

Energy Investors Celebrate Price Jump, Then Call the Lawyers

With U.S. crude almost doubling in price since February and natural gas gaining about 38 percent just since May 26, stakeholders in at least three bankrupt energy companies are contending that corporate assets have risen so much in value that they deserve a bigger payout, **reports Bloomberg News**.

The news service, citing a letter by its reporter, says that “Sabine Oil & Gas Corp.’s unsecured creditors and note holders of Forest Oil Co., which merged with Sabine in 2014, filed a report last week seeking a jump in recoveries. Shareholders of bankrupt driller Penn Virginia Corp. questioned current valuations, while Ultra Petroleum Corp. shareholders, who are the first to be wiped out in a bankruptcy, said earlier this month that they are “very likely ‘in the money.’”

Sabine creditors are claiming the company is ignoring the recent increase in oil and gas prices to inflate the amount paid to the secured lenders at the expense of junior ones.

Read the article.