeking short-term gains taking advantage of current market conditions at the expense of the long-term interests of shareholders or of any person or group gaining control of the Company through open market accumulation or other tactics (especially in volatile markets) without paying an appropriate control premium.

The Company states that it also reached out to all of its major shareholders regarding the rights plan, most of whom informed the Company that they understand the need for the adoption of the rights plan in the context of the highly unusual and extreme circumstances that led to the current severe market conditions and the need to protect the interests of the Company and its long-term shareholders.

Glass Lewis believes that shareholder rights plans ("poison pills") are generally not in the best interest of shareholders. Specifically, they can reduce management accountability by substantially limiting opportunities for corporate takeovers. Rights plans can thus prevent shareholders from receiving a buy-out premium for their stock.

While we typically recommend that shareholders oppose the adoption of these plans, we believe this case warrants an exception. We are encouraged by the rights plan's limited duration, as well as by the Company's disclosure regarding the need for such plan at this time and its communication with shareholders.

We believe it would be in shareholders' best interests for the board to seek shareholder approval prior to extending or renewing the rights plan in the future. However, we do not believe action against any directors is warranted at this time. We will monitor this issue going forward.

The key features of the plan are as follows:

RIGHTS PLAN FEATURES		
	PURPOSE	*To protect the interests of long-term shareholders in light of the extreme market conditions stemming from the impact of COVID-19*
	NOL PILL	*No*
	DESCRIPTION OF RIGHTS	*Each Right entitles the registered holder to purchase from the Company a unit consisting of one one-thousandth of a share of a newly authorized series of Series C Participating Cumulative Preferred Stock, par value $1.00 per share, at a purchase price of $60.68 per unit.*
	TRIGGERING THRESHOLD	*5.0%*
	EXEMPTIONS	*Exempt persons include the Company or any of its subsidiaries, any employee benefit plan or any entity or trustee holding common stock for or pursuant to the terms of any such plan or for the purpose of funding any such plan or other benefits for employees of the Company and its subsidiaries*
	SUNSET PROVISION	*Yes*
	TERM	*1 year*
	EARLY TERMINATION	*Plan shall terminate early in the event of a shareholder-approved merger*
	QUALIFYING OFFER CLAUSE	*No*
	REDEMPTION FEATURES	*The board may redeem all of the rights at a price of $0.001 per right at any time before any person has become an acquiring person. If the board redeems any rights, it must redeem all of the rights.*